

INFORMATION and INSTRUCTIONS for the LOW-INCOME SEWER UTILITY CREDIT

INTRODUCTION

In his 2004 State of the City Address, Mayor Tony Benavides set a goal of reducing sewer rates for families living below the poverty level. The City Council made this a budget priority and funded a program in the current year's budget. Over the past year the Public Service Department and City Treasurer examined different models for how to accomplish this goal. Mayor Benavides announces the beginning of the Low Income Sewer Utility Credit Program.

OVERVIEW

The Low Income Sewer Utility Credit Program is modeled on the State's Low Income Energy Assistance program. It is designed to help low income homeowners pay their sewage fees. Eligible homeowners can claim a credit and receive up to a \$60 credit if their sewer bill exceeds 2% of their household income.

ELIGIBILITY

Only qualified low income residential homeowners using the City of Lansing's sewer system are eligible to participate in this program. Income eligibility is patterned after the most recently available income guidelines used in the State of Michigan Home Heating Credit. All account balances must be current and fully paid-up with the BW&L at the time of application. People who live in a nursing home, an adult foster care home or a home for the aged are not eligible for this credit. Businesses are not eligible for this program. People who rent their home or live in commercial apartment buildings are not eligible for this program.

METHODOLOGY

There is a simple method for computing a sewer utility credit. In calculating your credit using this simple method, the amount of the Sewer Utility Credit is determined by first figuring the amount of your household income and the number of exemptions you can claim to determine program eligibility. Use the table below (Table 1) to find the total exemptions you may claim. The figure on the right of the table (Income Ceiling) shows the maximum income which can be earned to be eligible for the credit. The maximum income levels published in Table I will be adjusted annually in November for the following calendar year using the most recently available income guidelines of the Michigan Home Heating Credit. The sample calculation and example below is based on calendar year 2005.

TABLE 1

YOUR EXEMPTIONS	2005 INCOME CEILING
1	\$10,529
2	\$14,129
3	\$17,770
4	\$21,300
5	\$24,871
6 or more	\$28,471 plus \$3,586 for each exce

Once your qualification is confirmed, the sewer utility credit will be based on that portion of the sewer bill that is in excess of 2.0% of your household income (up to a maximum of \$60). The Homeowner will not get a credit if their household income exceeds the amount in the income ceiling column on the right of the Table 1. Partial credit will be given for homeowners who have lived in their home for less than one full year (12 months). The amount of credit will be pro-rated based on the amount of time a claimant has owned their home and paid sewer bills (1 month = 1/12 of one year). If you do not know the total amount of your annual sewer bill you can obtain this information by phoning the Board of Water and Light Customer Service Call Center at 517-702-6006.

SAMPLE COMPUTATION

John & Mary Smith had a household income of \$16,000 in calendar year 2005. They own their home and paid monthly sewer bills of \$30/month that same year. They have two (2) children and are entitled to four (4) exemptions.

Line 1 - Household income...	<u>\$16,000</u>
Line 2 - Maximum Income Ceiling from Table 1 (4 exemptions)...	<u>\$20,771</u>
If Line 1 is greater than Line 2 then STOP, you DO NOT qualify for this credit	
If Line 2 is greater than Line 1 then proceed to Line 3	
Line 3 - Annual Sewer Bill (Total of 12 Monthly bills)...	<u>\$ 360</u>
Line 4 - Less 2% of household income (.020 X 16,000).....	<u>\$ 320</u>
If Line 4 is greater than Line 3 then STOP, you do not qualify for this credit	
If Line 3 is greater than Line 4 then proceed to Line 5	
Line 5 - Subtract Line 4 from Line 3...	<u>\$ 40</u>
If Line 5 is less than \$60 then Sewer Utility Credit = amount on Line 5	
If Line 5 is greater than \$60 then Sewer Utility Credit = \$60	
Line 6 - Sewer Utility Credit...	<u>\$ 40</u>

HOW TO APPLY

A sewer utility credit may be claimed on the City of Lansing Sewer Utility Credit Program form. To receive a 2005 calendar year credit, claims must be filed by June 30, 2006. If a claim is approved, the City of Lansing Treasury Department will mail a sewer utility check by August 31, 2006 in the amount of the credit. The sewer utility check will be made out to the Board of Water and Light with the claimant's account number identified on the check as the recipient of the credit.

If you have any questions or need to obtain forms, please call the City Treasurer's office at 483-4122. The form can also be obtained from our website www.cityoflansingmi.com