



City of
Jonesville

265 E. Chicago Street • Jonesville • MI 49250

(517) 849-2104 Ph
(517) 849-9037 Fx
www.jonesville.org
manager@jonesville.org

**CITY OF JONESVILLE
COUNCIL AGENDA
FEBRUARY 21, 2018 - 6:30 P.M.
CITY HALL**

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE / A MOMENT OF SILENCE

2. APPROVAL OF AGENDA

3. PUBLIC COMMENTS / AUDIENCE PRESENTATIONS

Citizens wanting to address the Council can do so at this time. Persons addressing the Council are requested to give their name and address for the record when called on by the Mayor.

4. PRESENTATIONS AND RECOGNITIONS

5. PUBLIC HEARING AND SUBSEQUENT COUNCIL ACTION

A. None

6. REPORTS AND RECOMMENDATIONS

- | | |
|--|--------------------------|
| A. Consider Resignation and Recognition – Ron Hayes | [Action Item] |
| B. Vacancy Appointment Process | [Information Item] |
| C. Consider Committee Appointments | [Action Item] |
| D. Resolution 2018-01 – Meetings of the Board of Review | [ROLL CALL][Action Item] |
| E. Resolution 2018-02 – Notice of Intent to Issue Bonds for Water Supply System Improvements | [ROLL CALL][Action Item] |
| F. Resolution 2018-03 – Poverty Exemption Guidelines | [ROLL CALL][Action Item] |
| G. Resolution 2018-04 – Waiver of Interest and Penalties, Property Transfer Affidavits | [ROLL CALL][Action Item] |
| H. Resolution 2018-05 – Procedures for Granting and Removing Real Property Tax Exemptions | [ROLL CALL][Action Item] |
| I. Fiscal Year 2018 – 2019 Budget Calendar | [Action Item] |
| J. Consider Contract for Mowing Services | [Action Item] |
| K. Six-Month Budget Comparison | [Discussion Item] |
| L. Framing Jonesville's Future | [Information Item] |

7. COUNCIL MINUTES

- | | |
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| A. Consider minutes of the January 17, 2018 Regular Meeting | [Action Item] |
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8. ACCOUNTS PAYABLE

- | | |
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| A. Accounts Payable for February 2018 totalling \$92,488.98 | [Action Item] |
|---|---------------|

9. DEPARTMENT REPORTS

- A. Fire Department – Chief Adair
- B. Water/Wastewater Treatment Plant – Superintendent Mahoney
- C. Department of Public Works/2017 Zoning Report – Superintendent Kyser
- D. Police Department/2017 Year End Report – Chief Lance
- E. Cash Report – Finance Director Spahr
- F. Cemetery Activity Report – Manager Gray


10. ADJOURNMENT



City of Jonesville

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manager@jonesville.org

To: Jonesville City Council
From: Jeffrey M. Gray, City Manager 
Date: February 16, 2018
Re: Manager Report and Recommendations – February 21, 2018 Council Meeting

6. A. Consider Resignation and Recognition – Ron Hayes

[Action Item]

Ron Hayes has submitted the attached resignation from Council and the Citizenship Committee. Pursuant to Section 5.8 of the City Charter, his resignation from Council shall be acted upon by Council. A motion to accept, with regret, Ron Hayes' resignation from City Council would be appropriate. Ron will attend the Council meeting to also receive a recognition for his service to the citizens of Jonesville. *Please refer to the attached resignation letter.*

6. B. Vacancy Appointment Process

[Information Item]

Section 5.9 of the City Charter describes the process for filling vacancies on Council. Council must appoint a qualified, registered elector within 60 days (on or before Sunday, April 22nd). Because the balance of the vacant term is more than 30 months, the appointee will serve on Council until the November election. The balance of the term (to end November 2020) will be filled at the November election.

I have attached a draft press release that is formatted similar to those previously used by Council to fill vacancies. Also attached is a tentative timeline that describes meeting dates and potential actions of Council related to the vacancy. *Please refer to the attached press release and timeline.*

6. C. Consider Committee Appointments

[Action Item]

It is necessary to appoint a member of Council to fill the balance of Ron Hayes' term on the Citizenship Committee, through September of 2020. Mayor Arno is recommending Council consider Brenda Guyse.

In addition, Mayor Arno will be travelling for a previously scheduled vacation from February 22nd until April 2nd. He is recommending that Brenda also be considered by Council as an alternate to the Personnel Committee while he is travelling. This will permit the committee to meet with three members, if necessary to fill the Council vacancy. One motion can be taken to consider these appointments.

6. D. Resolution 2018-01 – Meetings of the Board of Review

[ROLL CALL][Action Item]

The attached resolution would establish the meeting dates and times for the Board of Review, to occur in City Hall in March, July, and December on the days and times noted. The purposes of each meeting is noted in the resolution, with the hearing of appeals to property assessments to take place on Monday, March 19th, as stated. I recommend approval of the resolution. A roll call vote is required. *Please refer to the attached Resolution 2018-01.*

6. E. Resolution 2018-02 – Notice of Intent to Issue Bonds for Water Supply System Improvements

[ROLL CALL][Action Item]

The attached Resolution was prepared by the City's Bond Counsel related to the planned project to improve the Iron Removal Plant, remote read water meters, and related improvements to the public water supply. The notice is prepared as a required part of our application to the United States Department of Agriculture – Rural Development (USDA-RD) for a loan to support the project. The notice does not obligate the City to accept a loan or to issue bonds. Nor will the City be obligated to borrow the total

\$3.5 million noted in the notice. The notice is required to notify the public of our intent to pursue a project, to reimburse ourselves from bond proceeds for expenses incurred, and provide the public with information about its rights related to the issuance of bonds. Approval of the resolution authorizes the City Clerk to publish the notice in the Hillsdale Daily News. A roll call vote is necessary to approve the resolution. *Please refer to the attached Resolution 2018-02.*

6. F. Resolution 2018-03 – Poverty Exemption Guidelines [ROLL CALL][Action Item]

The City is required to maintain guidelines for the granting of exemptions to payment of property taxes due to household income. We have previously adopted annual amendments to these guidelines based on the current Federal poverty guidelines. The resolution and guidelines have been amended so that the City household income and asset guidelines will track annually with the Federal guidance. In addition, the Board of Review is recommending consideration of a partial exemption for those households that exceed Federal poverty guidelines. Households whose income is up to 10% above the poverty guidelines would be eligible for an exemption of 50% of property taxes. These thresholds are described in detail in Attachment A on the resolution. A roll call vote is necessary to approve the resolution. *Please refer to Resolution 2018-03.*

6. G. Resolution 2018-04 – Waiver of Interest and Penalties, Property Transfer Affidavits [ROLL CALL][Action Item]

As noted in the attached Resolution, State law permits the Assessor to waive certain penalties related to the filing of property transfer affidavits. Assessor Chuck Zemla has recommended that the City adopt a resolution affirming that the City follows the procedures stated in the law for such waivers. Collection of such penalties often exceeds the value of the penalty paid. A roll call vote is necessary to approve the resolution. *Please refer to the attached Resolution 2018-04.*

6. H. Resolution 2018-05 – Procedures for Granting and Removing Real Property Tax Exemptions [ROLL CALL][Action Item]

The attached Resolution states that the City will follow State law and Department of Treasury guidance regarding the issuance and removal of the property tax exemptions noted in the document. Assessor Chuck Zemla has recommended adoption of the Resolution to affirm that is the case. A roll call vote is necessary to approve the resolution. *Please refer to the attached Resolution 2018-05.*

6. I. Fiscal Year 2018-2019 Budget Calendar [Action Item]

The proposed calendar for the development of the Fiscal Year 2018-2019 Budget is attached. The calendar follows a similar time frame as has been utilized in prior years and will assure adoption of a budget prior to the start of the next fiscal year. Please note the planned special meeting on Wednesday, May 30th; this will assure that a complete draft budget will have been presented to Council prior to May 31st, in accordance with the City Charter. If the draft budget calendar is acceptable to Council, I would recommend a motion to approve it. *Please refer to the draft Fiscal Year 2018-2019 Budget Calendar.*

6. J. Consider Contract for Mowing Services [Action Item]

Michigan Lawn and Landscape has provided mowing and weed control services on several public properties for several years. The two-year contract was competitively bid in March 2016 and is set to expire. Our agreement permits the City to extend the contract where the contractor agrees to maintain the same rates. Michigan Lawn and Landscape has indicated that it is willing to maintain the same rates for an additional two-year period. Staff has been pleased with the quality of service and recommends an extension of the contract. *Please refer to the attached contract extension.*

6. K. Six-Month Budget Comparison

[Discussion Item]

The Fiscal Year 2018 six month budget comparison (July 1, 2017-December 31, 2017) is attached for your review. Overall, we are in compliance with our anticipated budgeted revenue and expenditures. Finance Director Spahr will provide additional clarification as necessary regarding the line items that exceed half of the budgeted expense as of December 31st. *Please refer to the attached six month budget comparison summary.*

6. L. Framing Jonesville's Future

[Information Item]

I want to offer my thanks to those who participated in, and encouraged others to respond to, our recent City survey. The survey is an important part of our effort to update our Master Plan. Region 2 Planning Commission, that helped us to put out the survey, is currently compiling the results.

We will hold a community meeting, that we are calling "Framing Jonesville's Future" on Wednesday, March 7th at 7:00 p.m. at the Jonesville Presbyterian Church fellowship hall. The survey results will be shared and meeting participants will have an opportunity to discuss priorities from the survey. I am hoping that at least a couple of members of each of our appointed boards and committees will be available and willing to commit their time to this important event.

The results of this effort will form the basis for our strategic planning as an organization over the next several years. We will also use the results to coordinate the development priorities and strategies between the LDFA, DDA, Planning Commission and City Council. Please consider attending, and encouraging others to join you.

Correspondence:

- Lenore Spahr – 2018 Governmental GAAP Update
- Domestic Harmony re: Service Contract

RECEIVED
JAN 23 2018

January 23, 2018

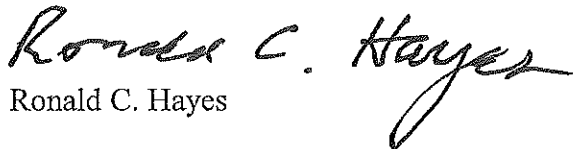
Jeff Gray, City Manager
Gerry Arno, City Mayor

BY: _____

Dear Jeff and Gerry,

I regret very much that I feel I need to resign from City Council and the Jonesville Citizenship Committee effective immediately. I recommend Andy Penrose to be appointed to serve as chairperson. He understands the committee functions and has substituted as chairperson. I will be glad to assist as much as possible.

It just seems that I need to focus more on my health goals. Thanks for the opportunity to serve the city. It has been my honor.


Ronald C. Hayes

**NEWS RELEASE
CITY OF JONESVILLE**

FOR IMMEDIATE RELEASE

PUBLIC SERVICE OPPORTUNITY

The Jonesville City Council is currently accepting applications from individuals with a desire to serve their community on the City Council.

One seat is open on the City Council, with the selected candidate to serve until November of 2018. The candidate would be eligible to run for election to continue to serve the balance of the vacant term, through November of 2020. Candidates must have resided in the City for a minimum of one year and be a registered elector (registered to vote in the City).

If you are interested in guiding the future of the City, please consider submitting an application for appointment, letter of interest, resume and references to:

City of Jonesville
265 E. Chicago Street
Jonesville, MI 49250

Applications will be received until 4:30 p.m. on Wednesday, March 14, 2018. If you have any questions about this position, please contact City Hall at 849-2104 or visit the City's website: www.jonesville.org.

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Contact Information:
Jeff Gray, City Manager
265 E. Chicago Street
Jonesville, MI 49250
(517) 849-2104
(517) 849-9037 fax
manager@jonesville.org

Council Vacancy Appointment/Election Timeline

January 23, 2018 – Resignation submitted

February 21, 2018 – Council Regular Meeting – Accept resignation, discuss appointment procedure; vacancy must be filled within 60 days, per Charter

February 22, 2018 – Advertise Vacancy – Press release and any other advertising deemed appropriate by Council

March 14, 2018 – Proposed Application Deadline

March 21, 2018 – Council Regular Meeting – Consider referral to Personnel Committee, set potential special meeting date (if necessary)

April 4, 2018 – Potential Special Meeting (if necessary)

April 18, 2018 – Council Regular Meeting – Appointment to fill vacancy

April 22, 2018 – Sixty days since vacancy established; vacancy must be filled per Charter (this is a Sunday)

Note: since there are more than 30 months left in the unexpired term, Section 5.9 of the Charter states that the appointee will serve until the next regular election (November of 2018). The remainder of the term (to end November 2020) would be filled at that election.

Mid-June 2018 – Petitions for November election would be available to circulate

July 24, 2018 – Petition filing deadline (15th Tuesday prior to election)

November 6, 2018 – Regular City election

2018-01

CITY OF JONESVILLE
COUNTY OF HILLSDALE
STATE OF MICHIGAN

RESOLUTION – MEETINGS OF THE BOARD OF REVIEW

At a Regular Meeting of the City Council of the City of Jonesville, County of Hillsdale, State of Michigan, held in the City Hall in said City on the 21st day of February, 2018, at 6:30 p.m.

PRESENT:

ABSENT:

The following resolution was offered by Councilperson _____ and supported by Councilperson _____.

WHEREAS, Chapter 10 of the Jonesville City Charter provides the minimum meeting requirements of the Board of Review; and

WHEREAS, Section 10.10 of said Charter states that the City Council shall designate the sessions and place of said meetings.

NOW, THEREFORE BE IT HEREBY RESOLVED, that the Board of Review shall convene in City Hall, located at 265 E. Chicago Street, Jonesville, Michigan, for the following sessions:

First Session: commencing on Monday, March 5th at 12:00 noon. and continuing as much longer as may be necessary for the purpose of considering and correcting the roll.

Second Session: Monday, March 19th, from 9:00 a.m. to 9:00 p.m., and continuing as long as may be necessary for the purpose of hearing appeals of property assessments.

July Session: Friday, July 20th, commencing at 1:00 p.m., and continuing for as long as necessary, for the purpose of correcting clerical errors, and considering principal residence, poverty, veteran's, and elderly or disabled exemption requests.

December Session: Friday, December 14th, commencing at 1:00 p.m., and continuing for as long as necessary, for the purpose of correcting clerical errors, and considering principal residence, poverty, veteran's, and elderly or disabled exemption requests.

AYES: Council Members:

NAYS: Council Members:

ABSENT: Council Members:

Cynthia D. Means, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Jonesville, County of Hillsdale, Michigan at a Regular Meeting held on the 21st day of February, 2018, and that public notice was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Cynthia D. Means, City Clerk

2018-02

**RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE
REVENUE BONDS AND DECLARATION OF INTENT TO REIMBURSE
(WATER SUPPLY SYSTEM IMPROVEMENTS)**

CITY OF JONESVILLE
County of Hillsdale, State of Michigan

Minutes of a regular meeting of the City Council of the City of Jonesville, County of Hillsdale, State of Michigan, held on the 21st day of February, 2018, at 6:30 p.m., prevailing Eastern Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____
and supported by Member _____:

WHEREAS, the City of Jonesville, County of Hillsdale, State of Michigan (the "City"), intends to issue and sell bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) for the purpose of paying part of the cost to acquire, construct, furnish and equip improvements to the City's existing water supply system, consisting generally of improvements to the water treatment plant and well house campus and improvements to the distribution system, together with interests in land and all related sites, structures, equipment, appurtenances and attachments thereto (the "Project"); and

WHEREAS, the City expects to sell the aforesaid bonds to the U. S. Department of Agriculture's Rural Development program; and

WHEREAS, a notice of intent to issue bonds must be published before the issuance of the aforesaid bonds in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, the City intends at this time to state its intention to be reimbursed from proceeds of the bonds for any expenditures undertaken by the City for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in the *Hillsdale Daily News*, a newspaper of general circulation in the City.

2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the form appearing at Appendix A attached hereto.

3. The City Council of the City does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is the method best calculated to give notice to the water supply system's users and the electors residing in the boundaries of the City of this City's intent to issue the bonds, the purpose of the bonds, the security for the bonds and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$3,500,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.

5. The City hereby retains the law firm of Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel in connection with the financing of the proposed Project.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

Cindy Means
City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Jonesville, County of Hillsdale, State of Michigan, at a regular meeting held on the 21st day of February, 2018, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Cindy Means
City Clerk

APPENDIX A

NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF JONESVILLE AND THE USERS OF THE CITY'S WATER SUPPLY SYSTEM OF INTENT TO ISSUE BONDS AND THE RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City of Jonesville, County of Hillsdale, State of Michigan (the "City"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), in one or more series as shall be determined by the City Council, for the purpose of paying part of the cost to acquire, construct, furnish and equip improvements to the City's existing water supply system, consisting generally of improvements to the water treatment plant and well house campus and improvements to the distribution system, together with interests in land and all related sites, structures, equipment, appurtenances and attachments thereto.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS SHALL BE PAYABLE solely from the revenues received by the City from the operations of said water supply system. Said revenues will consist of rates and charges that may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on said bonds, payment of outstanding bonds, and to pay other obligations of the system.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed forty (40) in number and will bear interest at the rate or rates to be determined at a private sale to the U.S. Government but in no event to exceed the maximum permitted by law on the balance of the bonds from time to time remaining unpaid.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS OF THE CITY UNLESS A VALID PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF A VALID PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS RESIDING WITHIN THE BOUNDARIES OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

Cindy Means
City Clerk
City of Jonesville

2018-03

CITY OF JONESVILLE
COUNTY OF HILLSDALE
STATE OF MICHIGAN

RESOLUTION – POVERTY EXEMPTION GUIDELINES

At a Regular Meeting of the City Council of the City of Jonesville, County of Hillsdale, State of Michigan, held in the City Hall in said City on the 21st of February, 2018, at 6:30 p.m.

PRESENT:

ABSENT:

The following resolution was offered by Councilperson _____ and supported by Councilperson _____.

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City Council; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Jonesville, Hillsdale County adopts the attached guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- 2) File a claim with the Assessor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or in the current year.
- 3) File a claim reporting that the combined assets of all persons do not exceed the attached guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services, and stated in the attachment.
- 7) A partial poverty exemption may be considered if applicant's household income falls within 110% of the federal poverty income guidelines.
- 8) The application for an exemption shall be filed after January 1, but one day prior to the last day of the Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

NOW, THEREFORE BE IT HEREBY RESOLVED, that the Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the Assessor and Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these reasons are communicated in writing to the claimant; and

FURTHERMORE, the attached City of Jonesville Poverty Guidelines shall follow the Federal Poverty Guidelines as established annually, and shall remain in effect until otherwise amended or rescinded.

AYES: Council Members:

NAYS: Council Members:

ABSENT: Council Members:

Cindy Means, Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Jonesville, County of Hillsdale, Michigan at a Regular Meeting held on the 21st day of February, 2018, and that public notice was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Cindy Means, Clerk

GUIDELINES FOR APPLICANTS REQUESTING POVERTY EXEMPTIONS

Adopted by Jonesville City Council on February 21, 2018

BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. INFORMATION REQUESTED UNDER THIS ACT MAY BE RELEASED TO THE PUBLIC.

1. All applicants must obtain and fill out the attached application. The application and all requested documents must be given to the local Assessor **no later than one day prior to the last day of the March, July, or December Board of Review.**
2. Applicants must own and occupy the principal residence for which the exemption is requested. The principal residence exemption (PRE) percentage, as determined by General Property Tax Law 211.7dd, will determine the percentage of property that can be considered for exemption.

"Principal residence" means the 1 place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Except as otherwise provided in this subdivision, principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. Principal residence also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Beginning December 31, 2007, principal residence also includes all of an owner's unoccupied property classified as timber-cutover real property under section 34c that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Except as otherwise provided in this subdivision, principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders. Property that qualified as a principal residence shall continue to qualify as a principal residence for 3 years after all or any portion of the dwelling or unit included in or constituting the principal residence is rented or leased to another person as a residence if all of the following conditions are satisfied:

- (i) The owner of the dwelling or unit is absent while on active duty in the armed forces of the United States.
- (ii) The dwelling or unit would otherwise qualify as the owner's principal residence.
- (iii) Except as otherwise provided in this subparagraph, the owner files an affidavit with the assessor of the local tax collecting unit on or before May 1 attesting that it is his or her intent to occupy the dwelling or unit as a principal residence upon completion of active duty in the armed forces of the United States. In 2008 only, the owner may file an affidavit under this subparagraph on or before December 31. A copy of an affidavit filed under this subparagraph shall be forwarded to the department of treasury pursuant to a schedule prescribed by the department of treasury.

3. Applicants cannot be considered for exemption if their total household gross income exceeds 110% of the amounts as established annually in the Federal Poverty Guidelines (See Exhibit A).
 - A. Applicants may be considered for a 50% exemption if their total household gross income falls within 100% and 110% of the amounts as established annually in the Federal Poverty Guidelines (See Exhibit A).

