

Township Board Resolution to Adopt Poverty Exemption Income Guidelines and Asset Test

WHEREAS, the principal residence of persons who, in the judgment of the board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under the General Property Tax Act; and

WHEREAS, the township board is required by Section 7u of the General Property Tax Act, Public Act 206 of 1893 MCL 211.7u, to adopt guidelines for poverty exemptions;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that Elba Township, Lapeer County, adopts the following guidelines for the board of review to implement.

The guidelines shall include specific income and asset levels of the claimant and all persons residing in the household during the current or immediately preceding year. Form 4988 is to be filed for all persons residing in the principal residence who were not required to file federal or state income tax returns 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 Michigan Dept. of Treasury Form 5737 Application for MCL 211.7u Poverty Exemption with the board of review, accompanied by federal and state income tax returns for all persons residing in the principal residence, filed in the immediately preceding year or in the current year; or complete an affidavit testifying applicant was not required to file said income tax.
- 3) Produce a valid drivers' license or other form of identification if requested.
- 4) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if requested.
- 5) Be at or below 125% of *the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services.*
- 6) Meet additional eligibility requirements as determined by the township board, including: **\$15,000 maximum asset value level. Assets exclude the principal residence dwelling and the footprint of land on which the principal residence dwelling is located. The footprint is considered to be the minimum lot size required by the zoning district in which the principal residence is located. Additional land beyond the minimum lot size on which the principal residence dwelling is situated is considered an asset for purposes of determining the asset value of the applicant. Additional assets include but are not limited to: Additional vehicles, a second home, equipment or other personal property of value (camper, motor home, ATV, snowmobile), Bank Account(s), additional land, antiques, jewelry, stocks, bonds. (This is not an exhaustive list.)**

MCL 211.7u(5) statute will be followed; if a person claiming the poverty exemption meets all eligibility requirements, the board of review shall grant the poverty exemption, in whole or in part, as follows:

1. A full exemption equal to 100% reduction in taxable value for the year in which the exemption is granted; or
2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
3. A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

BE IT ALSO RESOLVED that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by Board Member Wilcox and supported by Board Member Eashoo


Upon roll call vote, the following voted

Aye: Fountain, Lintz, Wilcox, Stack, Boskee, Eashoo.

Nay: None.

Absent: Bales.

The Supervisor declared the resolution adopted.



Supervisor

I, Rena Fountain, the duly elected and acting Clerk of Elba Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on July 26, 2021, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.



Clerk