

**SAGLOLA TOWNSHIP RESOLUTION # 2024-3**  
**ADOPTED MARCH 4, 2024**

**TOWNSHIP OF SAGOLA, DICKINSON COUNTY, MICHIGAN RESOLUTION TO ADOPT 2024 REAL PROPERTY TAX POVERTY EXEMPTION INCOME GUIDELINES AND ASSET TEST FOR PROPERTY RELIEF UNDER PUBLIC ACT 206 OF 1893 AS AMENDED BY PUBLIC ACT 253 OF 2020, (MCL 211.7U AS AMENDED)**

**WHEREAS** the homestead 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 in part from taxation under the General Property Tax Act; and

**WHEREAS** the Sagola Township Board is required by Section 7u of the Property Tax Act, Public Act 206 of 1893 as amended by Public Act 253 of 2020 (MCL 211.7u as amended) to adopt guidelines for poverty exemptions; and

**WHEREAS**, pursuant to MCL 211.7u the guidelines shall include but not be limited to the specific income and asset levels of the claimant and all residing in the household.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, pursuant to MCL 211.7u Sagola Township, Dickinson County, Michigan adopts the following policy and guidelines which the Board of Review shall follow in granting or denying a Poverty Exemption under MCL 211.7u; to-wit:

**FURTHER**, the Board of Review shall follow the policy and guidelines in granting a Poverty Exemption. The same standards shall apply to each claimant in the township for the assessment year. Poverty Applicants can also appeal the assessed value/assessment of property for which the Poverty claim is made before the Board of Review in the same year.

**FURTHER**, MCL 211.7u(1) of the Michigan General Property Tax Act defines the Poverty Exemption, as a method to provide relief for those who, in the judgment of the Board of Review, are unable to fully contribute to the annual property tax burden of their principal residence due to their financial situation. To qualify for the Poverty Exemption, the claimant must meet all the following requirements. It may be possible that a claimant meets the income standard for the Poverty Exemption but does not meet the asset standard or other standards as set forth in these guidelines. In this instance, the claimant would not qualify for the exemption even though the income standard was met.

**FURTHER**, Poverty Exemptions shall apply only to the Applicant's qualified Principal Residence and the property must be classified Residential for property tax purposes. Under no circumstances shall a Poverty Exemption be granted to apply to the property of a business, partnership, or a corporation.

**FURTHER**, MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the exemption in whole or in part as follows: The amount of relief due to Poverty that shall be granted by the Board of Review for any Qualified Applicant shall be a full exemption equal to a 100%, or a partial exemption equal to a 75%, 50%, or 25% reduction in taxable value for the year in which the exemption is granted based on the income and assets level hereinafter set forth.

**TO BE ELIGIBLE FOR THE EXEMPTION BY REASON OF POVERTY, A PERSON SHALL COMPLY WITH ALL OF THE FOLLOWING PROVISIONS AND CONDITIONS AS REQUIRED FOR BY MCL 211.7u:**

1. Applicant must be an owner of and occupy as a principal residence (as defined by MCL 211.7dd), the property for which an exemption is being requested and provide a copy of the Deed, Land Contract, or other evidence of ownership of the property for which an exemption is being requested.

2. The Applicant must have a valid Principal Residence Exemption filed with the Sagola Township Assessor's Office.

3. A copy of a valid Michigan Driver's License or other valid legal form of photo identification which indicates residing property address for all persons in the household.

4. Initial Applicants must complete in its entirety a State of Michigan FORM 5737 "APPLICATION FOR MCL 211.7U POVERTY EXEMPTION", and if applicable, FORM 5739 "AFFIRMATION OF OWNERSHIP AND OCCUPANCY TO REMAIN EXEMPT BY REASON OF POVERTY", "FORM 4988 "POVERTY EXEMPTION AFFIDAVIT". All claims, including all required information listed below, must be filed with the Township Assessor for review of completeness and eligibility compliance. Applications are to be filed after January 1<sup>st</sup> and before the day prior to the last day of the March, July, or December Board of Review meetings for the assessment year. Incomplete applications and/or applications of taxpayers not meeting the eligibility requirements will be returned to the Applicant and will not be considered by the Board of Review. All first time Qualified Applicants, or their authorized Representative, may appear in person before the Board of Review to be considered for relief. Applications meeting all eligibility requirements will be presented before the Board of Review.

5. Applicants should provide copies of the following forms, for all persons residing in the household, filed in the immediately preceding year or in the current year:

A. Federal Income Tax Return (1040 or 1040A), and the State of Michigan Income Tax Return (MI-1040) if an Applicant or resident of the same household files this tax return or is not required to file a Federal Income Tax Return, or if they meet the requirements for receiving a Federal or State Earned Income Tax Credit (EITC) and shall provide any 1099's received.

B. If Applicant did not file a Federal or State Income Tax return, they **shall** complete and file the Income Tax Exemption Affidavit (Treasury Form 4988) for all persons residing in the residence who were not required to file in the current or in the immediately preceding year, and who did not meet the qualifications for receiving an EITC.