4. Cash assets for the total household may not exceed an amount equal to one month's Gross household income (See Exhibit A).
5. Maximum asset standards for the 2018 year may not exceed 200% of the Federal Poverty Guidelines as established annually. Those asset levels DO NOT include the value of your homestead (per MTT ruling on 08/13/1997, Docket #236230, and the equity of the homestead should not be included within the asset test to be valid).
6. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner, and all members of the household. Any attempt to hide and/or shift income and/or assets to another person, business or corporation shall be grounds for immediate denial.
7. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Heating Credits.
8. Applications must be filed every year. If granted, exemptions are in effect for the approved year only.
9. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if asked by the Board of Review.
10. The Board of Review and Assessor will review applications. The Board may ask applicants or their authorized agents to be physically present to answer questions.
11. Applicants or their authorized agents may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in their home at a meeting that is open to the public.
12. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
13. The Board of Review shall follow the policy and guidelines established by the Jonesville City Council in granting or denying an exemption.
14. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons. Compelling reasons include, but are not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons. Reasons will be communicated, in writing, to the applicant.
15. Applicants may be subject to investigation of their entire financial and property records by the Board of Review. This would be done to verify information given or statements made to the Board of Review or Assessor in regard to their poverty tax claim.
16. Household income limits are updated each year, using the poverty thresholds established by the Bureau of the Census.
19. Applicants will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board's decision. Appeals must be filed with the Tribunal within 30 days of the Board's final decision.

DECLARATION OF POVERTY & REQUEST FOR TAX RELIEF APPLICATION

Adopted by Jonesville City Council on February 21, 2018

Property ID Number: 30-____-____-____-____-____-____

Current State Equalized Value: \$_____ Current Taxable Value: \$_____

Property Address: _____

APPLICANT INFORMATION

IMPORTANT: It is necessary that you fill out this petition as carefully as you can. All questions must be answered. Please have supporting information such as contracts, mortgage receipts, tax receipts, bankbooks, etc. IMMEDIATELY available. An investigator may call at your home to examine your records. **NOTE:** Any person making a false petition for the purpose of exemption from taxation shall be guilty of the crime of perjury, and shall be punished accordingly.

I (We) hereby appeal to the Board of Review for a reduction of taxable valuation because of inability to contribute fully toward the public charges by reason of POVERTY.

Name of Owner & Co-Owners: _____

Street Address: _____

City: _____ State: _____ Zip: _____ Phone Number: (____) ____-_____

Was any person residing in the principal residence not required to file a federal or state income tax return? Yes _____ No _____

*If Yes and a federal or state income tax return was not filed, each person residing in the principal residence who did not file a federal or state income tax return must submit, along with this application, a signed **"Poverty Exemption Affidavit" – Form 4988.***

Did you or a co-owner apply for a Michigan Homestead Property Tax Credit? Yes _____ No _____

If YES, did you receive a refund or tax credit? Credit _____ Refund _____ Amount: \$ _____

If NO, reason why: _____

Has a "Homeowner's Principal Residence Exemption Affidavit" been filed for this property? Yes _____ No _____. If Yes, what percent (%) exemption was granted? _____%

Owner:

Are you over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416? Yes _____ No _____

Co-Owner:

Are you over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416? Yes _____ No _____

SUBSTANTIAL & COMPELLING REASONS

In the space below list any substantial and compelling reasons you feel the Board should consider during the evaluation of this petition.

GENERAL INFORMATION

How long have you been a resident of the Township/City? _____ Years

What year did you purchase this property? _____

Purchase Price? \$ _____ Down Payment \$ _____ Interest Rate _____ %

Total unpaid balance of mortgage as of December 31, 2017 \$ _____

Mortgage or Contract Holder:

Taxes: Delinquent years _____ Delinquent Amount \$ _____

Are your taxes included in your mortgage payment? Yes _____ No _____

Is your homeowner's insurance payment current? Yes _____ No _____

Is your homeowner's insurance included in your mortgage payment? Yes _____ No _____

Have you made any improvements to the property during the previous two years? Yes _____ No _____

List all persons living in the household (including yourself, attach additional sheets if necessary):

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>Over 18 Yrs. Yes or No?</u>	<u>Source of Income</u>	<u>Monthly Amount</u>
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		

INCOME & ASSETS

SECTION A: Schedule of Family Income

DO NOT INCLUDE THE FOLLOWING:

- ☒ Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.
- ☒ Withdrawals of bank deposits and borrowed money.
- ☒ Tax refunds, gifts, loans, and lump-sum inheritances, one-time insurance payments.
- ☒ Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- ☒ Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, and school lunches.

INCLUDE INCOME OF ALL PERSONS RESIDING IN THE HOME:

1. Salaries, wages, tips & other employee compensation (include strike, sick & sub pay)	\$
2. All dividends & interest (including US., state & municipal bond interest)	
3. Net rent, royalty, business, gambling or lottery income	
4. Annuity & pension benefits; Name of Payer _____	
5. Net farm income	
6. All Capital gains less capital losses	
7. Alimony & other taxable income; Describe _____	
8. Other adjusted income	
9. Social Security, supplemental income (SSI) or railroad retirement benefits	
10. Unemployment compensation & trade readjustment allowance (TRA) benefits	
11. Child Support, Military Family Allotments	
12. College or university scholarships, grants, fellowships and assistant fellowships	
13. Other non-taxable income; Describe _____	
14. Worker's compensation, veteran's disability compensation & pension benefits	
15. ADC, GA or Emergency Assistance benefits	
16. All other public assistance payments (food stamps, fuel assistance, etc.) Describe _____	
17. SUBTOTAL (add lines 1 through 16)	\$
18. Insurance premiums you paid for medical care for yourself and family	
19. TOTAL HOUSEHOLD INCOME (subtract line 18 from line 17)	\$

SECTION B: Investments

On spaces below, list all stocks, bonds, mortgages, land contracts, annuities, US. Savings Bonds or any other investments you, the co-owner or any member of your household has.

Description of Investment	Present Value	Income Earned Last Year
	\$	\$

SECTION C: Real Estate

In the spaces below, list all property owned in full or in part by you, the co-owner or any member of the household (houses, land, cottages, garages, stores, etc.) Do not list the property this application is being applied for.

Address of Property	Owner	Market Value	Taxes	Income
		\$	\$	\$

SECTION D: Life Insurance Policies

In the spaces below, list all the insurance policies held by you the co-owner, or any member of the household.

Insured	Amount of Policy	Amount Paid Monthly	Cash Value of Policy	Name of Beneficiary	Relationship to insured
	\$	\$	\$		

SECTION E: Motor Vehicles

In the spaces below, list all automobiles, motorcycles, trucks, off-the-road vehicles, etc. owned by you, the co-owner or any member of the household.

Make & Model	Year	License Number	Monthly Payment	Balance Owed
			\$	\$

SECTION F: All Other Assets

In the spaces below, list all other assets and their values that are owned or controlled by you, the co-owner or any member of the household. (For example, boats, coin collections, antiques, jewelry, etc.)

Type of Asset	Value	Owner
	\$	

EXPENSES

SECTION A: Debts

In the spaces below, list all outstanding debts that you, the co-owner, or any member of the household may have. Include mortgages, home improvement loans, chattel mortgages, finance company loans, personal loans, credit cards, automobile loans, etc. Do not include the mortgage payments for the property being applied for.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed
			\$	\$	\$

SECTION B: Subsistence Costs

In the spaces below, list the actual monthly household costs where available and estimate the others as closely as possible. You may be asked to verify your estimates with copies of bills and receipts.

1. Land Contract or Mortgage payment for homestead only.....	\$ _____
Does this amount include an escrow amount for tax purposes? (Circle one) Yes No	
2. Heating.....	\$ _____
Did you receive a State of Michigan Home Heating Credit? (Circle one) Yes No	
2a. If yes, how much \$ _____ (Enter this figure on Line 9)	
3. Electricity.....	\$ _____
4. Water, Sewer, Garbage.....	\$ _____
5. Food (exclude alcohol beverages, cigarettes, pet food, pop, etc.).....	\$ _____
6. Doctors & Medicine.....	\$ _____
Do you have medical insurance? (Circle one) Yes No If yes who is the provider _____	
(Be prepared to provide a copy of your policy)	
Did you receive a State of Michigan Senior Citizen Prescription Drug Claim Credit? (Circle one) Yes No	
a. If yes, how much \$ _____ (Enter this figure on Line 9)	
7. Homeowner's Insurance.....	\$ _____
8. Total Subsistence Household Expenses..... (Add lines 1 thru 7).....	\$ _____
9. Total Household Credits..... (2a) \$ _____ + (6a) \$ _____ ...=...	\$ _____
10. Net Total Subsistence Household Expenses..... (Subtract line 9 from Line 8)...	\$ _____

ADDITIONAL INFORMATION

With this petition you will need to submit last year's copies of the following applicable documents for yourself, the co-owner, and every member of the household.

1. Federal, State and City Income Tax Returns - 1040 or 1040A and any schedules*
2. All W-2 and 1099 forms
3. Michigan Homestead Property Tax Credit Claim MI-1040CR
4. Michigan Home Heating Credit
5. Social Security Benefit Statement Form SSA-1099
6. DSS Year End Total Payments Report
7. Statement from Friend of the Court

***Please Note:** *If any persons residing in the principal residence were not required to file a Federal or State Income Tax Return, each person not required to file a Federal or State Income Tax Return, who did not file a Federal or State Income Tax Return must submit, along with this application, a signed "Poverty Exemption Affidavit"– Form 4988*

NOTE: DO NOT SIGN THIS PETITION UNTIL WITNESSED BY THE ASSESSOR, BOARD OF REVIEW MEMBER, OR NOTARY.

I (We), _____, being duly sworn, depose and state under the penalties for perjury, that the information contained in this petition and my (our) financial condition as above stated is true and correct and to the best of my (our) knowledge and belief.

I (We), the Co-owner, or any member of the household have no money, income or property other than herein mentioned. I (We) hereby grant permission to review income tax files in order to process this petition.

I (We) authorize the _____ of _____ to obtain and utilize whatever documentation and/or information necessary.

Applicant

Applicant

Subscribed and sworn this _____ day of _____, _____.

Supervisor, Assessor, Board of Review Member, or Notary

CITY OF JONESVILLE
2018 POVERTY EXEMPTION GUIDELINES

EXHIBIT A

The City of Jonesville has adopted the following standards for the 2018 year, for a household to be eligible for a poverty exemption. Below are the maximum household income and asset standards for size of family.

INCOME GUIDELINES

<u>Size of Family</u>	<u>100% Poverty Guidelines</u>	<u>110% Poverty Guidelines</u>
1	\$ 12,060	\$ 13,266
2	\$ 16,240	\$ 17,864
3	\$ 20,420	\$ 22,462
4	\$ 24,600	\$ 27,060
5	\$ 28,780	\$ 31,658
6	\$ 32,960	\$ 36,256
7	\$ 37,140	\$ 40,854
8	\$ 41,320	\$ 45,452
any add'l persons	\$ 4,180	\$ 4,598

ASSET GUIDELINES

<u>Size of Family</u>	<u>100% Asset Guidelines</u>
1	\$ 24,120
2	\$ 32,480
3	\$ 40,840
4	\$ 49,200
5	\$ 57,560
6	\$ 65,920
7	\$ 74,280
8	\$ 82,640
any add'l persons	\$ 91,000

2018-04

CITY OF JONESVILLE
COUNTY OF HILLSDALE
STATE OF MICHIGAN

RESOLUTION: INTEREST AND PENALTY ON PROPERTY TRANSFER AFFIDAVITS

At a Regular Meeting of the City Council of the City of Jonesville, County of Hillsdale, State of Michigan, held in the City Hall in said City on the 21st day of February, 2018, at 6:30 p.m.

PRESENT:

ABSENT:

The following resolution was offered by Councilperson _____ and supported by Councilperson _____.

WHEREAS, The Michigan State Tax Commission has published in the most recent guidelines for the next AMAR (Assessing Minimal Audit Requirements) audit cycle, that included a review of the compliance of charging a fee for interest and penalty under MCL 211.27b, for not timely filing Form 2766, or the adoption of a resolution to the contrary; and

WHEREAS, MCL 211.27b requires a penalty to be assessed to the buyers of properties if a Property Transfer Affidavit is not filed within 45 days of any transfer of ownership; and

WHEREAS, MCL 211.27b(1c)(1d) defines the penalties by state statute; and

WHEREAS, the AMAR audit provides for a resolution to waive penalties as deemed necessary; and

NOW, THEREFORE BE IT HEREBY RESOLVED, that the City of Jonesville will adopt the penalties defined by MCL 211.27b (1c) (1d); and

FURTHERMORE, that the interest and penalties may be waived at the discretion of the City Assessor.

AYES: Council Members:

NAYS: Council Members:

ABSENT: Council Members:

Cynthia D. Means, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Jonesville, County of Hillsdale, Michigan at a Regular Meeting held on the 21st day of February, 2018, and that public notice was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Cynthia D. Means, City Clerk

Michigan State Tax Commission
Audit of Minimum Assessing Requirements
AMAR Review Sheet

The State Tax Commission, per MCL 211.10f, has jurisdiction to determine substantial compliance with the requirements of the General Property Tax Act. The AMAR review reflects the minimum assessing requirements of a local unit of government based on statute and STC Rules, Policy, Bulletins and Publications. Local units of government that do not meet one or more of the minimum requirements must submit a corrective action plan detailing how and when the deficiencies will be resolved.

Failure to submit an acceptable corrective action plan, or failure to resolve the deficiencies as outlined within the corrective action plan that is approved by the State Tax Commission, will result in a determination of substantial non-compliance and may result in the State Tax Commission assuming jurisdiction of the assessment roll of the local unit of government. Failure to meet one or more of the minimum AMAR requirements does not automatically result in State Tax Commission assumption of jurisdiction of the assessment roll.

Local Unit Background Information:

Year of Audit: _____ Name of Local Unit: _____ Name of County: _____

Name of Assessor: _____ Assessor Certification Level: _____

Name of Supervisor, City Manager or Mayor: _____ Title: _____

Mailing Address for Supervisor, City Manager or Mayor: _____

What date did the assessor certify the assessment roll? _____

What is the Residential Coefficient of Dispersion (COD) for the local unit? _____

What is the Residential Price Related Differential (PRD) for the local unit? _____

Does the L-4022 in possession of the local unit match the L-4022 in possession of the County Equalization Director and the information uploaded on the L-4023 on the E-File Site?

YES: _____ NO: _____

MCL 211.7cc requires interest at a rate of 1.25% per month or fraction of a month to be charged to the owner of property that has been issued a PRE denial notice. Upon collecting the interest, MCL 211.7cc also details the required distribution of the interest depending on the governmental unit that issued the denial notice. Was Form 4142 completed and submitted to the Michigan Department of Treasury by a County, City or Township when the State's portion of PRE denial interest is remitted? YES: _____ NO: _____

Does the local unit have written procedures, including audit procedures, for determining how to grant real property exemptions or remove real property exemptions when the property no longer qualifies for the exemption? YES: _____ NO: _____

Assessment Roll Analysis:

1. Does the local unit have properly calculated and appropriately documented Economic Condition Factors that meet State Tax Commission requirements per MCL 211.10e and STC ECF Publications?

Requirement Met: YES: _____ NO: _____

Notes:

2. Does the local unit have accurate Land Value Maps that meet the State Tax Commission requirements per MCL 211.10e and State Tax Commission Land Value Map Publications?

Requirement Met: YES: _____ NO: _____

Notes:

3. Does the local unit have Land Value Determinations that are appropriately documented, properly calculated and meet State Tax Commission requirements per MCL 211.10e and State Tax Commission Land Value Determination Publications and less than 1% land adjustments without reason?

Requirement Met: YES: _____ NO: _____

Notes:

4. Does the true cash value on the local unit record cards agree with the true cash value indicated on the assessment roll with less than 1% overrides and less than 1% flat land values – excluding DNR PILT Property (STC Policy)?

Requirement Met: YES: _____ NO: _____

Notes:

5. Personal Property Review:

- a) Does the local unit conduct an annual personal property canvass?

YES: _____ NO: _____

- b) Did the local unit grant any exemptions under MCL 211.9o (Small Business Taxpayer Exemption)?

YES: _____ NO: _____

- c) If the answer to item 5b is yes, does a sampling indicate the local unit properly processed the exemptions received? This includes: Original signature on affidavit, affidavit filled out completely, affidavit timely received, affidavit received annually and if not received the exemption is removed, parcel number created for any business that was granted an exemption, ensuring that a parcel with the exemption is not retired, all locations within the local unit are considered when granting the exemption.

Requirement Met: YES: _____ NO: _____

Notes:

6. Review of Exemptions Granted under MCL 211.7u (poverty exemptions)

- a) Did the local unit grant any exemptions under MCL 211.7u (Poverty Exemption)?

YES: _____ NO: _____

- b) Does the local unit have poverty exemption guidelines?

YES: _____ NO: _____

- c) Does the local unit poverty exemption guidelines include an asset level test?

YES: _____ NO: _____

- d) Does a sampling of the exemptions granted under MCL 211.7u indicate that the statutory requirements were met and that the local unit policy was followed?

Requirement Met: YES: _____ NO: _____

Notes:

7. Does a sample of the July and December Board of Review actions indicate the Board met the requirements of MCL 211.53b and considered only those items over which they have statutory authority?

Requirement Met: YES: _____ NO: _____

Notes:

8. Does the local unit follow the requirements under MCL 211.27b to levy the interest and penalty for failure to file a Property Transfer Affidavit? If waived did the local unit waive the interest and penalty by resolution and is that resolution kept on file?

Requirement Met: YES: _____ NO: _____

Notes:

Comments:

I hereby declare that the foregoing information submitted is a complete and true statement.

Signature

Date

☐ By checking this box, I agree and confirm that the signature I have typed above is the electronic representation of my original, handwritten signature when used on this document and creates a legally-binding contract. I further understand that signing this document using my electronic signature will have the same legally-binding effect as signing my signature using pen and paper.

2018-05

CITY OF JONESVILLE
COUNTY OF HILLSDALE
STATE OF MICHIGAN

RESOLUTION: PROCEDURES FOR GRANTING AND REMOVING REAL PROPERTY EXEMPTIONS

At a Regular Meeting of the City Council of the City of Jonesville, County of Hillsdale, State of Michigan, held in the City Hall in said City on the 21st day of February, 2018, at 6:30 p.m.

PRESENT:

ABSENT:

The following resolution was offered by Councilperson _____ and supported by Councilperson _____.

WHEREAS, The State of Michigan requires procedures for granting and removing real property exemptions as described in:

- Chapter 6: Property Tax Exemptions, Abatements and Tax Capture Authorities of the State Tax Commission Manual,
- Bulletin 7 of 2016 (Senior Citizen & Disabled Family Housing Exemption),
- Bulletin 26 of 2017 (Charitable Exemption),
- The Michigan Strategic Fund Board designates Tool and Die Renaissance Recovery Zones pursuant to MCL 125.2688d,
- Nonferrous Metallic Minerals Extraction Severance Tax Act, (Act 410 of 2012),

As attached hereto, making them part of the resolution.

NOW, THEREFORE BE IT HEREBY RESOLVED, that the City of Jonesville hereby adopts the procedures as described in the attached documents, and

FURTHERMORE, these exemptions shall be reviewed annually, to be granted or removed.

AYES: Council Members:

NAYS: Council Members:

ABSENT: Council Members:

Cynthia D. Means, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Jonesville, County of Hillsdale, Michigan at a Regular Meeting held on the 21st day of February, 2018, and that public notice was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Cynthia D. Means, City Clerk

Chapter 6: Property Tax Exemptions, Abatements and Tax Capture Authorities

In Michigan, two guiding principles have developed to address taxation in general, and exemptions, from the ad valorem tax: (1) "In general, tax laws are construed against the government;" and (2) tax exemption statutes are strictly construed in favor of the government.

What is the definition of an exemption versus abatement?

- Exemptions reduce the property tax burden of a taxpayer for every year in which they are granted
- Abatements either, preserve the tax base or increase the tax base, while providing a reduced future tax burden on new investments

The mechanism of an exemption is simple: it reduces a property's tax obligation and provides immediate property tax relief. Unlike exemptions, abatements reduce the maximum future tax burden on investments by a taxpayer. Abatements modify either the millage rate or taxable value used to calculate taxes, if an investor improves either real or personal property.

As a general rule, abatement legislation is structured so that if no improvement is made, then there is no benefit to the taxpayer and no financial loss to the taxing jurisdictions. All abatement laws create a "specific tax" roll. Land remains taxed on the ad valorem roll; improvements are taxed as a specific tax on a specific tax roll. Some abatements freeze the taxable value of an improvement, others lower the millage rate applied for taxation.

Additional information on each exemption and abatement is found at www.Michigan.gov/treasury under Taxes, Property Tax.

