

Financial Hardship Extension & Local Unit Poverty Exemption

We will be holding our annual Show Cause Hearing for properties that are currently in tax forfeiture and headed towards foreclosure on Wednesday, January 19, 2021.

During this hearing, one of the many things we are doing is attempting to determine which of our taxpayers simply need to be caught up and which are truly in a desperate financial situation.

As you are all well aware, the unemployment situation nationwide is bad enough, but here in Michigan and especially in Montcalm County, it is far higher than the 'average' with not much change in sight for the near future. The last thing the county or the local units need is a shrinking tax base due to foreclosures, people losing their homes, leaving the state and those homes becoming blight which eventually will lower property values (and tax revenues). Most of us are also aware, either personally or through a close friend or relative, how hard it can be to get caught up when you fall behind in your financial obligations, even by a small amount.

In an effort to assist taxpayers in keeping their homes, our office offers a Financial Hardship Extension (MCL 211.78h (3)(b)(i)(ii)) for qualified taxpayers with taxes currently in forfeiture. It is a twelve (12) month EXTENSION ONLY and requires regular payments and a plan to get caught up. It does not forgive or exempt any tax, penalty or interest; it only allows additional time to pay. We also direct them to other departments or agencies that may be able to help the taxpayer get back on their feet financially.

Another avenue that we recommend they look into is a Poverty Exemption (MCL 211.7u) through the local township or city at the upcoming March Board of Review but they may also be requested at other boards of review held during the year. This exemption has been available for many years, but even those who fall well below the poverty level seem reluctant to utilize it except as a last resort.

Like our Financial Hardship Extension, if they qualify, this is a one-year program, but unlike the extension from the county, this can eliminate, in full or in part, their tax liability for that year only. When granted in conjunction with an extension from the county and any other assistance programs that they may qualify for, they have a real possibility of remaining in their homes and within a year or two being in a position to pay their share of the tax burden again. By remaining as owner/occupant, they are also not joining the ranks of the homeless or those that rely upon the State or Federal government (read: 'we, the taxpayer') to pay entirely for their housing. It is a huge step towards allowing our taxpayers to get out from under their overall financial burden and it provides them a small ray of hope that they will be able to get back on their feet.

We urge the local units to be compassionate when working with these taxpayers, whether they qualify or not. That person requesting help just could be your neighbor, parent, grandparent or child applying for the same assistance in some other township or city.