

## ANNUAL GUIDELINE RESOLUTION FOR POVERTY EXEMPTION

**WHEREAS**, the adoption of guidelines for poverty exemptions is required of the DeTour Township/ Village Boards; and

**WHEREAS**, the principal residence of persons, who the Township/ Village 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 DeTour Township/Village Board, Chippewa County adopts the following 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 Township 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 or a signed State Tax Commission Form 4988, Poverty Exemption Affidavit.
- 3) File a claim to include a list of the assets of all persons residing in the household. 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. The total value of all assets listed shall not exceed the allowable income level indicated by the current Federal Poverty Guidelines based on the size of the family unit.
- 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 or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.

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7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December 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.

The following are the **2024** federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

### Federal Poverty Guidelines Used in the Determination of Poverty

| Size of family Unit        | 2024 Poverty Guidelines |
|----------------------------|-------------------------|
| 1                          | \$ 14,580               |
| 2                          | \$ 19,720               |
| 3                          | \$ 24,860               |
| 4                          | \$ 30,000               |
| 5                          | \$ 35,140               |
| 6                          | \$ 40,280               |
| 7                          | \$ 45,420               |
| 8                          | \$ 50,560               |
| for each additional person | \$ 5,140                |

**WHEREAS**, pursuant to PA 253 of 2020, if a person claiming an exemption qualified under the eligibility requirements, the board of review shall grant the exemption in whole or in part, as follows:

(a) A full exemption equals to a 100% reduction in taxable value for the tax year in which the exemption is granted.

(b) A partial exemption equal to 1 of the following:

(1) A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.

(2) As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission:

(c) The assessing unit adopts the following reduction guidelines in taxable value related to poverty.

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| Household size             | Federal limit | 100% Taxable Value Exemption | 50% Taxable Value Exemption | 25% Taxable Value Exemption |
|----------------------------|---------------|------------------------------|-----------------------------|-----------------------------|
| 1                          | \$ 14,580     | \$0 to \$ 7,290              | \$ 7,291 to \$ 10,935       | \$ 10,936 to \$ 14,580      |
| 2                          | \$ 19,720     | \$0 to \$ 9,860              | \$ 9,861 to \$ 14,790       | \$ 14,791 to \$ 19,720      |
| 3                          | \$ 24,860     | \$0 to \$ 12,430             | \$ 12,431 to \$ 18,645      | \$ 18,646 to \$ 24,860      |
| 4                          | \$ 30,000     | \$0 to \$ 15,000             | \$ 15,001 to \$ 22,500      | \$ 22,501 to \$ 30,000      |
| 5                          | \$ 35,140     | \$0 to \$ 17,570             | \$ 17,571 to \$ 26,355      | \$ 26,356 to \$ 35,140      |
| 6                          | \$ 40,280     | \$0 to \$ 20,140             | \$ 20,141 to \$ 30,210      | \$ 30,211 to \$ 40,280      |
| 7                          | \$ 45,420     | \$0 to \$ 22,710             | \$ 22,711 to \$ 34,065      | \$ 34,066 to \$ 45,420      |
| 8                          | \$ 50,560     | \$0 to \$ 25,280             | \$ 25,281 to \$ 37,920      | \$ 37,921 to \$ 50,560      |
| for each additional person | \$ 5,140      |                              |                             |                             |

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(d) Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.

(e) Meeting the income levels above, but failing the asset portion of the exemption, will result in a denial of the poverty exemption.

(f) The denial of a hardship exemption application may be appealed to the Michigan Tax Tribunal.

**WHEREAS**, the Board resolves to permit a principal residence exempt for the first time from the collection of taxes under this section in tax year **2024** to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption and if the person who establishes initial eligibility receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.

**WHEREAS**, both of the following apply to a person who obtains an extended exemption:

(a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(i) The person ceases to own or occupy the principal residence for which the exemption was extended.

(ii) The person experiences a change in household assets or income that defeats eligibility for the exemption.

(b) If the person fails to file a rescission as required and the property is later determined to be ineligible for the exemption, the person is subject to repayment of any additional taxes with interest.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the Township/ Village Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting, extending, or denying an exemption. The Board of Review is not permitted to deviate from the adopted policy and guidelines (this is a change to the law in PA 253 of 2020).

# ANNUAL GUIDELINE RESOLUTION FOR POVERTY EXEMPTION

The foregoing resolution offered by Township Board Member

Johnny Fountain JR

Supported by Township Board Member

Patti Locher

Upon roll call vote, the following voted:

"Aye": 5

"Nay": 0

\_\_\_\_\_ The

Township Clerk declared the resolution 5/13/2024.

Marilyn McGuire

Marilyn McGuire, Clerk Township of DeTour

Date: 5/13/2024