Exemption Programs

Disabled Veterans Exemption: MCL 211.7b (P.A. 161 of 2013)

The Disabled Veterans Exemption provides a 100% property tax exemption for disabled veterans or their unremarried surviving spouse. In order to be eligible the disabled veteran must own the home, use the home as their homestead and meet one of the following three criteria:

- (a) Has been determined by the United States department of veterans affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
- (b) Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.
- (c) Has been rated by the United States department of veterans affairs as individually unemployable.

Unremarried surviving spouses eligibility is based upon the eligibility of the disabled veteran prior to their death. The State Tax Commission has issued considerable guidance on this exemption primarily in Bulletin 22 of 2013 and in FAQ's issued in August 2014 both are available on the STC website.

Principal Residence Exemption (PRE): MCL 211.7cc

A principal residence is exempt from the tax levied by a local school district for school operating purposes up to 18 mills if an owner of that principal residence claims an exemption as provided in MCL 211.7cc. A person must own and occupy the property as his or her principal residence on or before June 1st to claim the exemption for the summer tax levy or November 1st for the winter tax levy. The June 1 and November 1 dates also apply to the Conditional Rescission and Foreclosure Entity Conditional Rescissions.

To claim a PRE, the owner must file a Principal Residence Exemption Affidavit, Form 2368, (Affidavit) with the assessor for the City or Township where the property is located. The Affidavit is a sworn statement attesting that they are an owner who occupies the property as his or her principal residence. Normally, when a home is purchased, the Affidavit and other relevant PRE forms are provided by the closing agents. If the assessor believes an Affidavit is not valid, they should deny the claim and provide the taxpayer with their appeal rights. As with any tax exemption, the burden is on the taxpayer to show that they are entitled to a PRE.

When an Affidavit is filed, it is important to verify the person submitting the Affidavit meets the definitions of an "owner." MCL 211.7dd(a) defines an "owner" as:

- A person who owns property or who is purchasing property under a land contract.
- A person who is a partial owner of property.
- A person who owns property as a result of being the beneficiary of a will, trust or intestate succession. (The beneficiary is considered the owner for PRE purposes upon the death of the grantor).
- A person who owns or is purchasing a dwelling on leased land.
- A person holding a life lease in property previously sold or transferred to another. (The life lease holder must have been a previous owner).
- A grantor who has placed property in a revocable trust or a qualified personal residence trust. (A qualified personal residence trust may be irrevocable. All other irrevocable trusts do not qualify).
- The sole present beneficiary of a trust if the trust purchased or acquired the property for a beneficiary who is totally and permanently disabled.
- A cooperative housing corporation.
- A facility registered under the Living Care Disclosure Act.

It is important to note that a "person" as used in the above definitions means an individual and does not include a partnership, corporation, limited liability company, association, or other legal entity. The percentage of ownership a person has in property is generally not relevant as long as that person meets the definition of an owner and occupies that property as a principal residence. In other words, a person that is a 1% owner of a property and occupies that entire property as a principal residence may qualify for a 100% PRE.

The following factors must also be considered when evaluating an owner's eligibility for a PRE:

- A husband and wife who file, or are required to file, a joint Michigan income tax return are entitled to only one PRE.
- If a person claims a substantially similar exemption in another state which has not been rescinded, they do not qualify for a PRE in Michigan.
- If a person files an income tax return as a resident of another state, (active military personnel excluded), they do not qualify for a PRE in Michigan.
- If a person files a non-resident Michigan income tax return, (active military personnel with his or her principal residence in this state excluded), they do not qualify for a PRE in Michigan.
- If a person or their spouse owns property in another state for which either person claims an exemption similar to the PRE, they do not qualify for a PRE in Michigan, unless they file separate income tax returns.

Definition of Principal Residence: MCL 211.7dd(c) defines a principal residence as the "... [one] place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, they intend to return and that shall continue as a principal residence until another principal residence is established." Although this is not an all-inclusive list and no one factor is controlling, the following is a list of items to consider:

- Location of a person's most important possessions.
- Where the family is housed.
- Voting location.
- Where church, club and lodge memberships are maintained.
- Where a person buys automobile licenses.
- Mailing address and banking location.
- Operation of a business.

A principal residence also includes the owner's unoccupied property classified as residential or timber-cutover that is adjoining or contiguous to the dwelling owned and occupied by the owner. The property is generally considered unoccupied if it does not contain a habitable dwelling. Properties containing a garage, storage building and other similar structures normally are considered unoccupied unless they contain living quarters. Contiguity is not broken by a road or a right-of-way. An adjoining or contiguous property classified as agricultural, developmental, industrial or commercial does not qualify for a PRE.

Determining PRE Eligibility: Determining whether a person occupies a property as a principal residence can be very challenging. There are a number of ways to verify occupancy. The following occupancy verification list is not an all-inclusive list and no one factor is controlling:

- Both sides of a driver's license with the property address listed.
- Voter registration record.
- Cancelled checks showing the property address.

- Bank/charge accounts showing purchases within the vicinity of the property.
- Medical billings from physicians within the vicinity of the property.
- Income tax returns showing the mailing address.
- Insurance policies.

Because of the definition of a principal residence, temporary absences are allowed in some circumstances which can make verifying occupancy even more difficult. Some examples of temporary absences include: prisoners with a less-than-life sentence, a person in a nursing home or assisted living facility, missionaries, a person on an extended work assignment, a person renting an apartment while renovating a home, or military personnel. With any temporary absence, the owner must have the intent to return to the property to occupy it as a principal residence.

Determining "intent to return" can be very difficult. If a person changes a driver's license address or registers to vote at a new location, his or her intent to return to the property may be in question. If the property is rented or is listed for sale, a reasonable person may conclude that there is no intent to return to the property. When an owner's personal possessions are removed from the property, it is hard to argue that they intend to return to that property. The length of absence or the reason for the absence may also raise questions as to the owner's intent to return to the property. Ultimately, the taxpayer has the burden to show that they are eligible for the PRE.

Partial PRE Exemptions: If a property is used for multiple purposes, only the percentage of the property occupied by the owner as a principal residence qualifies for a PRE. When a person operates a business out of the property, rents a portion of the home to a tenant or owns multi-dwellings such as duplexes, the owner may be eligible to claim a portion of the property occupied as the owner's principal residence (MCL 211.7cc(16)). If the property contains one building, the PRE is reduced by the proportion of the square footage not used as the owner's principal residence. If the property contains two or more buildings, the PRE is reduced by the proportion of the taxable value of the building not used as the owner's principal residence.

For owners who rent a portion of their home to a tenant, the owner is entitled to a 100% PRE if less than 50% of the square footage is rented (MCL 211.7dd(c)). If an owner rents his entire property for more than 14 days in a year, they are not entitled to a PRE on that property (IRS Publication 527, Chapter 5, Page 21). A portion of a bed and breakfast may also qualify as a principal residence, MCL 211.7cc(30).

Military Personnel Considerations: Military personnel are given special consideration for evaluating principal residence. When military personnel are required to leave Michigan while on active duty, they may continue to qualify for a PRE in Michigan. In order to qualify, they must be an owner of the property as defined by MCL 211.7dd. In addition, they must have occupied the property as a principal residence prior to deployment and have the intent to return to the property after the active duty commitment is complete. To continue to receive the PRE in Michigan, military personnel cannot receive an exemption, deduction or credit similar to the Michigan PRE in another state. If someone wishes to rent out his or her property during an absence while on active military duty, they may file an Active Duty Military Affidavit, Form 4660, on or before May 1st with the local assessor where the property is located.

Rescinding PRE Exemptions: When a person no longer owns or occupies the property as a principal residence, they must file a Request to Rescind Homeowner's Principal Residence Exemption (PRE), Form 2602, (Rescission) with the assessor for the city or township in which the property is located to remove the PRE. The PRE will be removed from the local property tax roll by the assessor beginning with the next tax year.

A PRE on a foreclosed property should be removed on December 31st in the year of the foreclosure or Sheriff's sale. If the property is redeemed, the PRE may be reinstated upon filing of the Affidavit and, if needed, brought before the Board of Review so there is no break in the exemption.

Under certain circumstances a person may qualify for a **conditional rescission** which allows an owner to receive a PRE on his or her current Michigan property and on previously exempted property simultaneously for up to three years. To initially qualify for a conditional rescission, the owner must submit a Conditional Rescission of Principal Residence Exemption, Form 4640, to the assessor for the city or township in which the property is located on or before June 1 for the summer tax levy or November 1 for the winter tax levy. A Conditional Rescission must be submitted to the assessor annually on or before December 31 to verify the property still complies with the conditional rescission requirements in order to receive the exemption for the following year.

In order to qualify for a conditional rescission, the owner must have purchased a second property in Michigan which is occupied as his or her principal residence. Additionally, the previous principal residence must not be occupied, must be for sale, must not be leased, and must not be used for any business or commercial purposes in order for the owner to qualify for a conditional rescission.

Foreclosure Entity Conditional PRE Rescission: A land contract vendor, bank, credit union, or other lending institution (foreclosing entity) can retain a PRE on foreclosed property by filing a foreclosure entity conditional rescission with the local tax collecting unit on or before June 1 or November 1 provided the property meets other statutory requirements. If a foreclosure entity conditional rescission is timely filed and accepted for the first year, the foreclosing entity must annually verify to the assessor of the local tax collecting unit on or before December 31 that the property continues to qualify for the foreclosure entity conditional rescission. This new "foreclosure entity conditional rescission" has separate and distinct requirements and should not be confused with the current "owner's conditional rescission".

In order to qualify for a foreclosure entity conditional rescission, the following requirements must be met:

- The foreclosing entity must submit a Foreclosure Entity Conditional Rescission of Principal Residence Exemption by June 1 or November 1 of the first year of the claim.
- The foreclosure entity must be a land contract vendor, bank, credit union, or other lending institution.
- The foreclosure entity must own the property as a result of a foreclosure.

- The property must have been subject to a PRE immediately preceding the foreclosure.
- The property cannot be occupied.
- The property must be for sale.
- The property cannot be leased to any person other than the person who claimed the PRE immediately preceding the foreclosure.
- The property must not be used for any business or commercial purpose.
- The foreclosure entity must pay to the tax-collecting unit an amount equal to the amount of taxes that the foreclosing entity would have paid if the property were not subject to a PRE and must pay an administration fee equal to the property tax administration fee imposed under Section 44 of the General Property Tax Act.
- The foreclosure entity must annually verify the foreclosure entity conditional rescission by December 31.
- The foreclosure entity must rescind the exemption upon a transfer of ownership.

The payment required of the foreclosure entity is to be collected by the local tax collecting unit at the same time and in the same manner as taxes that would have been collected were the property not subject to a PRE. The payment must be distributed to the Department of Treasury for deposit into the state school aid fund. The administration fee is to be retained by the local tax collecting unit. If the foreclosure entity fails to make the required payment, the local tax collecting unit must deny the foreclosure entity conditional rescission, retroactively, effective on December 31 of the immediately preceding year. If the foreclosure entity's conditional rescission is denied, the local tax collecting unit must remove the PRE and any additional taxes, penalties, and interest must be collected from the foreclosing entity.

Denial of a PRE: Subsections 6, 8 and 11 of MCL 211.7cc allow the assessor, Department of Treasury (Department), and in certain circumstances, the County Treasurer or Equalization Director, to deny PRE claims for the current and three prior years.

If an assessor believes that a property is not the principal residence of the owner claiming the exemption or that the owner failed to properly rescind the PRE, the assessor may deny the new or existing claim by notifying the owner using a Notice of Denial of Principal Residence Exemption, Form 2742. The Assessor's Denial provides the owner with his or her appeal rights to the Michigan Tax Tribunal (MTT) within 35 days from the date of the notice. The assessor does not need to seek the approval of the Board of Review when issuing a PRE denial.

MCL 211.7cc(11) gives the County Treasurer or County Equalization Director the authority to issue a denial notice. In order for the County to maintain the authority to deny a PRE claim, the County must elect to audit PRE claims in accordance with MCL 211.7cc(10). This election is made every five years. Notice of Denial of Principal Residence Exemption, Form 4075, is issued by the County and provides the owner with his or her appeal rights to the MTT within 35 days from the date of the notice.

Under MCL 211.7cc(8), the Department is given the authority to deny PRE claims in any County in Michigan. The Department generally issues PRE denial notices by letter to the owner with a copy of the letter or list of denied parcels provided to the Assessor, County

Treasurer and the County Equalization Director. The owner has 35 days from the date the denial notice to appeal the denial to the Hearings Division of the Department. If the owner is not satisfied with the decision of the informal conference, they may then appeal the decision to the MTT.

The following guide outlines the appeal authority related to PRE:

Type of Appeal	Board of Review	Dept. of Treasury	Michigan Tax Tribunal
Denial by Assessor OR Auditing County of PRE for current and 3 prior years	No Review Authority	No Review Authority	Within 35 days after date of notice of denial
PRE which was NOT on the current and 3 prior year's Tax Roll	July or December for current and 3 prior year's	Within 35 Days of Board of Review Action	Within 35 days of decision by the Department of Treasury
Department of Treasury Denial of PRE	No Review Authority	Hearings Division within 35 days after date of notice of denial	Within 35 days of the final decision by the Department of Treasury

The entity that issues the denial notice becomes the "Respondent" in any MTT related hearing. Therefore, it is important to remember that any assessor who receives correspondence from the MTT when the PRE was denied by the Department or a County official shall immediately inform the MTT and the appropriate entity.

Regardless what entity issues the denial notice, the assessor shall remove the PRE exemption for the denied tax years and the tax collecting unit in possession of the tax roll shall issue a corrected tax bill for any additional taxes due with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest must be charged for the use of the money but should not be considered punitive. The collected or delinquent interest is distributed to the local unit, County and the Department in accordance with MCL 211.7cc(25).

Interest resulting from a denied PRE cannot be waived by County officials, local unit officials, Board of Review or the MTT. However, MCL 211.7cc(8) gives the Department the exclusive authority to consider waiving the interest under certain circumstances. The Department may waive interest for the current tax year and the immediately preceding 3 tax years if the PRE was on the property because of an assessor's classification error, an assessor's failure to rescind the exemption after the owner requested in writing that the exemption be rescinded and other assessor errors.

PRE Audits: There are many Counties that have extensive PRE audit programs and work closely with assessors when conducting these audits. The Department also has an extensive PRE audit program in Counties that does not elect to audit in accordance with MCL 211.7cc(10). The Department also may elect to audit PRE claims in Counties that do elect to audit PRE claims. Audit tools that are used by the Department, and County

and local officials include: sending an audit letter and questionnaire to any person claiming a questionable PRE; sending a questionnaire to the assessor; entering into a disclosure agreement (Request for Michigan Principal Residence Information Form 4169) with the Department to obtain income tax information.

The following audit sources can help when monitoring and auditing PRE claims:

- Compare mailing address against property address.
- Look for multiple properties owned by the same person.
- Check list or database of rental properties to see whether any are receiving a PRE.
- Check to see if property owners are registered to vote at the property address.
- Review death notices.
- Check for properties owned 100% by companies or businesses.
- If there is a DBA for a property, check to see if they are receiving a PRE at 100%.
- Classification of property – adjacent or contiguous property must be unoccupied and classified as residential or timber-cutover.
- Review returned mail when sent to the property address.
- Compare against addresses listed on dog licenses.
- Check water/sewer (utility) databases for properties that say to bill "tenant".

Boards of Review may only review PRE claims that are not on the tax roll and have not been previously denied for the current and three immediately preceding years (MCL 211.7(19)). The BOR does not have the authority to deny an existing PRE claim, review an appeal of a denial issued by the assessor, County or Department, grant a conditional rescission, review an appeal involving a late filing of a conditional rescission, or waive interest. An assessor does not need approval from the BOR to accept an Affidavit, deny a PRE claim; accept or deny a Conditional Rescission; or complete and submit an Assessor's Affidavit.

The one situation when the PRE is not removed from the tax roll by the assessor following a denial is when the property is sold to a bona fide purchaser before the additional taxes are billed to the seller. In this situation, the taxes, interest and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser in accordance with Subsections 6, 8 and 11 of MCL 211.7cc. A bona fide purchaser is one who purchases in good faith for valuable consideration. If there is a bona fide purchaser before the additional taxes are billed, the tax collecting unit in possession of the tax roll notifies the Department of the bona fide purchaser providing the Department with required information in order to appropriately bill the seller.

Qualified Agricultural Exemption MCL 211.7ee

The Qualified Agricultural Property exemption is an exemption from 18 mills of local school operating millages for parcels that meet the Qualified Agricultural Property definition (MCL 211.7ee). Additionally a transfer of Qualified Agricultural Property is not considered a transfer of ownership if both of the following are true: The property remains Qualified Agricultural Property after the transfer and the new owner files Form 3676 with the assessor and the register of deeds.

A parcel that is classified agricultural normally receives the Qualified Agricultural Exemption automatically and the owner does not usually have to file Form 2599, Claim

for Farmland Exemption from Some School Operating Taxes. However, the assessor can request the form to determine, for example, if the parcel contains structures that are not entitled to the exemption.

Owners of property not classified as agriculture must file form 2599 to receive the exemption. All owners must file form 2743, Request to Rescind Qualified Agricultural Property Exemption, to rescind the exemption within 90 days of a change that would cause rescission (e.g. change in use, change in ownership etc.). The requirement applies whether only a part, or all of the property, is affected. The penalty for not filing a rescission form is a maximum fine of \$200.

Exemption status is determined as of May 1st of the year of the exemption. Unlike the Principle Residence Exemption, property owned by a legal entity (such as a partnership, corporation, limited liability company, association, etc.) may receive the exemption. In some situations, land may not be actively farmed on May 1, yet the parcel containing the land may still be eligible for the exemption. For example, the land may be intentionally left fallow; the growing season for a crop in some parts of the state may begin after May 1, etc.

Eligibility: To be eligible for the exemption, a parcel has to be Qualified Agricultural Property. A parcel can become a Qualified Agricultural Property in two ways:

1. Classification of the parcel as agricultural on the current assessment roll or
2. Devotion of more than 50% of the acreage of the parcel to agricultural use as defined by law (MCL 324.36101).

The percentage of a parcel that is devoted to agricultural use is calculated based on the parcel's total acreage. Total acreage includes any area within the parcels ownership including any area(s) covered by an easement or right-of-way for road or drain purposes, even though the area under a public road right-of-way or a public (surface) drain right-of-way is exempt from taxation. Parcels classified agricultural do not have to have more than 50% devoted to agricultural use.

The fact that farmland is rented by the owner is generally not a consideration in determining a parcel's eligibility. Example: renting a house on a parcel to a farmhand is not a consideration in determining the parcel's eligibility for the exemption. Under the law, for a residence to be Qualified Agricultural Property, the residence must be occupied by someone who is either employed in or actively involved in the agricultural use on the property and who has not claimed a homeowner's principal residence exemption on other property. A house that is rented to a farmhand is considered to be a 'related building.'

Sometimes a commercial operation can co-exist on the otherwise qualified property without negating the entire exemption. The parcel would receive a partial exemption. The portion of the parcel's total state equalized valuation (SEV) related to the property that is used for the commercial marketing operation or the barn used for commercial storage is not entitled to the exemption. In these situations the partial exemption percentage is determined based on the SEV of the portion of the parcel entitled to the exemption in relation to the SEV of the entire parcel. The percentage of the exemption is not based on the size (i.e., area) of the portion of the parcel entitled to the exemption; it is based on value.

Assessors must establish the classification of parcels in accordance with MCL 211.34c. When determining the classification of a parcel, assessors must not consider the effect of the classification on the parcel's eligibility for the Qualified Agricultural Property exemption.

Definition of Agricultural Use: The definition of "agricultural use" is contained in MCL 324.36101:

"Agricultural use" means the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. Agricultural use includes use in a federal acreage set-aside program or a federal conservation reserve program. Agricultural use does not include the management and harvesting of a woodlot."

This definition of "agricultural use" differs from the definitions used to determine a parcel's classification and should not be used in determining a parcel's classification. There is no minimum parcel size and no minimum income from agricultural production needed to qualify. Circumstances when the land may qualify even though it is not actively farmed are discussed above.

Denial of a Qualified Agricultural Exemption: An assessor may deny

- A new exemption, if the property or part of the property does not qualify
- An exemption continued from a prior year, at the time of preparation of the annual tax roll, if the property is no longer qualified
- An existing exemption after the close of the local Board of Review and up to the status day if the property is no longer qualified for the exemption, and
- When the property owner has requested a withdrawal of the exemption for the current year, even if the request occurs after May 1st

If the assessor discovers a situation where it is clear that a parcel is incorrectly receiving the Qualified Agricultural Property exemption for the current year, after May 1, the assessor has no power to deny the exemption. The assessor may deny the exemption for the next year. Similarly, the assessor may not deny a Qualified Agricultural Property exemption for a prior year.

Appeal of a Qualified Agricultural Denial: For new Qualified Agricultural Property exemptions, appeals are to the July or December Board of Review and Board of Review denials are appealed to the Michigan Tax Tribunal within 35 days of the Board's action. For a continuation of an exemption from the prior year the appeal is to the March Board of Review and Board of Review denials are appealed to the Tribunal by July 31 of the tax year involved.

