

## FRANKENLUST TOWNSHIP

### GUIDELINE RESOLUTION FOR POVERTY EXEMPTION

**WHEREAS**, the adoption of guidelines for poverty exemptions is required of the Frankenlust Township Board: and

**WHEREAS**, the principal residence of persons, who the Supervisor/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 Township of Frankenlust, Bay County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but are not 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 supervisor/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 reporting that the combined assets of all persons do not exceed the current 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.**
- 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.

To request a poverty exemption, a taxpayer must file:

- 1) Form 5737 Application for MCL 211.7u Poverty Exemption
- 2) Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.
- 3) All required additional documentation (such as federal/state income tax returns)

**Asset Test**

The value of property in excess of what is considered to be part of the original homestead shall be considered as asset.

Assets include, but are not limited to:

Real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposit, saving and checking accounts, stocks, bonds, life insurance, retirement funds etc. For purposes of this section, the Board of Review shall consider the value of the assets and the assets shall not be reduced by any amount of indebtedness owed on such asset or indebtedness otherwise owed by applicant(s).

**Assets excluding the original homestead shall not exceed \$5,000 for individual applicants and /or \$10,000 per household if more than one financial contributor.**

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the supervisor/assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by Frankenlust Township Board Member

Treasurer, Stothard and supported by Frankenlust Township Board

Member Clerk, LaPan.

Upon roll call vote, the following voted:

"Aye": 4

"Nay": 0

The Township Clerk declared the resolution APPROVED

Clerk Signature *Dee Ann LaPan* Date 12/10/24

Resolution: 2025

Excerpt from: Bulletin 17 of 2024

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2025 Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption **guidelines and those income levels shall not be set lower by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services.** This means, for example, that the income level for a household of 3 persons shall not be set lower than \$25,820 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$25,820. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2025 assessments:

The following are the 2025 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 Exemption**

<b>Size of Family Unit</b>	<b>2025 Poverty Guidelines</b>
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
For each additional person	\$5,380