Qualified Agricultural Property and the Recapture Tax: Qualified agricultural property that was exempt from uncapping and later ceases to be qualified agricultural property is

subject to a recapture tax. The recapture tax is imposed when all of the following conditions are met:

1. Property was transferred after December 31, 1999
2. The taxable value of the property was not uncapped in the year following the transfer because it qualified for the exemption.
3. The qualified agricultural property is covered by a change in use. A change in use is when the assessor determines the property is no longer qualified agricultural or a purchase is about to occur and the future purchaser files to rescind the qualified agricultural property exemption.

The recapture tax is calculated on the benefit period, up to 7 years of tax savings that had been enjoyed by the person to whom the property was transferred and remained capped. When a change in use occurs, the tax benefit that occurred during that period, up to 7 years, is recaptured (exclusive of the year the property is converted by a change in use).

While it is the responsibility of the County Treasurer to calculate and collect the recapture tax, the local assessor must notify the County Treasurer of the date on which the property is converted by a change in use. The assessor must also assist the County Treasurer with the calculation of the recapture tax by providing the true cash taxable value as described in the recapture tax formula. The recapture tax is discussed in detail in Bulletin 7 of 2006.

Other Exemption Programs:

Qualified Forest Exemption: Public Acts 378, 379 and 380 of 2006: The Qualified Forest Program created an opportunity for owners of smaller forestland parcels in Michigan, which are not classified as agricultural land or do not receive a PRE, to pay reduced property taxes on land in productive, managed forests. The Qualified Forest Program is administered by the Michigan Department of Agriculture and Rural Development. More information regarding the program can be found on their website.

Air Pollution Control: Public Act 451 of 1994, Part 59 and Water Pollution Control: Public Act 451 of 1994, Part 37: The Air Pollution Control exemption provides a 100% property and sales tax exemption to facilities that are designed and operated primarily for the purpose of controlling or disposing of air pollution that, if released, would render the air harmful or inimical to the public health or property within this state.

The Water Pollution Control exemption affords a 100% property and sales tax exemption to facilities that are designed and operated primarily for the control, capture and removal of industrial waste from water. The exemption applies to property not previously certified as pollution control; even if the property is currently assessed on the ad valorem roll.

The State Tax Commission is responsible for final approval and issuance of air pollution control certificates. Exemptions are not effective until approved by the STC.

Abatements

The common legislative element in abatements is a "specific tax" which replaces the ad valorem tax. Characteristics of abatements that distinguish them from ad valorem taxation include: creation of the "specific tax" roll for improvements; leaving land to be assessed on the ad valorem tax roll and alteration of either a millage rate or a taxable value.

Industrial Facilities Exemption: Public Act 198 of 1974

The Plant Rehabilitation and Industrial Development Districts Act, (IFT) provides a tax incentive to manufacturers for: renovation and expansion of aging facilities, to assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Development District (IDD) or a Plant Rehabilitation District (PRD) must be created prior to initiating a project. An IFT Certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division and the Michigan Economic Development Corporation. The State Tax Commission is ultimately responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

IFT Applications and Qualifications: Applications and all required attachments are to be filed with the clerk of the local unit where the facility is located. The applicant must meet the following:

- a. The facility must be located within an established IDD or PRD;
- b. The applicant must be a qualifying business as outlined in MCL 207.552; and
- c. The application for the exemption can be pre-filed, but must be filed within six months of the commencement of the improvements.

IDDs cover only new facility projects and PRDs are designed primarily for rehabilitation projects and require a finding that 50% or more of the industrial property within the district is obsolete (MCL 207.554(5)). The 50% obsolescence is measured by dividing the State Equalized Value (SEV) of the obsolete property by the SEV of all of the properties in the district.

In order to qualify for an IFT, a property must meet the definition of industrial property as described in MCL 207.552(7): "Industrial property" means land improvements, buildings, structures, and other real property and machinery, equipment, furniture, and fixtures or any part or accessory whether completed or under construction comprising an integrated whole.

Industrial property does not include any of the following: land, property of a public utility other than an electric generating plant that is not owned by a local unit of government for which an application was approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007 or inventory.

Industrial property may be owned or leased. In the case of leased property, the lessee must be liable for payment of ad valorem property taxes and must provide proof of the liability.

Plant Rehabilitation Districts and Obsolescence: The assessor must make a recommendation to the local governing unit that 50% or more of the property to be contained in a PRD is obsolete. "Obsolete industrial property" is defined in MCL 207.552(8). "Economically efficient functional condition" is further defined in MCL 207.552(9).

Definition of "New" Industrial Property: The State Tax Commission has interpreted the term "new industrial property" to mean new to the tax base in Michigan. The following would be considered new industrial property:

- a. New equipment purchased from an equipment manufacturer.
- b. Used equipment never before located in Michigan.
- c. Used equipment purchased from a broker of used equipment. Because the prior owner is a broker, the equipment has lost its status as existing equipment in Michigan and has become inventory.

The following would not qualify as new industrial property:

- a. Existing equipment already in the possession of the applicant.
- b. Existing equipment in the possession of another Michigan company.

Definition of Speculative Buildings: MCL 207.553(8) defines a "speculative building" as a new building that meets criteria defined in this section and the machinery, equipment, furniture, and fixtures located in the new building.

Subsection 8(a) requires that a speculative building be constructed before a specific user is identified. This law does not require that a building be approved by the local governmental unit before identification of the specific user.

The following are additional requirements specific to speculative buildings:

- a. The speculative building must have been constructed less than 9 years before the filing of the exemption certificate.
- b. The speculative building must not have been occupied for at least 4 years immediately preceding the date the certificate is issued.

IFT Transfers: MCL 207.571 states that an IFT certificate may be transferred and assigned by the holder of the certificate to a new owner or lessee of the facility but only with the approval of the local governmental unit and the Commission and after application by the new owner or lessee and notice and hearing in the same manner as provided for the application for a certificate.

Once the application for transfer has been presented to the local unit, they must review the application and issue a decision based on the qualifications contained in MCL 207.559. If the local unit denies the application, the applicant may appeal to the State Tax Commission within 10 days of the denial. The State Tax Commission will review the

facility to determine if it meets the qualifications in MCL 207.559. If the State Tax Commission denies the approval, the applicant may appeal pursuant to the Administrative Procedures Act (APA). If the local unit approves the application, the State Tax Commission must make a final determination.

IFT Revocations: MCL 207.565(1) addresses requests for revocations initiated by the holder of the certificate. MCL 207.565(2) addresses requests for revocation initiated by the local governmental unit and includes specific reasons why a certificate may be revoked. In either case, only the State Tax Commission has the authority to revoke a certificate.

Appeal of a revocation by the State Tax Commission is made under the APA and provides that a request for a rehearing of a State Tax Commission decision should be filed, in writing, within 60 days from the date the State Tax Commission mailed the notice of revocation.

MCL 207.563(2) provides for and outlines the procedures for automatic termination of an IFT when the Industrial Facility Tax on real property has not been paid.

IFT Tax: A parcel of property holding an IFT will have two assessments: the land will be assessed on the ad valorem assessment roll; the building, land improvements and personal property (pertaining to the same certificate) will have an assessment on the Industrial Facility Tax (IFT) tax roll. The taxes on properties holding a certificate will be levied against Taxable Value.

Other Abatement Programs:

Commercial Rehabilitation Act: Public Act 210 of 2005: The Commercial Rehabilitation Act provides a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term between 1-10 years, as determined by the local unit of government. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission is responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

Commercial Facilities Exemption: Public Act 255 of 1978: The Commercial Redevelopment Act, (known as the Commercial Facilities Exemption), provides a tax incentive for the redevelopment of commercial property for the primary purpose and use of a commercial business enterprise. The property must be located within an established Commercial Redevelopment District. Exemptions are approved for a term between 1-12 years as determined by the local unit of government. The taxable value is frozen for the duration of the certificate. For restored facilities, the property taxes are based upon the previous year's (prior to restoration) taxable value and 100% of the mills levied. For new or replacement facilities, the property taxes are based upon the current year's taxable value and 50% of the mills levied. Applications are filed, reviewed, approved, and

certificates are issued, by the local unit of government. Certificates are also filed with the State Tax Commission.

Obsolete Property Rehabilitation Exemption: Public Act 146 of 2000: The Obsolete Property Rehabilitation Act (OPRA) provides property tax exemptions for commercial and commercial housing properties that are rehabilitated and meet the requirements of the Act. Properties must meet eligibility requirements including a statement of obsolescence by the local assessor.

The property must be located in an established Obsolete Property Rehabilitation District. Exemptions are approved for a term between 1 and 12 years as determined by the local unit of government. Property tax for the rehabilitated property is based on the previous year's (prior to rehabilitation) taxable value. Taxable value is frozen for the exemption's duration.

The State Treasurer may also approve reductions of half of the school operating and state education taxes for a period not to exceed 6 years for 25 applications annually. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level. The State Tax Commission is responsible for final approval and issuance of OPRA certificates. Exemptions are not effective until approved by the STC.

Neighborhood Enterprise Zone Act: Public Act 147 of 1992: The Neighborhood Enterprise Zone Act provides for the development and rehabilitation of residential housing located within eligible distressed communities. NEZs are established by a local unit meeting the qualifications of an "Eligible Distressed Community" and desiring to provide for the development and rehabilitation of residential housing. The local unit determines the areas to be established as an NEZ. Each NEZ must contain not less than 10 platted parcels of land which are compact and contiguous, or if located in a downtown revitalization district may contain less than 10 platted parcels if the platted parcels together contain 10 or more facilities. NEZs containing new facilities, rehabilitated facilities, or a combination of both shall not exceed 15% of the total acreage contained within the boundaries of the local unit. An NEZ containing only homestead facilities shall not exceed 10% of the total acreage contained within the boundaries of the local unit. If approved by the County Board of Commissioners or a County Executive, if the County has an elected or appointed County Executive, the homestead facility NEZ can contain up to 15% of the total acreage of the local unit.

Applications are filed, reviewed and approved by the local unit, but are also subject to review at the State level by the Property Services Division. The State Tax Commission is responsible for final approval and issuance of new and rehabilitated facility certificates. NEZ Homestead applications are filed, reviewed and approved by the local unit of government.

Tax Capture Authorities

"Tax Increment Financing Authorities" or "Authorities" include: Downtown Development Authority (DDA) PA 197 of 1975; Tax Increment Financing Authority Act (TIFA) PA 450 of 1980; Local Development Financing Act (LDFA) PA 281 of 1986; Brownfield

Redevelopment Financing Act (BRFA) PA 381 of 1996; Historical Neighborhood Tax Increment Finance Act (HNTIFA) PA 530 of 2004; Corridor Improvement Authority Act (CIA) PA 280 of 2005; Neighborhood Improvement Authority Act (NIA) PA 61 of 2007; and Water Resource Improvement Tax Increment Finance Authority Act (WITIFA) PA 94 of 2008. Their common element of these programs is the capturing of tax revenue.

Tax capturing authorities are designed to capture new property tax revenue generated from both inflation and from rising property values within specific geographic areas. A tax capturing authority attempts to (1) preserve an existing tax base and (2) foster growth to finance public projects. All tax capturing authorities have a requirement for a financing and development plan. Some plans have unlimited duration, others are limited by the enabling statute.

Tax capturing authorities do not reduce ad valorem millage rates generated by taxing jurisdictions or reduce a tax burden. In fact, a Downtown Development Authority may even add a new millage rate to the existing ad valorem rates. Tax capturing authorities are geographic areas in which special law permits certain taxes to be retained as revenue for exclusive use by the tax capturing authority. Tax capturing authorities have one function, to capture certain taxes from an ad valorem (and in some cases a "specific tax") levy.

Creating an Authority:

A tax capturing authority is created by a local unit of government as authorized by law. The authority must create a tax increment financing plan and a project plan. There is no specific template for the plans. Once an authority has been created, a tax increment plan and a project plan have been formulated and time for public hearings and comments has expired; continuing oversight is limited to audits by the State of Michigan to assure compliance with school tax distributions and oversight by the creating entity.

Public Purpose:

It is critical for the authority to document the "public purposes" which justifies the tax increment financing plan and its subsequent "capture" of taxes. Each statute has slightly different requirements; but all are often to foster a betterment of the community at-large, economic development and specifically publicly owned property.

Examples of the requirement for a public purpose include:

LDFA: "the governing body shall determine whether the development plan or tax increment financing plan, or both, constitutes a public purpose."

DDA: "When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority."

Calculations and What Capturing Taxes Means:

With the exception of the added millage available to a DDA, the process by which taxes are created and computed is not changed in any way by a tax capturing authority. Taxpayers receive tax bills identical to what they would have received if the tax capturing authority had not been created and the treasurer collects tax payments in the normal fashion. The unique operation of a tax capturing authority is how the collection is distributed.

At the time of creation of an authority, a measure of total property value within the geographic area (district) is made. This is the "base value," also known as the initial taxable value. Taxes generated from the base value may never be captured. Only taxes generated from property values which exceed the base value may be captured. The base value continues within the tax capturing district for as long as the authority exists or until a permitted modification of the district enables a re-determination of a base value.

With the exception of Brownfields, tax capturing authorities examine value in the entire geographic area instead of individual properties (Brownfields are determined individually for each parcel of property MCL 125.2657 and MCL 125.2663). The amount of non-captured taxes always depends upon the "base" value or initial value. It is established as an "aggregate" for the entire geographic area in which taxes may be captured. This base is by law, the "initial taxable value" existing as of final equalization for the year when the tax capturing authority was created and the base value remains a fixed value.

Captured taxes are computed by multiplying the total captured value by an appropriate millage rate. The capturing process depends on the "total" value of all properties within the district and by total values for individual tax rolls. The authority does use the captured taxable value of each parcel to arrive at a total "value."

The process requires identifying each property currently existing within the district and comparing that list with properties existing at the inception of the district. A comparison is made based upon each property's identification and based upon each property's "initial taxable value." In some cases, structures may have been demolished, personal property may have been removed, and an appeal may have changed a property value. It is critical to maintain accurate records of each property for the initial year and the current year. The total amount of "initial taxable value" must be exceeded by current taxable value or there is no capture.

A spreadsheet with columns identifying: each property, each current property's initial value, the initial value of any property removed from, or exempted from taxation within the district and the class of each original property is a good way to keep track of the information. Once the total value of the existing district exceeds the total initial value of the district, a computation of the tax capture can proceed.

Next, individual values of existing property within the district are assigned to their appropriate tax roll. Examples are: ad valorem, real or personal; IFE or NEZ. Finally, the initial value of the district should be subtracted from the current year district total.

The aggregated captured value exceeding the base (initial value) is apportioned to the tax roll or rolls from which the total value was derived. The total of the captured value for

each roll is multiplied by the millage rate appropriate for that tax roll. The amount of captured tax is the sum of the captured taxes from a roll-by-roll series of calculations. This amount is distributed to the TIF authority.

Reporting Requirements:

In order to properly capture taxes certain procedures must be followed: an accounting of the tax capture must be made, the assessor's worksheet must be maintained and an annual report or reports must be filed with the State of Michigan (forms 2604/2967). The tax capturing authority is technically required to file these forms but the "assessor, treasurer and other officials may be called upon to assist."

Opting Out:

In 1993, the legislature amended Michigan's various tax capturing laws to permit an objecting jurisdiction to formally "opt out" of the proposed tax capturing area. A jurisdiction not wishing to lose future tax revenue could pass a resolution within a sixty-day window of opportunity created by the 1993 modifications, and its tax revenue could not be captured by the tax capturing authority. The "opt out" provision was predicated on certain public hearings and timetables.

Ad valorem millage rates may be limited by agreement between jurisdictions levying property taxes within a tax capturing authority. For example, the authority may make an agreement to capture only a limited amount of a specific taxing authority's levy. It may be based upon a specific millage rate say two mills out of five being levied or a percentage split of the computed tax, 40% to the authority and 60% is not captured. However, the plan may not capture a greater proportion of school operating taxes than the proportion of municipal operating or County operating taxes captured.

Authorities which enter into an agreement to limit collections must have uniform arrangements with all jurisdictions that have not opted out. Therefore, if the authority only captures 40% of the available tax for one taxing entity, it must only capture 40% with each of the other taxing units.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

**Bulletin No. 7 of 2016
Senior Citizen & Disabled Family
Housing Exemption
June 7, 2016**

TO: Assessing Officers and County Equalization Directors

FROM: Michigan State Tax Commission

SUBJECT: Senior and Disabled Family Housing Exemption (MCL 211.7d)

Bulletin 6 of 2010 is hereby rescinded.

Public Act 78 of 2016 was signed by the Governor on April 12, 2016 with an effective date of July 11, 2016 and replaces Public Act 66 of 2012. The purpose of this Bulletin is to explain the changes mandated by the passage of Public Act 78 of 2016 to claim an exemption under MCL 211.7d.

Qualifications for Senior Citizen & Disabled Family Housing Exemption:

- The housing must be owned and operated by a non-profit corporation or association, or by a limited dividend housing corporation, not otherwise tax-exempt.
- The housing must be occupied solely (with the exception of service personnel, such as a custodian or nurse) by the elderly 62 years of age, as defined in section 202 of the title II of the housing act of 1959, or the disabled, as defined in section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act.
- The housing must consist of 8 or more residential units in 1 or more structures.
- The housing must have been qualified, built or financed under section 202, 236 or 811 of the national housing act.
- "Housing" means new or rehabilitated structures with 8 or more residential units in 1 or more structures.

Claiming the Exemption:

The property owner may claim the exemption by filing Form 4719, *Request for Senior and/or Disabled Housing Tax Exemption*, with the assessor of the local unit of government where the property is located and the Department of Treasury no later than October 31 in the year the facility is fully and finally completed. To determine qualification, the assessor will need the following documentation to assist in a proper review:

- A copy of the owner's articles of incorporation, showing nonprofit status or limited dividend housing corporation,
- A copy of the HUD mortgage, or other documentation, showing that the facility was, built, financed, or qualified for financing under Section 202, 236 or 811,
- Documentation showing that the facility contains at least eight units,
- A copy of the occupancy permit, along with documentation (copy of lease) showing the date the first resident actually moved into the facility,
- Documentation showing new or rehabilitated structures, and
- General information regarding the facility, including its name, address and phone number and the name, address and phone number of its management company.

Assessor Responsibilities:

Upon receipt, the assessor will review the claim in accordance with the requirements identified in MCL 211.7d. The assessor shall approve or disapprove the request within 60 days of receipt and shall notify in writing the property owner and the Department of Treasury of the assessor's decision no later than December 31 immediately following the initial filing of the claim. If approved, the assessor will submit to the Department of Treasury all documentation utilized to determine eligibility. All exemptions granted under MCL 211.7d begin on December 31 of the year the facility is fully and finally completed and the exemption is approved and continue until the property is no longer occupied or used solely by elderly or disabled families. A completed Form 4736, *Payment in Lieu of Tax for Senior Citizen and/or Disabled Housing*, along with copies of current tax bills for the year, is due from the local taxing collecting unit by December 1 of the year following the initial submission of the approved application to Treasury.

Assessed and Taxable Value:

According to Public Act 78 of 2016, the assessed value for senior citizen and disabled housing property exempt under MCL 211.7d is calculated in the same manner as the assessed value is calculated for all ad valorem property. The taxable value for exempt property is to remain at the 2008 taxable value or the taxable value for the first year the exemption is valid. The property remains on the ad valorem assessment roll.

Calculation of Payment in Lieu of Tax:

Public Act 78 of 2016 requires that the amount of payment in lieu of tax for property that was exempt under MCL 211.7d prior to January 1, 2009 shall be in the amount of taxes paid on that property in the 2008 tax year and will remain frozen during the duration of the exemption. Per section 3(a), millage rates of up to 18 mills for school operating, hold harmless rates and 6 mills for state education tax are excluded from billing and are not included in the payment in lieu of tax.

For property that becomes exempt under MCL 211.7d after January 1, 2009, the exemption will be based on the tax liability in the first year that the exemption is approved. The annual amount of payment in lieu of tax is determined in the first year and will remain frozen for the duration of the exemption. Per section 3(a), millage rates of up to 18 mills for school operating, hold harmless rates and 6 mills for state education tax are excluded from billing and are not included in the payment in lieu of tax.

Submitting and Requesting the Payment In Lieu of Tax:

Upon verification of the exemption, the Department of Treasury will issue the payment in lieu of tax allowable under this act for qualified and approved facilities to the appropriate local tax collecting units by December 15 each year. In order to process the payment by December 15, Form 4736, *Payment in Lieu of Taxes for Senior Citizen and/or Disabled Housing* and copies of current tax bills for the year are due from the local taxing collecting unit by December 1 of the year in which the first payment in lieu of tax is to be made. The Department of Treasury will only pay the real and personal property taxes, not administrative fees, special assessments, penalties or interest fees. The local tax collecting unit is required to distribute the amount received in the same manner and in the same proportions as general ad valorem taxes collected under the general property tax act.

Reporting of Exempt Property on the Tax Roll:

MCL 211.7d, as amended by PA 78 of 2016, states that the property is exempt from the collection of property taxes, and that the Department of Treasury's payment in lieu of tax excludes the state education tax and mills levied under MCL 380.1211; all local school district operating millage, both the standard 18 mills and any supplemental (hold-harmless) mills.

The State Tax Commission instructs assessors to report the taxable value of all senior citizen and disabled housing properties exempt under MCL 211.7d as 100% principal residence exemption (PRE) on the tax roll.

Forfeiture, Foreclosure and Sale for Delinquent Taxes:

Property that is used for occupancy or used solely by elderly or disabled families and is eligible for exemption under section 211.7d is not subject to forfeiture, foreclosure, and delinquent taxes under the act for any year in which the property is exempt.

Revocations:

Revocations of existing senior citizen and disabled housing facility exemptions are not allowed under MCL 211.7d. Once an exemption is approved, it remains exempt until the facility is no longer used solely as elderly or disabled non-profit housing as defined by MCL 211.7d.

Property Tax Credit for Residence:

Due to the State of Michigan making payments in lieu of tax on MCL 211.7d exempt facilities, residents of those facilities are not eligible for a property tax credit when filing their state income tax return.

Millage Rollback Calculations:

The taxable value of parcels that are exempt under MCL 211.7d should be excluded from the taxable value of each taxing jurisdiction before calculating millage rollbacks. Since school operating millage is not levied against these parcels, it is clear that the taxable value of these exempt parcels should be eliminated from school rollback calculations. Since for all other taxing jurisdictions, the payment for this exempt property is no longer based on the taxable value, but on a frozen payment, the taxable value of these exempt parcels should be eliminated from their rollback calculations.

Definitions:

Disabled Person is defined as a person with disabilities. MCL 211.7d(9)(a)

Elderly or Disabled Families is defined as families consisting of 2 or more persons if the head of the household, or his or her spouse, is 62 years of age or over or is a disabled person, and includes a single person who is 62 years of age or over or is a disabled person. MCL 211.7d(9)(b)

Elderly Person is defined in section 202 of title II of the housing act of 1959, Public Law 86-372, specifically "a household composed of one or more person at least one of whom is 62 years of age or more at the time of initial occupancy." MCL 211.7d(9)(c)

Housing is defined as new or rehabilitated (see rehabilitation definition that follows) structures with 8 or more residential units in 1 or more of the structures for occupancy and use by elderly or disabled persons, including essential contiguous land and related facilities as well as all personal property of the corporation, association, or limited dividend housing corporation used in connection with the facilities. MCL 211.7d(9)(d)

Limited Dividend Housing Corporation is defined as a corporation incorporated or qualified under the laws of this state and chapter 6 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1481 to 125.1486 (see attached excerpt), or a limited dividend housing association organized and qualified under chapter 7 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1491 to 125.1496 (see attached excerpt), that will rehabilitate and own a housing facility or project previously qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, , section 236 of title II of the national housing act, chapter 847, 82 Stat. 498, , or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625. MCL 211.7d(9)(e)

New Construction is defined in MCL 211.34d(b)(iii) as "property not in existence on the immediately preceding tax day and not replacement construction. New construction includes the physical addition of equipment or furnishings, subject to the provisions set forth in Section 27(2)(a) to (o) [commonly known as residential non-consideration]. For purposes of determining the taxable value of property under Section 27a, the value of new construction is the true cash value of the new construction multiplied by 0.50." MCL 211.7d(9)(f)

Nonprofit Corporation or Association is defined as a nonprofit corporation or association incorporated under the laws of this state not otherwise exempt from the collection of taxes under this act, operating a housing facility or project qualified, built, or financed under section 236 of title II of the national housing act, chapter 847, 82 Stat. 498, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625. MCL 211.7d(9)(g)

Persons with Disabilities is defined in section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625. MCL 211.7d(9)(h)

Rehabilitation is defined as “changes to property other than replacement that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition. Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the obsolete property.” MCL 125.2782

Residential Units is defined to include 1-bedroom units licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, for persons who share dining, living, and bathroom facilities and who have a mental illness, developmental disability, or a physical disability, as those terms are defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, or individual self-contained dwellings and 1-bedroom units must be financed either under section 202 of title II of the housing act of 1959, Public Law 86-372, or under section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625. MCL 211.7d(9)(i)

Contact Information

Questions regarding the implementation of this Bulletin can be directed to:

Michigan Department of Treasury
State Tax Commission
430 W. Allegan Street
Lansing, MI 48922
(517) 335-3429 Phone
www.michigan.gov/statetaxcommission

Questions regarding payments or specific exempt facilities can be directed to:

Michigan Department of Treasury
Office of Accounting Services
P.O. Box 30722
Lansing, MI 48909
(517) 373-3165 Phone
www.michigan.gov/taxes



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

Bulletin 26 of 2017
December 12, 2017
MCL 211.7o Charitable Exemption

TO: Assessors, Equalization Directors and Interested Parties

FROM: State Tax Commission

SUBJECT: MCL 211.7o Charitable Exemption

This Bulletin provides an overview of the charitable exemption provided in MCL 211.7o and the applicable court cases that need to be considered in determining whether or not a claimant is eligible to receive the exemption. While this Bulletin provides general information related to the charitable exemption, individuals may wish to seek legal counsel if they have questions regarding their specific situation.

A. STATUTORY PROVISION AND THREE-PART TEST

MCL 211.7o of the General Property Tax Act provides an exemption for "[r]eal or personal property owned and occupied by a nonprofit charitable institution while occupied by that . . . institution solely for the purposes for which that . . . institution was incorporated." In determining whether a taxpayer is qualified for the exemption, a three-part test is applied:

1. Is the real estate owned and occupied by the exemption claimant?
2. Is the exemption claimant a nonprofit charitable institution?
3. Is the buildings and other property thereon occupied by the claimant solely for the purposes for which the claimant was incorporated?

If all three prongs of the test are met, then a claimant qualifies for a charitable institution exemption.

To meet the first prong, the mere right to occupy a property is insufficient, as is the mere planning and preparation to occupy a property; rather, a claimant must maintain a regular physical presence on the property to satisfy this requirement. See *Liberty Hill Housing Corp v City of Livonia*, 480 Mich 44 (2008).

To meet the second prong, all six *Wexford* factors must be met. The *Wexford* factors are discussed below in Section B.

With regard to the third prong, property may be apportioned for purposes of this exemption. In such instances, the exemption is granted only for that portion of the premises used for the purpose for which the claimant was incorporated. See *McFarlan Home v City of Flint*, 105 Mich App 728 (1981). Apportionment is only permitted in the case of real property and that the apportionment must be based on an allocation that grants the exempt status only to the portion of the premises which is physically occupied “solely” for the exempt charitable purpose.

B. WEXFORD FACTORS

In *Wexford Medical Group v Cadillac*, 474 Mich 192; 713 NW2d 734 (2006) the Michigan Supreme Court set forth the following six requirements that must be met for a claimant to be a nonprofit charitable institution:

1. The claimant must be a nonprofit institution;
2. The claimant must be organized chiefly, if not solely for charity;
3. The claimant must not offer its charity on a discriminatory basis by choosing who among the group it purports to serve deserves its services, but rather must serve any person who needs the particular type of charity being offered;
4. The claimant must bring people’s minds or hearts under the influence of education or religion; relieve people’s bodies from disease, suffering, or constraint; assist people to establish themselves for life; erect or maintain public buildings or works; or otherwise lessen the burdens of government;
5. The claimant may charge for its services as long as its charges are not more than what is needed for its successful maintenance; and
6. The claimant need not meet any monetary threshold of charity; rather, if the overall nature of the claimant is charitable, it is a charitable institution.

C. BARUCH SUPREME COURT DECISION

Wexford factor three was recently defined by the Michigan Supreme Court in *Baruch SLS, Inc v Tittabawassee Twp*, 500 Mich 345; 901 NW2d 843 (2017). The Supreme Court created a new “reasonable relationship” test to be applied when evaluating factor three; “whether the restrictions or conditions the institution imposes on its charity bear a reasonable relationship to a permissible charitable goal.” The Supreme Court instructed that this “reasonable relationship” test is to be construed “quite broadly to prevent unnecessarily limiting the restrictions a charity may choose to place on its services” noting that other states have employed similar tests. The Supreme Court further advised “the relationship between the institution’s restriction and its charitable goal need not be the most direct or obvious. Any reasonable restriction that is implemented to further a charitable goal that passes factor four is acceptable.” The Supreme Court also stated that the analysis of a charitable institution’s fees should be considered under factor five, not factor three.

Following the *Baruch* decision, the Court of Appeals issued a decision in *Chelsea Health & Wellness Foundation v Scio Twp, et al* finding that the facility under appeal was entitled to the charitable exemption and remanding to the Tribunal for entry of the order granting the exemption for the 2014-2015 tax years. The Court of Appeals, in granting the exemption, found that the evidence satisfied *Wexford* factor three as recently interpreted in the *Baruch* decision. The Court also found Chelsea Health lessened a burden of government “by undertaking measures designed to improve the health of the population within its service area.”

D. PROCEDURES FOR GRANTING OR REMOVING THE EXEMPTION

When granting the exemption, the State Tax Commission recommends that assessors should begin with the development of a form to apply for the exemption that provides all of the information necessary for the assessor to approve the exemption, specifically to indicate that the taxpayer meets the requirements as outlined in statute and as further defined by the Michigan Supreme Court. This form should require attachments as necessary to support that an organization meets the requirements for the exemption. A sample form is provided at the end of this Bulletin.

Best practice includes setting up a file for each of the properties that are granted the exemption and include the form and any documents submitted to support the exemption. The record card for the property should also be included in this folder. Assessors should annually review these exemptions to determine if any changes have been made which would change the status of the exemption. Assessors can request additional information from the organization to support the continued exempt status.

If an assessor has evidence that the property no longer qualifies for the exemption, they should remove the exemption, notify the taxpayer and provide them with documentation of their appeal rights. The same is true in the absence of supporting documentation from the taxpayer that the exemption should be continued.

Sample Application for Property Tax Exemption

Property Tax ID (Parcel Number): _____

Street Address of Property: _____

Name of Organization: _____

Mailing Address: _____

Officers: _____ Title: _____

Under what section(s) of the Michigan General Property Tax Act are you requesting exemption?

Please state the reason you are applying for this exemption:

Are you currently receiving a property tax exemption in another Michigan city or township?

Yes _____ No _____

If Yes, where and what type of exemption is being received?

Please enclose the following documents with this application: **(All information is required)**

1. Articles of Incorporation
3. Proof of Ownership

2. I.R.S. Statement indicating status
4. By Laws

Signature/Title

Phone #

Date

For Office Use Only:

Approved: Yes _____ No _____

Assessor

Date

MICHIGAN RENAISSANCE ZONE ACT (EXCERPT)
Act 376 of 1996

125.2688d Tool and die renaissance recovery zones; definitions.

Sec. 8d. (1) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 35 tool and die renaissance recovery zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a recovery zone within their boundaries. A recovery zone shall have a duration of renaissance zone status for a period of not less than 5 years and not more than 15 years as determined by the board of the Michigan strategic fund. If the Michigan strategic fund determines that the duration of renaissance zone status for a recovery zone is less than 15 years, then the Michigan strategic fund, with the consent of the city, village, or township or combination of cities, villages, or townships in which the qualified tool and die business is located, may extend the duration of renaissance zone status for the recovery zone for 1 or more periods that when combined do not exceed 15 years. Not less than 1 of the recovery zones shall consist of 1 or more qualified tool and die businesses that have a North American industrial classification system (NAICS) of 332997.

(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists of not less than 4 and not more than 20 qualified tool and die businesses at the time of designation. If the board of the Michigan strategic fund designated 1 or more recovery zones that contain less than 20 qualified tool and die businesses before December 19, 2005, the board of the Michigan strategic fund may add additional qualified tool and die businesses to that recovery zone subject to the limitations contained in this subsection. A recovery zone shall consist of only qualified tool and die business property. The board of the Michigan strategic fund may combine existing recovery zones that are comprised solely of tool and die businesses that are parties to the same qualified collaborative agreement. Where 2 or more recovery zones have been combined, the board of the Michigan strategic fund may continue to designate additional recovery zones, provided that no more than 35 tool and die recovery zones exist at 1 time.

(3) The board of the Michigan strategic fund may revoke the designation of all or a portion of a recovery zone with respect to 1 or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement. A qualified tool and die business may enter into another qualified collaborative agreement once it is designated part of a recovery zone.

(4) One or more qualified tool and die businesses subject to a qualified collaborative agreement may merge into another group of qualified tool and die businesses subject to a different qualified collaborative agreement upon application to and approval by the Michigan strategic fund.

(5) A qualified tool and die business in a recovery zone may have a different period of renaissance zone status than other qualified tool and die businesses in the same recovery zone.

(6) The board of the Michigan strategic fund may modify an existing recovery zone to add 1 or more qualified tool and die businesses with the consent of all other qualified tool and die businesses that are participating in the recovery zone.

(7) The board of the Michigan strategic fund may modify an existing recovery zone to add additional property under the same terms and conditions as the existing recovery zone if all of the following are met:

(a) The additional real property is contiguous to existing qualified tool and die business property and will become qualified tool and die business property once it is brought into operation as determined by the board of the Michigan strategic fund.

(b) The city, village, or township in which the qualified tool and die business is located consents to the modification.

(8) Beginning on January 13, 2009, a recovery zone may include a qualified tool and die business that has 75 or more full-time employees if that qualified tool and die business has entered into a written agreement with the board of the Michigan strategic fund and the city, village, or township, or a combination of cities, villages, or townships, in which the qualified tool and die business is located.

(9) As used in this section:

(a) "Qualified collaborative agreement" means an agreement that demonstrates synergistic opportunities, including, but not limited to, all of the following:

(i) Sales and marketing efforts.

(ii) Development of standardized processes.

(iii) Development of tooling standards.

(iv) Standardized project management methods.

(v) Improved ability for specialized or small niche shops to develop expertise and compete successfully on larger programs.

(b) "Qualified tool and die business" means a business entity that meets all of the following:

(i) Has a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or has a North American industrial classification system (NAICS) of 337215 and operates a facility within an existing renaissance zone, which facility is adjacent to real property not located in a renaissance zone and is located within 1/4 mile of a Michigan technical education center.

(ii) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund consisting of not fewer than 4 or more than 20 other business entities at the time of designation that have a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515.

(iii) Except as otherwise provided by the board of the Michigan strategic fund, has fewer than 75 full-time employees.

(c) "Qualified tool and die business property" means 1 or more of the following:

(i) Property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that own the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation.

(ii) Property leased by 1 or more qualified tool and die business for which the qualified tool and die business is liable for ad valorem property taxes and which is used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that lease the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation. The qualified tool and die business shall furnish proof of its ad valorem property tax liability to the department of treasury.

History: Add. 2003, Act 266, Imd. Eff. Jan. 5, 2004;—Am. 2004, Act 202, Imd. Eff. July 13, 2004;—Am. 2005, Act 276, Imd. Eff. Dec. 19, 2005;—Am. 2006, Act 93, Imd. Eff. Apr. 4, 2006;—Am. 2008, Act 117, Imd. Eff. Apr. 29, 2008;—Am. 2008, Act 495, Imd. Eff. Jan. 13, 2009;—Am. 2010, Act 368, Imd. Eff. Dec. 22, 2010.

Compiler's note: For transfer of Michigan strategic fund from department of management and budget to department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

NONFERROUS METALLIC MINERALS EXTRACTION SEVERANCE TAX ACT
Act 410 of 2012

AN ACT to levy specific taxes on certain nonferrous metallic minerals on certain taxpayers in this state; to provide for the levy, collection, and administration of the specific tax; to provide certain reporting requirements; to provide for certain penalties; to provide certain exemptions, credits, and refunds; and to provide for the distribution of the specific tax.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

The People of the State of Michigan enact:

211.781 Short title.

Sec. 1. This act shall be known and may be cited as the "nonferrous metallic minerals extraction severance tax act".

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.782 Definitions.

Sec. 2. As used in this act:

(a) "Beneficiation" means milling, processing, grinding, separating, concentrating, pelletizing, and other processes necessary to prepare nonferrous metallic mineral ore for sale or transfer.

(b) "Department" means the department of treasury.

(c) "Mineral" means a naturally occurring solid substance that is extracted from the earth in this state primarily for its nonferrous metallic mineral content for commercial, industrial, or construction purposes. Mineral does not include gypsum, lime, limestone, salt, dolomite, basalt, granite, sandstone, shale, clay, stone, gravel, marl, peat, sand, gemstones, coal, substances extracted from potable water or brine, substances extracted from oil or natural gas, low-grade iron ore that is defined and taxed under 1951 PA 77, MCL 211.621 to 211.626, any property that is defined and taxed under 1963 PA 68, MCL 207.271 to 207.279, or any other substance not extracted primarily for its nonferrous metallic mineral content.

(d) "Mineral-producing property" means real and personal property in this state that is part of a producing mine or utilized directly in association with a producing mine on a parcel on which the shaft, incline, or adit is located, or a parcel contiguous or appurtenant to a parcel on which the shaft, incline, or adit is located. As used in this section, contiguity is not broken by a road, an easement, a right-of-way, or property occupied by power transmission lines or buffer zones. Mineral-producing property also includes all the following within this state:

(i) Mineral rights in mineral-producing property.

(ii) Mineral leases, options, and mining rights on or in mineral-producing property.

(iii) Mineral stockpiles and mineral inventories that are owned, leased, or controlled by a taxpayer.

(iv) Leach pads, waste rock repositories, and tailings impounds that are owned, leased, or controlled by a taxpayer.

(v) Buffer lands that are owned, leased, or controlled by a taxpayer and are appurtenant to mineral-producing property. For purposes of determining appurtenance to mineral-producing property for buffer lands owned, leased, or controlled by a taxpayer, there is a rebuttable presumption that all of the following apply:

(A) Land that is no more than 1/4 mile from nonbuffer land mineral-producing property, is held by the taxpayer for use as buffer land.

(B) Land that is more than 1/4 mile from nonbuffer land mineral-producing property and that a taxpayer is required to own, lease, or control due to requirements imposed by federal, state, or local law, is held by the taxpayer for use as buffer land.

(vi) Buildings, improvements, fixtures, and nonmobile equipment located upon, beneath, or appurtenant to a mine, including administrative and support facilities appurtenant to a mine provided that such property is located upon, beneath, or on a parcel that is a mineral-producing property.

(vii) Property owned and primarily used by the taxpayer in the transportation of minerals from a producing mine to the point where beneficiation activities begin.

(viii) Property used for beneficiation of extracted minerals if the person that owns or controls the property is a taxpayer.

(e) "Mineral-producing property" does not include real and personal property that is used for transportation of minerals between any locations, unless it is specifically described in subdivision (d). Also, mineral-producing property does not include real property owned, leased, or controlled by a taxpayer that is

used as residential real property.

(f) "Minerals severance tax" or "severance tax" means the specific tax levied under section 4.

(g) "Open mine" means a mine at which a shaft, incline, or adit has been started or overburden has been stripped.

(h) "Person" means an individual, firm, limited partnership, limited liability partnership, copartnership, partnership, joint venture, corporation, association, subchapter S corporation, limited liability company, receiver, estate, trust, or any other legal entity or combination of legal entities acting as a unit.

(i) "Producing mine" means a mineral mine in this state at which a taxpayer is producing 1 or more minerals. Producing mine does not include a mine operated primarily for tourism purposes or a mine in which the minerals produced are used for artistic purposes and are incidental to the business operation of the owner.

(j) "Rural development fund" means the rural development fund created in section 5 of the rural development fund act.

(k) "Taxable mineral" means the first marketable mineral or mineral product sold or transferred by the taxpayer that is taxable under this act. Taxable mineral also includes a mineral which has been sold or transferred by a taxpayer following beneficiation in this state and a mineral which is otherwise taxable under this act.

(l) "Taxable mineral value" means the total value received by a taxpayer for the sale or transfer of taxable minerals, whether or not in a beneficiated state, including premiums, bonuses, subsidies, or noncash consideration, with no deductions. There is a rebuttable presumption that the purchase price of a taxable mineral under a bona fide arm's-length contract of sale or transfer between unrelated persons reflects the taxable mineral value. In determining the taxable mineral value of a taxable mineral for contracts of sale or transfer between related persons, there is a rebuttable presumption that taxable mineral value for related party sales or transfers shall be based on the average daily price of the mineral as quoted on published market indices as of the date of sale or transfer. The taxable mineral value of taxable minerals sold or transferred by a taxpayer following beneficiation shall reflect the total value of the taxable mineral in its beneficiated state. For taxable minerals which are to be shipped or transported outside this state for beneficiation outside this state or otherwise removed by a taxpayer from this state and which are considered to have been sold as provided in section 4(1), the taxable mineral value shall reflect the total value of the minerals immediately prior to the shipment or removal based on the average daily price of the mineral as quoted on published market indices as determined by the department.

(m) "Taxpayer" means a person subject to a specific tax levied under this act.

(n) "Transfer" means an in-kind exchange or other disposition of an interest in minerals, whether or not beneficiated, other than through a sale.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.783 Mineral and right, claim, lease, or option; tax exemption; shaft, incline, adit, or value of overburden stripping at open mine; tax exemption.

Sec. 3. Beginning December 31, 2012, any mineral and any right, claim, lease, or option in or of any mineral is exempt and any shaft, incline, adit, or value of overburden stripping located at an open mine is exempt under section 7pp of the general property tax act, 1893 PA 206, MCL 211.7pp.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.784 Minerals severance tax; levy; other tax exemptions; rate; computation of taxable mineral value; payment; transfer or purchase of mineral; tax credit for open mines opened between January 1, 2011 and June 30, 2013; first year of tax levy.

Sec. 4. (1) The minerals severance tax is levied on taxable minerals that a taxpayer extracts from the earth in this state or that a taxpayer beneficiates in this state. A mineral extracted from the earth in this state by a taxpayer which is shipped outside this state for beneficiation outside this state or otherwise removed from this state prior to actual sale or transfer is considered to have been sold by the taxpayer immediately prior to the shipment or removal and is subject to the minerals severance tax levied under this section. A taxpayer subject to the minerals severance tax is exempt from all of the following as provided in this act:

(a) The collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as provided in section 7qq of the general property tax act, 1893 PA 206, MCL 211.7qq.

(b) The tax levied under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, as provided in sections 31b and 623 of the income tax act of 1967, 1967 PA 281, MCL 206.31b and 206.623.

(c) The tax levied under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, as provided in section 4dd of the general sales tax act, 1933 PA 167, MCL 205.54dd.

(d) The tax levied under the use tax act, 1937 PA 94, MCL 205.91 to 205.111, as provided in section 4aa

of the use tax act, 1937 PA 94, MCL 205.94aa.

(2) The minerals severance tax required to be paid by each taxpayer each year shall be 2.75% of the taxable mineral value.

(3) The taxable mineral value of all minerals shall be computed as of the time of sale or transfer. Each taxpayer shall pay the minerals severance tax to the local tax collecting unit on or before February 15 beginning on February 15 in the calendar year immediately following the year in which the department declares the property to be mineral-producing property under section 6.

(4) If a taxpayer sells or transfers the minerals to another taxpayer, the seller or transferor shall add to the sales price, or to the value of the consideration with respect to a transfer, any minerals severance tax the seller or transferor paid under this act for those minerals and itemize the minerals severance tax paid under this act on the invoice.

(5) A taxpayer that purchases taxable minerals from another taxpayer may claim a credit against the minerals severance tax imposed under this act for the minerals severance tax paid under this act by the seller or transferor for those minerals that is itemized on the invoice.

(6) For open mines opened at any time between January 1, 2011 and June 30, 2013, for the first 5 years in which that open mine is a producing mine and is subject to the minerals severance tax, the taxpayer may claim a credit of not more than 20% of the amount of the ad valorem property tax levied on that open mine in 2012 attributable to those minerals valued by the state geologist under section 24(2) of the general property tax act, 1893 PA 206, MCL 211.24, in 2012.

(7) In the first year that a minerals severance tax is levied on a taxpayer under this act, the minerals severance tax for that year is equal to the greater of the following:

(a) The minerals severance tax calculated under subsection (2).

(b) The amount of general ad valorem property tax that was paid on the mineral-producing property for that year.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.785 Preparation and submission of report by taxpayer.

Sec. 5. Each year, a taxpayer shall prepare and submit to the department and to the local tax collecting unit a report in the time, form, and manner required by the department, showing the total amount of minerals sold, transferred, or beneficiated during the preceding year, the taxable mineral value of the minerals sold, transferred, or beneficiated, and any other information required by the department for valuation purposes.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.786 Mineral-producing property; determination by department; notification that property no longer mineral-producing property; notification; list to be provided by state geologist; notice of ceased operations.

Sec. 6. (1) The department shall determine when property is classified under this act as mineral-producing property. A taxpayer shall notify the department within 30 days of beginning operation of a producing mine. Upon making this determination, the department shall notify all local assessing authorities of those properties that are classified as a mineral-producing property and are subject to the minerals severance tax under this act. Beginning on December 31 in the calendar year in which property is determined by the department to be mineral-producing property, that property is exempt from taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. The property shall be subject to the minerals severance tax when the property is determined to be mineral-producing property by the department. Beginning on the date an open mine becomes a producing mine, the mineral-producing property is exempt from the taxes set forth in section 4(1)(b), (c), and (d) as provided in this act.

(2) If the department determines that property previously determined to be a mineral-producing property is no longer mineral-producing property, the department shall notify the taxpayer and the local assessing authorities that the property is no longer subject to the minerals severance tax under this act beginning December 31 in the year that determination is made and that property shall be subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. The local tax collecting unit in which the property is located is responsible for assessment of that property as of the date of the department's notification to the local assessing authority. Ten days after the date of the department's notification to the taxpayer shall be the date on which the minerals severance tax shall cease and all related tax exemptions described in section 4(1)(b), (c), and (d) shall cease.

(3) On or before February 10 of each year, the state geologist shall provide a list of all mineral-producing properties as of the end of the previous calendar year to the department.

(4) If a taxpayer ceases operation of a producing mine for 30 or more consecutive days, the taxpayer shall

notify the department, in writing, that it has ceased operations within 7 business days.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.787 Record to be prepared, kept, and preserved by taxpayer; inspection; publication of value of all minerals.

Sec. 7. (1) Each taxpayer shall prepare, keep, and preserve a full and complete record for each tax year of all minerals extracted from the earth in this state or benefited in this state, and that record shall be open at all times to the inspection of the department.

(2) Annually, the department shall publish the value of all minerals reported under this act.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.788 Rules.

Sec. 8. The department may promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.789 Minerals severance tax; allocation by department; collection by local tax collecting unit; distribution; report of collections and distributions; remittance of portion to department for deposit in rural development fund; modification so that distributions to school districts, this state, and local governmental units not reduced; provisions applicable to open mines opened between January 1, 2011 and June 30, 2013.

Sec. 9. (1) The department shall allocate the minerals severance tax and the local tax collecting unit shall collect the minerals severance tax as provided in this act and collect the same collection charges as general property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. Property listed and taxed under this act shall be subject to return and sale for nonpayment of taxes in the same manner, at the same time, and under the same penalties as property returned and sold for nonpayment of taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) If mineral-producing property is located in more than 1 local tax collecting unit, the department, or a person designated by the department, shall determine the portion attributable to each local tax collecting unit.

(3) Except as provided in subsection (5), the minerals severance tax collected under this act shall be distributed as follows:

(a) 65% by the local tax collecting unit to school districts, this state, and local governmental units in the same proportion as the general ad valorem property taxes are distributed. The amounts distributed may be used by the receiving entities for any use for which such entity is permitted to use general ad valorem property tax revenues.

(b) 35% to the department for deposit into the rural development fund.

(4) The local tax collecting unit shall report all collections and distributions under this act to and remit the portion of the minerals severance tax described in subsection (3)(b) to the department for deposit in the rural development fund no later than 30 days after a payment is received from the taxpayer. If a local tax collecting unit fails to make any distribution or remittance required under this act to another entity, the department shall deduct an equivalent amount from any revenues the local tax collecting unit would otherwise be entitled to receive under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and distribute the amount deducted to those entities entitled to receive that distribution under this act.

(5) In determining the distribution under subsection (3), the department shall modify the distributions so all minerals severance tax revenue lost due to the credit described in section 4(6) does not reduce the distributions to school districts, this state, and local governmental units under subsection (3)(a).

(6) For open mines opened at any time between January 1, 2011 and June 30, 2013, all of the following apply:

(a) For the first 5 years in which that open mine is a producing mine and is subject to the minerals severance tax, if the amount distributed under subsection (3)(a) is less than \$3,500,000.00, the taxpayer shall, in addition to the amount distributed under subsection (3)(a), pay the difference between \$3,500,000.00 and the amount distributed under subsection (3)(a), which additional amount shall be distributed to the school districts, this state, and local governmental units in the proportion provided in subsection (3)(a).

(b) For the sixth and seventh years in which that open mine is a producing mine and is subject to the minerals severance tax, if the amount distributed under subsection (3)(a) is less than \$1,600,000.00, the taxpayer shall, in addition to the amount distributed under subsection (3)(a), pay the difference between \$1,600,000.00 and the amount distributed under subsection (3)(a), which additional amount shall be distributed to the school districts, this state, and local governmental units in the manner provided in

subsection (3)(a).

(c) If the taxpayer makes any additional payments as provided under this subsection in addition to the amount distributed under subsection (3)(a), the amount of that additional payment shall be recovered as a credit, without interest, by the taxpayer against subsequent payments made under this act and distributed under subsection (3)(a) until the taxpayer has been reimbursed in full, provided that in no case shall this credit cause the distribution made under subsection (3)(a) in that year to fall below the minimum amounts provided in subdivision (a) or (b) for that year. The credit shall be cumulative and shall not expire until the taxpayer has been fully reimbursed under this act.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.790 Restraining order.

Sec. 10. Unless the minerals severance tax is being contested as provided by law, upon an action being filed under the direction of the attorney general in the circuit court for the county of Ingham, that court shall have power to restrain by injunction any taxpayer or person that has failed to comply with this act and in the same manner to restrain any taxpayer or person from continuing to extract minerals while delinquent in the filing of any report or the paying of any tax, penalty, or cost required under this act.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

211.791 Administration of tax by department.

Sec. 11. The minerals severance tax levied under this act shall be administered by the department.

History: 2012, Act 410, Imd. Eff. Dec. 20, 2012.

CITY OF JONESVILLE

2018 – 2019 BUDGET CALENDAR

Friday, February 16, 2018	Distribute budget packages to Department Heads (Finance Director)
Monday, March 12, 2018	Budget requests from Department Heads due to Finance Director
Monday, March 12, 2018	Budget Narratives due to Finance Director by Department Heads
March 19 – 29, 2018	City Manager/Finance Director meetings with Department Heads
April 10 – 26, 2018	Budget Committee Discussions with Manager/Finance Director
Thurs-Fri, May 10-11, 2018	Put together budget binders for Council meeting (Finance Director)
Wed, May 16, 2018	Regular Council Meeting Budget Session covering: Local Streets Major Streets State Highway Motor Vehicle Pool
Wed, May 16, 2018	Set public hearing date for Wednesday, June 20, 2018
May 17 – 23, 2018	Adjustments based on May 16th session and Council Budget Committee Recommendations (Finance Director)
May 24 - 25, 2018	Put together budget binders for Council meeting (Finance Director)
Wed, May 30, 2018	Special Council Meeting Budget Session covering: General Fund DDA LDFA Sewer Fund Water Fund Debt Service
June 1 – June 13, 2018	Adjustments based on May 30th session and Council Budget Committee Recommendations (Finance Director)
Thurs-Fri, June 14-15, 2018	Put together budget binders for Council meeting (Finance Director)
Wed, June 20, 2018	Regular Council Meeting – Final Budget Discussions (as necessary) Public Hearing – Set budget and ad-valorem mill levy [Resolution(s)]

* Note - Jeff will be on vacation March 16 - 19, and April 2 - 6

- Lenore will be on vacation March 7-12, and at conferences March 16, April 27, and May 7-9

RECEIVED
DEC 8 8 2017

BY: _____



Office: 517-563-2231 Mobile: 517-474-2231

2 Year Contract

December 4th, 2017

To the City of Jonesville:

As agreed, we will again hold the prices listed below extending into the 2018/2019 lawn seasons, with the same understanding that any additional mowing and or services will be subject to price adjustments accordingly.

1. Wright Street Park @ \$62.37
 2. G. Carl Fast Park @ \$46.78
 3. Iron Removal Plant @ \$31.19
 4. Waste Water Treatment Plant @ \$88.36
 5. Police Department @ \$29.79
 6. Fire Department @ \$6.60
 7. Clinton Street / Crest Lane @ \$25.99
 8. Oak Street / US 12 @ \$24.75
 9. North Parking Lot @ \$85.00
 10. Industrial Parkway @ \$59.07
 11. Deal Parkway @ \$59.07
 12. Interdyne Drive (End) @ \$6.60
 13. Leaf Pick Up at Wright Street Park & Tennis Court @ \$106.22
 14. Leaf Pick Up at G. Carl Fast Park @ \$154.12
 15. Weed control Spring and Summer \$25.00 per hour and \$5.00 per gallon
- *Gallons per hour vary (hand pump verse mechanical sprayers)

Signature: _____
Signature acknowledges acceptance of contract.

Date: _____

CITY OF JONESVILLE
REVENUE AND EXPENDITURE REPORT
PERIOD ENDING 12/31/2017

DESCRIPTION	YTD BALANCE 12/31/2017 NORMAL (ABNORMAL)	2017-18 AMENDED BUDGET	% BDGT USED	COMMENTS
Fund 101 - GENERAL FUND				
TOTAL Revenues	889,616.30	1,175,630.52	75.67%	Property taxes
Expenditures				
101-CITY COUNCIL	9,989.64	25,100.00	39.80%	
172-CITY MANAGER	48,912.84	103,319.00	47.34%	
191-ELECTIONS	48.71	100.00	48.71%	
218-GENERAL OFFICE	90,434.97	197,120.00	45.88%	
247-BOARD OF REVIEW	437.97	1,500.00	29.20%	
253-TREASURER	4,903.99	5,000.00	98.08%	Tax bills/tax roll maintenance
257-ASSESSOR	11,132.82	22,100.00	50.37%	
258-DATA PROCESSING/COMPUTER DE	3,956.16	11,025.00	35.88%	
265-CITY HALL	8,131.15	16,147.00	50.36%	Annual Prop/Liability Insur.
276-CEMETERY	35,655.50	64,328.00	55.43%	Payment to Fayette Twp.
285-FREEDOM MEMORIAL	707.82	2,400.00	29.49%	
301-POLICE DEPARTMENT	133,571.88	324,897.20	41.11%	
336-FIRE DEPARTMENT	39,763.89	138,757.04	28.66%	
410-PLANNING & ZONING COMMISSIOI	3,209.50	21,101.00	15.21%	
441-RADIO TOWER PROPERTY	43.02	-		To be reclassified
442-PARKING LOTS	5,233.82	62,515.00	8.37%	
443-SIDEWALKS	261.78	11,380.00	2.30%	
444-DEPT. OF PUBLIC WORKS	9,139.09	18,220.00	50.16%	
448-STREET LIGHTING	16,257.35	32,000.00	50.80%	
526-SANITARY LAND FILL	-	5,799.00	0.00%	
751-RECREATION DEPARTMENT	6,201.88	45,615.00	13.60%	
770-PARKS	7,019.61	14,325.00	49.00%	
780-RAIL/TRAIL	6,613.18	9,875.00	66.97%	Sidewalk to/from Police Dept
858-FRINGE BENEFITS	15,308.00	34,250.00	44.69%	
865-INSURANCE	14,050.03	11,000.00	127.73%	Annual Prop/Liability Insur.
895-PROMOTIONS	0.00	0.00		
897-OTHER ACTIVITIES	0.00	0.00		
TOTAL Expenditures	470,984.60	1,177,873.24	39.99%	
NET OF REVENUES & EXPENDITURES	418,631.70	(2,242.72)		

CITY OF JONESVILLE
REVENUE AND EXPENDITURE REPORT
PERIOD ENDING 12/31/2017

DESCRIPTION	YTD BALANCE 12/31/2017 NORMAL (ABNORMAL)	2017-18 AMENDED BUDGET	% BDGT USED	COMMENTS
Fund 202 - MAJOR STREETS FUND				
TOTAL Revenues	99,149.93	384,412.00	25.79%	
Expenditures				
451-STREET CONSTRUCTION	2,009.03	237,600.00	0.85%	
465-ROUTINE MAINTENANCE	61,839.12	104,767.00	59.03%	Chip/fog seal/crack filling
474-TRAFFIC CONTROL	1,397.70	10,950.00	12.76%	
478-WINTER MAINTENANCE	3,943.71	21,865.00	18.04%	
900-ADMINISTRATION	35,389.75	45,799.00	77.27%	Bond principal payment
TOTAL Expenditures	104,579.31	420,981.00	24.84%	
NET OF REVENUES & EXPENDITURES	(5,429.38)	(36,569.00)	14.85%	
Fund 203 - LOCAL STREETS FUND				
TOTAL Revenues	282,857.52	266,162.48	106.27%	Property taxes
Expenditures				
451-STREET CONSTRUCTION	0.00	0.00		
465-ROUTINE MAINTENANCE	79,076.67	124,320.00	63.61%	Chip/fog seal/crack filling
474-TRAFFIC CONTROL	1,168.53	8,064.00	14.49%	
478-WINTER MAINTENANCE	3,395.67	17,030.00	19.94%	
900-ADMINISTRATION	24,774.65	129,899.00	19.07%	
TOTAL Expenditures	108,415.52	279,313.00	38.82%	
NET OF REVENUES & EXPENDITURES	174,442.00	(13,150.52)	1326.50%	
Fund 211 - STATE HIGHWAY FUND				
TOTAL Revenues	10,748.97	25,851.00	41.58%	
Expenditures				
465-ROUTINE MAINTENANCE	4,739.32	11,650.00	40.68%	
474-TRAFFIC CONTROL	914.92	1,050.00	87.14%	Traffic signal project Miss Digs
478-WINTER MAINTENANCE	2,485.95	10,650.00	23.34%	
900-ADMINISTRATION	1,065.19	2,500.00	42.61%	
TOTAL Expenditures	9,205.38	25,850.00	35.61%	
NET OF REVENUES & EXPENDITURES	1,543.59	1.00		

CITY OF JONESVILLE
REVENUE AND EXPENDITURE REPORT
PERIOD ENDING 12/31/2017

DESCRIPTION	YTD BALANCE 12/31/2017 NORMAL (ABNORMAL)	2017-18 AMENDED BUDGET	% BDGT USED	COMMENTS
Fund 247 - LOCAL DEVELOPMENT FINANCE AUTHORITY				
TOTAL Revenues	213,271.30	305,981.12	69.70%	
Expenditures				
729-DEVELOPMENT ACTIVITIES	19,662.80	305,487.00	6.44%	
TOTAL Expenditures	19,662.80	305,487.00	6.44%	
NET OF REVENUES & EXPENDITURES	193,608.50	494.12		
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY				
TOTAL Revenues	17,625.25	120,177.52	14.67%	
Expenditures				
442-PARKING LOTS	662.95	63,815.00	1.04%	
443-SIDEWALKS	277.71	6,121.00	4.54%	
729-DEVELOPMENT ACTIVITIES	6,871.81	31,170.00	22.05%	
733-DOWNTOWN/STREETSCAPE	9,961.89	25,795.00	38.62%	
895-PROMOTIONS	8,829.65	10,265.00	86.02%	Christmas lighting/decorations
897-OTHER ACTIVITIES	6,520.00	58,440.00	11.16%	
TOTAL Expenditures	33,124.01	195,606.00	16.93%	
NET OF REVENUES & EXPENDITURES	(15,498.76)	(75,428.48)	20.55%	
Fund 301 - GENERAL DEBT SERVICE FUND				
TOTAL Revenues	47,045.00	158,935.00	29.60%	
Expenditures				
906-MAJOR STREET BOND	32,602.50	34,650.00	94.09%	Bond principal payment
907-D.D.A. BOND	6,520.00	58,440.00	11.16%	
908-LOCAL STREET BOND	7,922.50	65,845.00	12.03%	
TOTAL Expenditures	47,045.00	158,935.00	29.60%	
NET OF REVENUES & EXPENDITURES	-	-		

CITY OF JONESVILLE
REVENUE AND EXPENDITURE REPORT
PERIOD ENDING 12/31/2017

DESCRIPTION	YTD BALANCE 12/31/2017 NORMAL (ABNORMAL)	2017-18 AMENDED BUDGET	% BDGT USED	COMMENTS
Fund 590 - SEWER SYSTEM FUND				
TOTAL Revenues	469,154.72	847,567.71	55.35%	
Expenditures				
527-SEWAGE DISPOSAL	408,982.36	1,068,201.26	38.29%	
TOTAL Expenditures	408,982.36	1,068,201.26	38.29%	
NET OF REVENUES & EXPENDITURES	60,172.36	(220,633.55)	-27.27%	
Fund 591 - WATER SUPPLY SYSTEM FUND				
TOTAL Revenues	167,537.08	333,686.17	50.21%	
Expenditures				
536-IRON REMOVAL PLANT	68,387.34	292,324.00	23.39%	
537-WATER DISTRIBUTION SYSTEM	23,551.75	94,920.00	24.81%	
TOTAL Expenditures	91,939.09	387,244.00	23.74%	
NET OF REVENUES & EXPENDITURES	75,597.99	(53,557.83)	141.15%	
Fund 661 - MOTOR VEHICLE POOL FUND				
TOTAL Revenues	58,352.91	134,500.00	43.39%	
Expenditures				
270-DPW BUILDING AND GROUNDS	11,303.73	22,489.00	50.26%	Salt bldg/MML insur pmt
896-MOTOR VEHICLE POOL	52,484.34	127,930.00	41.03%	Boom truck refurbishment
TOTAL Expenditures	63,788.07	150,419.00	42.41%	
NET OF REVENUES & EXPENDITURES	(5,435.16)	(15,919.00)	34.14%	
Fund 703 - CURRENT TAX FUND				
TOTAL Revenues	120.25	-		Savings Interest
TOTAL Expenditures	-	-		
NET OF REVENUES & EXPENDITURES	120.25	-		
TOTAL REVENUES - ALL FUNDS	2,255,479.23	3,752,903.52	60.10%	
TOTAL EXPENDITURES - ALL FUNDS	1,357,726.14	4,169,909.50	32.56%	
NET OF REVENUES & EXPENDITURES	897,753.09	(417,005.98)	215.29%	

****Subject to Council Approval****

**JONESVILLE CITY COUNCIL
Minutes of January 17, 2018**

A meeting of the Jonesville City Council was held on Wednesday, January 18, 2017 at the Jonesville City Hall. Mayor Gerry Arno called the meeting to order at 6:30 p.m. Council members present were: Tim Bowman, Jerry Drake, Brenda Guyse, Ron Hayes, Andy Penrose and David Steel.

Also present: Manager Gray, Attorney Lovinger, Police Chief Lance, WWTP Supt. Mahoney, DPW Supt. Kyser, Treasurer Spahr, Fire Chief Adair, Jonesville Firemen Jeff Colotti, Tom McNair, Neil Finegan, Scott Lucas, Greg Lonk, Paul Kibert, Rick Riggs, Kurtis Bulloch, Randy Dunwoody, Adam Rose, and Brian Stroble.

Fire Chief Adair led the Pledge of Allegiance and moment of silence.

The agenda was approved as presented.

Jonesville Fire Chief Dean Adair spoke briefly regarding the Jonesville Fire Department and its members who have approximately 215 years of service between them all. Chief Adair stated this group gives 100% to their duties on the department and take pride in being a member of the department. Each fireman was introduced to Council and given the number of years of service they've had on the department and their place of employment.

A motion was made by David Steel and supported by Brenda Guyse to approve the recommendation from the Cemetery Committee to enter into a contract with Tyler Butters for cemetery property maintenance and sexton services. The contract will commence on February 1, 2018 for a two year period, and subject to review of performance 60 days prior to the end of one year. All in favor. Motion carried.

A motion was made by Brenda Guyse to approve the amended fee schedule to increase the cremation burial by \$25.00, to commence on February 1, 2018. Jerry Drake supported the motion. All in favor. Motion carried.

Andy Penrose made a motion to approve the Fiscal Year 2017-18 Budget Amendments as presented. The motion was supported by Tim Bowman. All in favor. Motion carried.

A motion was made by Jerry Drake and supported by Brenda Guyse to receive the 2017 Planning Commission Annual Report. All in favor. Motion carried.

Jerry Drake made a motion to receive and approve the Planning Commission 2018 Work Plan. David Steel supported the motion. All in favor. Motion carried.

A motion was made by Ron Hayes and supported by Brenda Guyse to approve the minutes of December 20, 2017 with two corrections. All in favor. Motion carried.

Andy Penrose made a motion to approve the Accounts Payable for December 2017 in the amount of \$110,709.78. Ron Hayes supported the motion. All in favor. Motion carried.

Updates were given by Department Heads, Manager Gray and Council.

Mayor Arno adjourned the meeting at 7:19 p.m.

Submitted by,

Cynthia D. Means
Clerk

Gerry Arno
Mayor

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Vendor	Description	Amount
A & J COFFEE SERVICE	CITY HALL OPERATING SUPPLIES	10.55
ANYTIME FIRE PROTECTION	FIRE EXTINGUISHER MAINTENANCE	522.75
AQUA-LINE, INC.	WATER - LEAK DETECTION	698.80
AT&T	LOCAL/LONG DISTANCE	1,630.36
AUTOMOTIVE SERVICE COMPANY I	MVP - VEHICLE REPAIRS	246.80
BAKER'S LAWN CARE, LLC	CEMETERY - JAN BURIALS	525.00
	CEMETERY - SEXTON SERVICES	150.00
	CEMETERY MAINTENANCE	6,375.00
		7,050.00
BILL MORGAN'S WELDING	WWTP - REPAIRS	60.00
BRINER OIL CO., INC.	MVP - SUPPLIES	15.00
	MVP - BULK TANK	134.40
	MVP - BULK TANK	563.54
	JFD - GASOLINE	22.85
	MVP BULK TANK	434.75
	MVP - BULK TANK	438.04
	MVP - GASOLINE	451.13
	MVP - NEW BULK TANK	1,679.59
		3,739.30
BROOKS, JAMIE	JPD CLEANING SERVICE	100.00
	CITY HALL CLEANING SERVICE	100.00
		200.00
BSN SPORTS, INC	REC - SUPPLIES/EQUIPMENT	809.80
CERTIFIED MAINTENANCE	JFD - CARPET/FLOOR CLEANING	555.12
	JPD - CARPET/FLOOR CLEANING	695.40
		1,250.52
CLEAR VIEW, B.R. LLC	CITY HALL/JPD WINDOW CLEANING	33.00
CMP DISTRIBUTORS, INC.	JPD - UNIFORMS	204.70
CONSUMERS ENERGY	JFD TRUCK BAY ELECTRICITY	189.46
	RADIO TOWER ELECTRICITY	34.60
	CITY HALL ELECTRICITY	235.46
	DPW ELECTRICITY	236.66
	WRIGHT ST PARK ELECTRICITY	26.30
	598 IND PKWY SPRINKLER METER	24.64
	WATER TOWER ELECTRICITY	94.66
	100 DEAL PKWY SPRINKLER METER	29.20
	WWTP ELECTRICITY	4,672.64
	500 IND PKWY SPRINKLER METER	27.26
	JPD ELECTRICITY	203.91
	FREEDOM MEMORIAL ELECTRICITY	110.99
	CEMETERY ELECTRICITY	28.23
	DDA - METERED PARKING LOT LIGHT ELECTRICITY	97.00
	FAST PARK ELECTRICITY	61.31
	CITY HALL SECOND FLOOR ELECTRICITY	24.22
	JFD - EMERGENCY SIREN ELECTRICITY	24.91
	JFD ELECTRICITY	84.13
	DDA - UNMETERED PARKING LOT LIGHTS	22.59
	CITY-WIDE STREET LIGHTS	2,635.31
	DOWNTOWN/PARKING LOT LIGHTS	732.60
	LDFA - 598 IND PKWY SPRINKLER METER	23.83
	IRON REMOVAL PLANT ELECTRICITY	2,535.76
	DDA BUILDING ELECTRICITY	424.02
	500 IND PKWY SPRINKLER METER	27.18
	FAST PARK ELECTRICITY	405.23
	CITY HALL SECOND FLOOR ELECTRICITY	23.41
	EMERGENCY SIREN ELECTRICITY	24.25
	JFD TRAINING ROOM ELECTRICITY	106.86
	JED TRUCK BAY ELECTRICITY	266.31
	RADIO TOWER ELECTRICITY	43.95
	CITY HALL ELECTRICITY	251.05
	DPW ELECTRICITY	313.42
	WATER TOWER ELECTRICITY	110.61
	100 DEAL PKWY SPRINKLER METER ELECTRICITY	29.56

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	JPD ELECTRICITY	251.88
	FREEDOM MEMORIAL ELECTRICITY	118.39
	CEMETERY ELECTRICITY	28.57
	DDA - METERED PARKING LOT LIGHTS	116.35
	WRIGHT ST PARK ELECTRICITY	26.07
		14,722.78
COUNTRYSIDE TROPHIES	JPD - NAME PLATE	8.00
CURRENT OFFICE SOLUTIONS	OFFICE SUPPLIES	9.93
	OFFICE SUPPLIES	102.09
	COPIER MAINTENANCE	66.02
	JPD - OFFICE SUPPLIES	5.84
	OFFICE SUPPLIES	15.18
	OFFICE SUPPLIES	275.42
	OFFICE SUPPLIES	9.88
		484.36
DETROIT SALT COMPANY	SALT	2,166.31
	SALT	2,114.87
		4,281.18
DRAKE, JERRY	MILEAGE - R2PC MEETING/ADRIAN	41.42
ELHORN ENGINEERING COMPANY	WATER - SUPPLIES	460.00
FERGUSON WATERWORKS	WATER METERS/GREENSTONE	1,145.58
FIRST ADVANTAGE OCC HEALTH S	DPW - CDL TESTING	25.92
FIRST NATIONAL BANK OMAHA	EMPLOYEE MEETING	61.48
	WATER/WWTP/MANAGER - CONFERENCES	1,208.00
		1,269.48
FLEIS & VANDENBRINK ENG, INC	WATER - ENG SVCS/SYSTEM IMPROVEMENTS	4,038.46
GALLS	JPD - UNIFORMS	17.58
	JPD - UNIFORMS	78.00
	JPD - UNIFORMS	57.39
	JPD - UNIFORMS	107.99
	JPD - UNIFORMS	82.40
		343.36
GENPOWER PRODUCTS, INC.	WATER/WWTP - GENERATOR INSPECTION AGREEMENTS	1,336.00
GODFREY BROS., INC.	MVP - REPAIRS	138.01
	MVP - REPAIRS	97.84
		235.85
GRAINGER	WWTP - REPAIRS	67.50
	WATER - REPAIRS	100.80
		168.30
GRIFFITHS MECH CONTRACTING,	WWTP - REPAIRS	100.00
	WWTP - REPAIRS	902.69
	WWTP - BOILER/MIXED AIR UNIT REPAIRS	4,406.20
		5,408.89
HILLSDALE COUNTY TREASURER	DBOR/2015 & 2016 ADMIN FEE BILLBACK	7.58
HUGHES, ED	MILEAGE - JOINT EXPO	78.12
IDEXX DISTRIBUTION CORP.	WATER - SUPPLIES	2,435.48
JONES & HENRY ENGINEERS, LTD	WWTP - SAW GRANT	10,025.00
JONESVILLE HARDWARE	SUPPLIES/REPAIRS	103.11
JONESVILLE LUMBER	WATER - SUPPLIES	49.19
JONESVILLE, CITY OF	CITY HALL WATER/SEWER	44.66
	JFD WATER/SEWER	56.19
	JPD WATER/SEWER	44.66
	WRIGHT ST PARK WATER/SEWER	34.40
	WWTP WATER/SEWER	167.69
	DPW WATER/SEWER	44.66
		392.26
KEN STILLWELL FORD-MERCURY,	JPD - REPAIRS/14 INTERCEPTOR	191.05
	JPD - OIL CHANGE/16 FORD	31.75
	JPD - 14 FORD OIL CHANGE/TIRE ROTATION	75.70
		298.50
KENNEDY INDUSTRIES, INC.	WATER - IRP/8" VALVE	700.00

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LANCE, MICHAEL	MACP CONFERENCE EXPENSES	207.35
LOVINGER & THOMPSON, P.C.	LEGALS FEES	277.50
MAHONEY, RICK	MILEAGE - WW ADMIN CONFERENCE	152.60
	MILEAGE - JOINT EXPO	81.12
	233.72	
MEANS, CINDY	MILEAGE - QVF TRAINING	35.11
MICH ASSOC OF MUNICIPAL CLER	MEANS - MEMBERSHIP RENEWAL	75.00
	MEANS - MAMC 2018 MASTER ACADEMY	450.00
	525.00	
MICHIGAN GAS UTILITIES	IRON REMOVAL PLANT GAS SERVICE	305.10
	JPD GAS/HEAT SERVICE	151.30
	JFD GAS/HEAT SERVICE	413.13
	CITY HALL GAS/HEAT SERVICE	156.16
	WWTP GAS/HEAT SERVICE	2,356.02
	DPW GAS/HEAT SERVICE	315.31
	GAS LIGHT SERVICE	58.29
	3,755.31	
MICHIGAN MUNICIPAL EXECUTIVE	GRAY - MEMBERSHIP RENEWAL	130.00
MMK CONSULTING	MASTER PLAN CONSULTING	188.25
MML WORKERS COMPENSATION FUN	WORK COMP QUARTERLY INVOICE	4,505.00
MUNICIPAL SUPPLY CO.	WATER - REPAIR CLAMPS	870.49
NORM'S TIREMAN	MVP - TIRE REPAIR	43.99
	JPD - TIRES/14 INTERCEPTOR	591.16
	635.15	
NORTH EAST FABRICATION CO, I	MVP - SUPPLIES	19.92
	WATER - SUPPLIES	14.51
	34.43	
PERFORMANCE AUTOMOTIVE	SUPPLIES/REPAIRS	63.00
POSTMASTER	POSTAGE - WATER/SEWER BILLS	231.56
POWERS CLOTHING, INC.	JPD - UNIFORMS	29.00
REPUBLIC WASTE SERVICES #249	DOWNTOWN/PARKS TRASH SERVICE	105.00
	JPD/JFD TRASH/RAIL TRAIL RECYCLING	95.00
	CITY HALL/WWTP/DPW TRASH SERVICE	90.00
	290.00	
RS TECHNICAL SERVICES, INC.	WATER - IMPELLER METER REPLACEMENT	3,775.00
SAM'S CLUB/SYNCHRONY BANK	REC - MEMBERSHIP RENEWAL	45.00
SPAHR, LENORE	MILEAGE - MMTA WINTER WORKSHOP	61.59
STOCKHOUSE CORPORATION	JPD - BADGE	10.00
	JPD - BUSINESS CARDS	100.00
	110.00	
SUPERFLEET MASTERCARD PROGRA	GASOLINE	907.19
U.S. AUTOMOTIVE & EXHAUST LL	MVP - VEHICLE REPAIRS	89.57
UNIFIRST CORPORATION	WWTP - UNIFORMS	44.20
	WWTP - UNIFORMS	32.44
	MVP - SUPPLIES	27.47
	WWTP - UNIFORMS	32.44
	DPW - SUPPLIES	27.47
	WWTP - UNIFORMS	32.44
	WWTP - UNIFORMS	65.44
	CITY HALL/JPD - SUPPLIES	48.75
	310.65	
UNIQUE PAVING MATERIALS CORP	COLD PATCH	227.36
USA BLUEBOOK	WWTP/WATER - SUPPLIES	1,326.07
USALCO LLC	WWTP - SUPPLIES	4,393.85
VERIZON WIRELESS	DPW CELL PHONE	25.00
	JPD/WWTP/DPW-CELL PHONES/JPD IN-CAR MODEM	167.30
	192.30	
WALMART	SUPPLIES/COUNCIL OPEN HOUSE	521.65
WALMART COMMUNITY/SYNCB	SUPPLIES	264.30
WELLS EQUIPMENT SALES, INC.	MVP - VEHICLE REPAIRS	238.92
	MVP - VEHICLE REPAIRS	(60.00)

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<u>Vendor</u>	<u>Description</u>		<u>Amount</u>
		178.92	
WIELAND	UB refund for account: 000931-00		1,852.24
WINTER EQUIPMENT CO, INC.	MVP - UNDERBODY BLADES		984.11
WORKHEALTH	JFD - PRE-EMPLOYMENT PHYSICALS		332.97
	JPD/JFD - PRE-EMPLOYMENT PHYSICALS		389.94
		722.91	
	Total:	92,488.98	

MONTHLY OPERATING REPORT

January 2018

SUBMITTED: **February 9, 2018**

WATER FLOW

MAXIMUM	324,000
MINIMUM	132,000
AVERAGE	213,700
TOTAL	6.6252 MG

WASTEWATER FLOW

MAXIMUM	267,700
MINIMUM	241,800
AVERAGE	253,800
TOTAL	7.8687 MG

CALLOUTS: **Two—Communication Failures**

OPERATION & MAINTENANCE

The plant was in compliance with the NPDES permit limitations during the month of January 2018.

A fan was replaced on the number 2 trickling filter VFD.

The east final clarifier skimmer was repaired after it was damaged due to excessive ice buildup.

A number of repairs were made to the digester boiler and mix air unit. The mixed air unit provides heat in the digester building. Griffiths Mechanical determined that the unit has probably never worked correctly. They also determined that the WWTP gas service was not properly sized during the last construction. Michigan Gas has been notified and is currently planning to upgrade the meter rack and possibly the size of the gas line to the WWTP.

The water meter at the Iron Removal Plant was replaced. It will be compatible with the new instrumentation provided during the IRP upgrade. The 8 inch valve at the water plant was replaced after the old one failed. Many thanks to Mike Kyser and his crew for the help with this project.

The fourth quarter drinking water invoices totaling \$3,120.00 was completed and submitted to City Hall. The lab performed 833 drinking water tests. The gross total for this analysis is \$16,660.00.

Fall lagoon analysis invoices totaling \$7,578.00 were also prepared and submitted to City Hall. The total for lagoon analysis for 2017 was \$16,031.00. Brian Boyle and Ed Hughes were responsible for performing most of this analysis.

I attended the Wastewater Administrators Conference in Frankenmuth.

PLANT EFFICIENCY—January 2018

5-Day Biochemical Oxygen Demand

NPDES Permit Limit in January 2018—25 mg/l Monthly Average

The BOD-5 test tells us how much of the oxygen in the water is being used up or demanded by the waste in the water. High oxygen demand will deplete the oxygen in the receiving water. This will have adverse effects on the quality of life (fish) in the receiving stream.

Jonesville Monthly Average—3.2 mg/l

Average Percent Removal from the Raw Wastewater—98.3 %

Total Suspended Solids

NPDES Permit Limit in January 2018—20 mg/l Monthly Average

Suspended solids are very important in controlling the process in the plant. Suspended solids are removed via settling clarifiers and are pumped to the anaerobic digester for treatment. The digested biosolids are applied to farmland at agronomic rates as fertilizer.

Jonesville Monthly Average— 1.4 mg/l

Average Percent Removal from the Raw Wastewater—98.1%

Total Phosphorus

NPDES Permit Limit in January 2018—1 mg/l Monthly Average

Phosphorus is a nutrient that promotes growth. In fact, farmers use phosphorus as a fertilizer on crop lands. Phosphorus is found in many cleaning agents and industrial processes. Excessive phosphorus in wastewater promotes the excessive growth of micro and macro-organisms in the receiving stream. In other words, phosphorus promotes excessive growth of algae and seaweed. These plants demand oxygen from the water and tend to decrease the quality of life in the receiving stream.

Jonesville Monthly Average—0.4 mg/l

Average Percent Removal from the Raw Wastewater—91.3%

Ammonia Nitrogen

NPDES Permit Limit in January 2018—Report Only

Ammonia Nitrogen is the result of bacterial decomposition of organic nitrogen. Examples of organic nitrogen include animal and plant protein, amino acids and urea from urine. Ammonia nitrogen is a very unstable form of nitrogen. In wastewater plants ammonia nitrogen is oxidized to form nitrite nitrogen. Further oxidation of nitrite nitrogen will form the stable compound called nitrate nitrogen. This process is called nitrification and occurs in the trickling filter towers. If nitrification does not occur in the treatment plant, it will occur in the receiving stream once again depriving oxygen from the aquatic population. Because of the sensitive nature of the microorganisms involved in the nitrification process, the ammonia nitrogen limits are about the hardest to hit.

Jonesville Monthly Average—0.265 mg/l

Average Percent Removal from the Raw Wastewater—98.7

Jonesville Daily Maximum—1.25 mg/l

Rick Mahoney

Jonesville Dept of Public Works

January 2018

Monthly Report

	Maintenance	Salt	Chloride	Sand	COLD MIX
STATE HIGHWAYS	1 HR DT 2 HRS OT	19.50 Tons	1 Bag	0 Yd.	1.76 Tons
MAJOR ROADS	1 HR DT 4 HRS OT	20.16 Tons	1 Bag	0 Yd.	.25 Ton
LOCAL ROADS	0 HR DT 2.50 HRS OT	16 Tons	1 Bag	0 Yds.	.125 Ton
PARKING LOTS	0 HR DT 0 HR OT	8.83 Tons	.50 Bag	0 Yds.	0 Ton
POLICE STATION	0 HR OT	1.25 Tons	.25 Bag	0 Yds.	
FIRE DEPARTMENT	0 HR OT	.50 Ton	0 Bag	0 Yds.	
DPW DEPT	0 HR OT				
DDA SIDEWALKS	0 HR OT				
WATER	0 HR DT 7.50 HRS OT				
State Police	1 HR OT	1.25 Tons	.25 Bag	0 Yds.	

There was 1 call out.

The 1 call out & overtime on State, Major & Local Streets was for plowing & salting.

The overtime on water was to repair a broken water main on Highland Street,

We repaired 2 broken water mains on Lewis Dr.

We hauled snow off State, Major, Local Streets & parking lots.

We cleaned sidewalks for the DDA, Parks, Cemetery & the Rail Trail.

Christmas tree's were picked up that were placed out.

We helped Rick install a 8" water valve at the iron removal plant.

Water meters were read for the month of February.

We took down all of the Christmas decorations & lights.

Mike Kyser

ZONING REPORT

2017

<u>NAME</u>	<u>ADDRESS</u>		<u>USE</u>	<u>DATE</u>
Roger Shiltz	468 E. Chicago St.	Approved	Storage Building	1/17/2017
Heidi Dunn	620 Chatam Cir.	Approved	Fence	3/8/2017
Scott Leising	620 Wright St.	Approved	Fence	3/23/2017
Sean Galloway	219 W. Chicago St.	Approved	Fence	4/3/2017
Mark Pedrick	422 Parkwood Dr	Approved	Storage Building	4/3/2017
Shawn Smith	671 Langs Dr.	Approved	Driveway/Repaved	4/6/2017
Larry Ladd	415 Harley St.	Approved	Storage Building	4/13/2017
Debbie Pettit	203 Franklin St.	Approved	Driveway/Repaved	4/18/2017
Steve Young	126 Jermaine St.	Approved	Fence/Renew from 2016	5/4/2017
Derek Haidous	474 Salem Dr.	Approved	Fence	5/16/2017
Carolyn Thomas	315 North St.	Approved	Storage Building	5/31/2017
TNT Fireworks	Walmart Parking Lot	Approved	Tent/Fireworks Sale	6/9/2017
Austin Strickland	217 Harley St.	Approved	Driveway/Repaved	06--12-17
Roger Johnson	525 Evans St.	Approved	Carport	6/19/2017
Rhonda Peters	223 W. Chicago St.	Approved	Deck (x2)	7/25/2017
Tamara Shaw	209 Fayette St.	Approved	Fence	7/27/2017
Darin Young	208 Maumee St.	Approved	Driveway/Repaved	7/27/2017
Yvonne Roberts	406 DeWitt St.	Approved	Fence	7/20/2017
Scott Smith	451 Evans St.	Approved	Addition to Garage	7/31/2017
James Pope	900 Maumee St.	Approved	Storage Building	8/21/2017
Michelle Calvin	416 Drake St.	Approved	Addition to House	8/24/2017
Steve Schaerer	503 East St.	Approved	Deck	8/24/2017

NAME	ADDRESS		USE	DATE
Greenstone Farm Credit Services	500 Olds St.	Approved	Sign	9/5/2017
Jenilee Gibson	310 North St.	Approved	Sign	9/6/2017
Justin Zieman	150 Jermaine St.	Approved	Fence/Stockade	10/2/2017
Wallace Godfrey	417 Baker St.	Approved	Fence	10/25/2017
David Locke	316 Case St.	Approved	Fence	10/23/2017
Jennifer Blonde	511 East St.	Approved	Fence	12/7/2017
Nancy Smith	414 Seneca St.	Approved	Carport	12/12/2017
JV Eagles	439 Beck St.	Approved	Sign (x2)	12/28/2017

Jonesville Police Department

116 West Chicago Road
Jonesville, Michigan. 49250

911 Police Service Administration (517) 849-2101

FAX (517) 849-2520

ACTIVITY SUMMARY FOR JANUARY 2018

Total reports written: 82
CSC Investigation: 1
Assault and Battery: 0
Fraud: 5
Larceny from Building: 1
Theft from Motor Vehicle: 0
Domestic Assault: 0
Malicious Destruction of Property: 1
OWI: 0
Disorderly Conduct Arrest: 2
Violation of Controlled Substance: 1
Retail Fraud: 4
Obstructing Police: 1
Public Roadway Accidents: 6
Private Property Accidents: 6
Other Arrests: 8 (warrants, traffic, etc.)
Non Violent Domestic: 1
Civil Matter/Family Disputes: 4
Medical Emergency: 22
Alarms: 4
Suspicious Situations: 12
General Assistance: 12
Traffic/Moving Violations: 4
Warrants Received from Prosecutor: 10
Lost and Found Property: 1

January Patrol Shift Coverage: 72%

FEBRUARY FOCUS

Chief Conference
Budget 2018-2019
Legal Update

2017 YEAR END REPORT FOR JONESVILLE POLICE DEPARTMENT

Hillsdale County Central Dispatch

911 Central Dispatch Calls for Service

In 2017, 1035 emergency and 499 non-emergency calls were reported for a total of 1534.
In 2016, 1253 emergency and 449 non-emergency calls were reported for a total of 1702.
In 2015, 1434 emergency and 413 non-emergency calls were reported for a total of 1847.
2017- Months for most calls for service: January, March and October.

Hillsdale County Prosecutors Office

Warrants Received: 107
Warrants Denied: 6
Juvenile Petitions Received: 4
Juvenile Petitions Denied: 0
Subpoenas Received: 4
Court Notices: 7

EJustice Reporting

See Attached 5 year Uniform Crime Report for Jonesville.
Break & Enter reports were down for 2017 (2) vs. (7) in 2016.
Reported retail frauds were up for 2017 (50) vs. (28) retail frauds in 2016.
Assaults reported were down from (16) in 2016 to (10) in 2017.

IyeTek Accident Reporting

Total Roadway Accidents:

70 roadway accidents were reported in 2017. (20) Injuries reported. (0) fatalities.
79 roadway accident were reported in 2016. (18) Injuries reported. (0) fatalities
78 roadway accidents were reported in 2015. (9) Injuries reported. (0) fatalities.

Top 4 Crash Locations- Reported crashes at each intersection:

1. Olds and Industrial- 8
 2. Olds and Gaige- 7
 3. Olds and Chicgo-7
 4. Chicago/Evans/Maumee- 5 and Olds and Lake Wilson-5
- (6) Of the 2017 reported accidents were hit and run accidents. (10) H&R in 2016.
64 Traffic violations were issued in 2017.

Accidents/Non-Traffic: 50 reported in 2017. 54 reported in 2016. 66 reported in 2015.
Most reported location for non-traffic accidents was 701 Olds (25). Walmart.

24/7 Shift Coverage: 2017-12 month average: 81%.
2017 Highest Month-March: 95%. 2017 Lowest Month-July: 71%.

Jonesville Police Department

2017 Call Volume by Day and Time

HOUR	SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
00:00	1	3	4	5	4	4	2	23
01:00	0	2	3	6	1	2	3	17
02:00	0	4	2	3	1	1	0	11
03:00	0	1	5	7	0	0	0	13
04:00	1	5	1	4	1	3	0	15
05:00	0	3	0	3	0	3	0	9
06:00	0	3	4	4	1	2	3	17
07:00	7	5	13	12	15	9	4	65
08:00	7	11	8	12	14	15	6	73
09:00	5	5	9	9	13	9	14	64
10:00	13	11	13	5	13	11	13	79
11:00	9	19	13	12	11	22	22	108
12:00	8	8	11	15	17	17	12	88
13:00	8	11	9	15	13	18	14	88
14:00	16	8	16	9	10	12	13	84
15:00	10	12	17	18	16	23	15	111
16:00	13	17	14	16	17	16	6	99
17:00	15	13	15	17	18	20	18	116
18:00	9	27	16	18	20	17	20	127
19:00	10	14	14	10	9	13	11	81
20:00	14	15	15	7	16	17	11	95
21:00	14	10	12	12	13	14	9	84
22:00	2	7	5	6	3	3	7	33
23:00	4	3	6	6	1	4	6	30
TOTAL	166	217	225	231	227	255	209	1530

Jonesville Police Department

Hillsdale County Uniform Crime Report

Code	Description	2017	2016	2015	2014	2013
11001	Sexual Penetration (Penis/Vagina - 1st Degree)	1	1	0	1	0
11002	Sexual Penetration (Penis/Vagina - 3rd Degree)	0	0	1	0	0
11004	Sexual Penetration (Oral/Anal - 3rd Degree)	1	0	0	0	0
11005	Sexual Penetration (Object - 1st Degree)	0	0	0	0	1
11007	Sexual Contact Forcible (2nd Degree & Fondle)	1	0	0	1	0
11008	Sexual Contact Forcible (4th Degree)	0	2	0	0	0
12000	Robbery	1	0	0	0	1
13001	Nonaggravated Assault	10	16	22	24	11
13002	Aggravate/Felonious Assault	1	0	0	3	2
13003	Intimidation/Stalking	1	0	0	3	5
22001	Burglary - Forced Entry	2	7	3	2	2
22002	Burglary - Entry Without Force (Intent)	1	1	0	0	2
22003	Burglary - Entry Without Authorization (No Intent)	0	1	0	0	1
23003	Larceny - Theft From Building	2	4	1	4	6
23005	Larceny - Theft From Motor Vehicle	3	8	5	3	9
23006	Larceny - Theft Of Motor Vehicle Parts/Accessories	1	0	0	0	1
23007	Larceny - Other	28	23	39	45	25
24001	Motor Vehicle Theft	3	3	1	1	3
25000	Forgery/Counterfeiting	1	2	1	1	0
26001	Fraud - False Pretense/Swindle/Confidence Game	2	4	2	1	2
26002	Fraud - Credit Card/Auto Teller	6	11	4	4	1
26003	Fraud - Impersonation	0	4	1	2	1
26005	Fraud - Wire Fraud	1	0	0	0	0
26006	Fraud - Bad Checks	1	5	1	8	11
27000	Embezzlement	1	2	0	1	4
29000	Damage To Property	7	17	11	20	9
30002	Retail Fraud - Theft	50	28	17	53	17
30003	Retail Fraud - Refund/Exchange	0	1	0	1	1
35001	Violation Of Controlled Substance	2	6	8	1	7
36002	Narcotic Equipment Violations	0	1	0	0	0
36004	Sex Offense - Other	0	0	1	1	0
37000	Obscenity	0	1	1	1	2
38001	Family - Abuse/Neglect Nonviolent	1	1	4	1	0
38002	Family - Nonsupport	0	2	0	1	0
38003	Family - Other	0	0	0	2	0
41002	Liquor Violations - Other	1	0	0	1	4
48000	Obstructing Police	1	3	3	3	2
49000	Escape/Flight	2	2	3	1	8
50000	Obstructing Justice	12	17	28	16	9
52001	Weapons Offense - Concealed	0	1	0	0	0
53001	Disorderly Conduct	1	4	0	1	1
53002	Public Peace - Other	0	1	4	0	2
54001	Hit & Run Motor Vehicle Accident	3	11	4	1	0
54002	Operating Under The Influence OUI Or Ould	2	2	3	5	5
54003	Driving Law Violations	0	1	2	2	0
55000	Health And Safety	3	6	1	5	2
57001	Trespass	0	1	6	3	0
63000	Vagrancy	0	1	0	1	0
70000	Juvenile Runaway	1	1	0	4	0
73000	Misc Criminal Offense	1	2	0	8	1
92005	Mip Civil Infraction - Possession Of Alcohol/Liquor	0	0	0	2	0
93001	Property Damage Accident/PI	0	1	1	0	0

Agency: Jonesville Police Department
Incident Types: Approved Incidents

Code	Description					
93003	Civil Traffic Violations	0	0	0	0	1
98007	Suspicious Situations	0	0	0	0	1
99009	General Non-Criminal	0	1	0	0	0
Totals:		155	206	178	238	160

**CITY OF JONESVILLE
CASH BALANCES**

	January-2018	BANK BALANCE
GENERAL FUND:		
General Fund Now Checking	101-000-001	63,949.79
General Fund CLASS Acct	101-000-007	1,131,956.55
General Fund Cemetery CLASS Acct	101-000-007.100	88,704.86
General Fund Alloc of Assets CLASS	101-000-007.200	394,060.89
MAJOR STREETS:		
Major Streets Now Checking	202-000-001	27,932.90
Major Streets CLASS Acct	202-000-007	72,327.55
LOCAL STREETS:		
Local Streets Now Checking	203-000-001	26,632.75
Local Streets CLASS Acct	203-000-007	640,682.97
STATE HIGHWAY:		
State Highway Now Checking	211-000-001	7,346.30
L.D.F.A.:		
LDFA Operating Now Checking	247-000-001	58,162.88
LDFA Operating CLASS Acct	247-000-007	1,291,621.85
D.D.A.:		
DDA Now Checking	248-000-001	6,662.99
DDA Operating CLASS Acct	248-000-007	213,656.89
SEWER FUND:		
Sewer Receiving Now Checking	590-000-001	50,169.17
Sewer Bond & Interest Checking	590-000-001.300	10.00
Sewer Receiving CLASS Acct	590-000-007	240,641.85
Sewer Plant Improv. CLASS Acct	590-000-007.200	916,792.77
WATER FUND:		
Water Receiving Now Checking	591-000-001	87,207.98
Water Receiving CLASS Acct	591-000-007	265,941.69
Water Plant Improvement CLASS Acct	591-000-007.100	242,699.42
Water Tower Maint CLASS Acct	591-000-007.300	54,423.60
Water Maint CLASS Acct	591-000-007.400	63,810.27
MOTOR VEHICLE POOL:		
Motor Vehicle Pool Now Checking	661-000-001	17,364.71
Equip. Replace CLASS - Police Car	661-000-007.301	34,898.94
Equip. Replace CLASS - Fire Truck	661-000-007.336	125,612.22
Equip. Replace CLASS - Turn Out Gear	661-000-007.337	2,243.09
Equip. Replace CLASS - DPW Equip	661-000-007.463	60,496.61
Equip. Replace CLASS - WWTP/Vactor	661-000-007.590	81,405.08
CURRENT TAX:		
Current Tax Checking	703-000-001	6,010.98
Current Tax Savings Account	703-000-002	192,163.12
PAYROLL FUND CHECKING:		
	750-000-001	44,695.52
GRAND TOTAL		6,510,286.19



City of
Jonesville

265 E. Chicago Street, Jonesville, MI 49250

(517) 849-2104
(517) 849-9037 Fax
www.jonesville.org
manager@jonesville.org

**SUNSET VIEW CEMETERY ACTIVITY REPORT
2017**

	Lot Sales*	Interments				Foundations	Burial Rights	Disinterments
		Adult	Child	Infant	Cremation	Purchased	Transfers	
January	3	0	0	1	1	0	0	0
February	0	1	0	0	1	0	0	0
March	0	1	0	0	0	5	0	0
April	2	1	0	0	1	1	0	0
May	0	0	0	0	3	0	0	0
June	0	1	0	0	3	1	0	0
July	-1	2	0	0	1	2	0	0
August	-6	1	0	0	1	1	0	0
September	0	1	0	0	1	0	0	0
October	0	1	0	0	3	0	0	0
November	2	1	0	0	1	2	0	0
December	0	0	0	0	1	0	0	0
2017 Totals	0	10	0	1	17	12	0	0

* Number shows total burial spaces sold; may have been sold in lots of 1, 2, or 4 spaces



City of
Jonesville

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**SUNSET VIEW CEMETERY ACTIVITY REPORT
JANUARY 2018**

	Lot Sales*	Interments				Foundations	Burial Rights	Disinterments
		Adult	Child	Infant	Cremation	Purchased	Transfers	
January	0	1	0	0	0	0	0	0
2018 Totals	0	1	0	0	0	0	0	0

* Number shows total burial spaces sold; may have been sold in lots of 1, 2, or 4 spaces

December/January Activities:

- Sexton Services

February/March Focus:

- New Sexton Contract/Coordination

CERTIFICATE of Attendance

2018 Governmental GAAP Update

COMPLETION DATE: February 6, 2018

PARTICIPANT: Lenore Spahr

COMPLETION OF THE FOLLOWING CREDITS: 2.0 Credits

FIELD OF STUDY: Governmental A&A

DELIVERY METHOD: Group Live

All credits have been granted based on a 50-minute hour



CHRISTINE SHEENA, Training Manager

Note: Rehmann is not registered with NASBA's National Registry of CPE Sponsors as a provider of CPE. CPE credits should not be claimed for this program in states where the licensing authority requires all CPE credits claimed to be provided by CPE providers registered with the National Registry of CPE sponsors.

Rehmann | 1500 W. Big Beaver Rd, Troy, MI 48084 | 248.952.50

**Rehmann**



DOMESTIC HARMONY
P.O. Box 231
Hillsdale, Michigan 49242
Telephone: (517) 439-1454
Fax: (517) 439-5144

RECEIVED
JAN 29 2018

BY: _____

January 22, 2018

Dear Members of the Jonesville City Council,

Through the years, we have been grateful to the townships, villages and cities who have generously agreed to sign service contracts with Domestic Harmony. Your partnership helps to provide critical services to those residing in your area. Because of your concern for your residents, you have the ability to help ensure that no victim of domestic violence goes without a safe place to seek shelter.

I would like to ask you now, to consider signing a service contract that will help to ensure the safety of those in need. We are very grateful for the past support of local governments, including many townships, villages and cities in Hillsdale County. This support has enabled us to provide services to victims of domestic violence. Last fiscal year we provided shelter to 44 adults and 61 children, supportive counseling to 163 non-residential clients, and answered 297 crisis hotline calls. We are asking that all townships, villages and cities in Hillsdale County contract with Domestic Harmony to provide victims of domestic violence and their children residing in each municipality.

We offer the following services:

- ❖ Transportation from a safe place to shelter;
- ❖ Safe emergency shelter;
- ❖ A 24-hour crisis hotline;
- ❖ Crisis intervention and supportive counseling;
- ❖ Coordination of support services, including assistance in finding permanent housing and in obtaining financial assistance; and
- ❖ Legal advocacy referral and information.

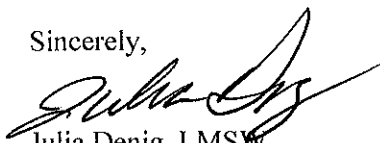
There is no charge for any of our victim or prevention services.

As you prepare your budget for this year, we ask that you support Domestic Harmony. Townships and other municipalities that support us do so by contracting with us through a Purchase of Service Contract. Most townships that support us through these contracts do so at a level between \$250 and \$500 each year. We would be grateful for any support that your municipality could offer. We will continue to serve all residents of Hillsdale County who need our help, as we always have. By contracting with us you will ensure our ability to continue to provide life saving services to victims of domestic violence and their children.

Enclosed are two copies of a contract for Purchas of Services for your convenience. Please fill in the amount you are able to contract for, sign both copies and send one back to us.

Thank you very much for your consideration of this very important issue.

Sincerely,


Julia Denig, LMSW
Executive Director

DOMESTIC HARMONY CONTRACT FOR SERVICES

The City of Jonesville, Hillsdale County, Michigan, agrees to purchase services for victims of domestic violence for residents of said city from the Hillsdale County Task Force on Family Violence doing business as Domestic Harmony (hereafter referred to as Domestic Harmony) for the fiscal year 2018. This period may include past services as well as future services.

“Domestic violence” means a violent physical attack or fear of a violent physical attack perpetrated by an assailant against a victim, in which the victim is a person assaulted or threatened by his or her intimate partner, former intimate partner, an adult person, or emancipated minor assaulted by an adult person with whom the assaulted person cohabitated; and in which the victim and assailant are/were involved in a consenting sexual relationship.

Services to be provided under this contract to any number of eligible residents of the City of Jonesville are:

1. Transportation from a safe place to shelter;
2. Safe emergency shelter;
3. A 24-hour crisis hotline;
4. Crisis intervention and supportive counseling;
5. Coordination of support services, including assistance in finding permanent housing and in obtaining financial assistance; and
6. Legal advocacy referral and information.

These services are defined in Domestic Harmony’s grant from the Domestic Violence Prevention and Treatment Board of the State of Michigan.

To purchase said services the City of Jonesville agrees to pay to Domestic Harmony the sum of _____ (\$_____.00).

Domestic Harmony agrees to defend, indemnify and hold harmless the City from any claim, demand, suit, loss, cost of experience, or any damage which may be asserted, claimed or recovered against or from Domestic Harmony by reason of any damage to property, personal injury or bodily injury, including death, sustained by any person whomsoever and which damage, injury, or death arises out of or is incident to or in any way connected with the performance of this contract, and regardless of which claim, demand, damage, loss, cost or

expense, if caused in whole or in part by the negligence of Domestic Harmony, or by third parties, or by the agents, servants, employees or factors of any of them.

At the end of the contract period the City of Jonesville and Domestic Harmony agree to review the contract and determine whether or not the contract should be renewed and what the particulars should be.

City of Jonesville

By: _____

/print/ _____

Its _____

Date: _____

Domestic Harmony

Executive Director

Date: 1/2/18

DOMESTIC HARMONY CONTRACT FOR SERVICES

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At the end of the contract period the City of Jonesville and Domestic Harmony agree to review the contract and determine whether or not the contract should be renewed and what the particulars should be.

City of Jonesville

By: _____

/print/ _____

Its _____

Date: _____

Domestic Harmony

Executive Director

Date: 4/2/18