C. W-2 forms

D. Social Security Benefit Statement (form SSA-1099) for all persons residing in the household, who receive Social Security benefits.

E. Proof of all sources of income if not included on the W-2 Forms, including any check stubs or receipts of other persons living in the household, or from State or Federal Government Checks.

F. Bank and/or credit union statements, for all current and preceding six months, of all checking and savings accounts.

- G. Copies of the most recent year's tax bills and taxable values of all property other than the Homesteaded/Principal Residence owned or partially owned by the Poverty Applicant.
- H. Proof of gross annual income from all sources must be provided.

6. Applicants must meet the Income Standards for Eligibility Guidelines, Liquid Asset Test for Eligibility and Non-liquid Asset Test for Eligibility as set forth in the following Guidelines to qualify for a full or partial exemption:

**2023 Income Standards for Eligibility Guidelines** all amounts are in dollars

Family Size	Federal Poverty Guidelines	100% Exemption	75% Exemption is between	50% Exemption is between	25% Exemption	No Poverty Relief Granted
1 Person	14,580	18,225 or less	18,226 and 19,682	19,683 and 21,141	21,142 and 22,599	above 22,600
2 Person	19,720	24,650 or less	24,651 and 26,621	26,622 and 28,594	28,595 and 30,566	above 30,567
3 Person	24,860	31,075 or less	31,075 and 33,560	33,561 and 36,047	36,048 and 38,533	above 38,534
4 Person	30,000	37,500 or less	37,501 and 40,499	40,500 and 43,500	43,501 and 46,500	above 46,501
5 Person	35,140	43,925 or less	43,926 and 47,438	47,439 and 50,953	50,963 and 54,467	above 54,468
6 Person	40,280	50,350 or less	50,351 and 54,377	54,378 and 58,406	58,407 and 62,434	above 62,434
7 Person	45,420	56,775 or less	56,776 and 61,216	61,217 and 65,859	65,860 and 70,401	above 70,402
8 Person	50,560	63,200 or less	63,201 and 68,255	68,256 and 73,312	73,313 and 78,365	above 78,369

Each additional person adds \$6,425

The Board of Review shall consider income from all sources and from all occupants of the household when determining whether an Applicant meets the Poverty income standards adopted by Sagola Township. Income according to the United States Census Bureau includes but is not limited to the following:

- A. Money, wages, salaries before deductions, regular contributions from persons not living in the residence.
- B. Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions).
- C. Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI).
- D. Alimony, child support, military family allotments.
- E. Private and governmental retirement and disability pensions, regular insurance, annuity payments.
- F. College or university scholarships, grants, fellowships, assistantships.
- G. Dividends, interest and net income from rentals, royalties, estates, trusts, gambling, or lottery winnings.

## **2024 Asset Level Test for Eligibility Guidelines:**

An asset level test means the amount liquid and non-liquid assets that could be used or converted to cash for use in the payment of property taxes.

In addition to meeting income level requirements as noted above, Applicants must also meet requirements based on an asset level test. The asset level test consists of two parts, both of which must be met for eligibility; to-wit: LIQUID ASSET TEST and NON-LIQUID ASSET TEST.

### **1. LIQUID ASSET TEST**

A. Liquid assets may include, but are not limited to cash, bank accounts, stocks and bonds, IRA's, Roth's, other investment accounts, pensions, lump sum inheritance, money received or due from the sale of property, borrowed money, or any other liquid assets.

B. To be eligible for a full or partial exemption, the total value of the listed assets referred to in paragraph 1A shall not exceed \$5,000.00.

### **2. NON-LIQUID ASSET TEST**

A. Non-liquid assets may include, but are not limited to non-exempt automobiles, recreational vehicles including but not limited to boats, snowmobiles, campers, travel trailers, motor homes, jet skis, motorcycles, off road vehicles, or other items of a similar nature, additional buildings other than the residence, equipment, jewelry, antiques, other art work, or any other personal property of value or any assets received in lieu of wages, real estate other than Applicant's principal residence or excess land that exceeds the footprint of the principal residence in excess of 10 acres.

B. To be eligible for a full or partial exemption, the total value of the listed assets referred to in paragraph 2A shall not exceed \$10,000.00.

The Applicant shall furnish and provide copies of documents pertaining to any asset that evidences ownership and value, and any other documentation requested.

To be eligible for a Poverty/Poverty Exemption in accordance with MCL 211.7u and related subsections thereto, the Applicant must meet both the **2023 Income Standards for Eligibility Guidelines** and **2024 Asset Level Test for Eligibility Guidelines**.

### **Exempt Property**

The following shall constitute exempt property and shall not be included in the asset level test; to-wit: one automobile, household furnishings located in the residence, and clothing.

## Miscellaneous Provisions

1. This Resolution shall remain in effect until January 1, 2025, unless amended or modified, and further revokes any prior poverty exemption resolutions.
2. All granted poverty exemptions are reviewed on an annual basis by submitting Michigan Department of Treasury Form 5739 to Sagola Township for the current assessment year and are granted and denied for the current assessment year. A new complete application must be filed once every three (3) years.
3. Board of Review meetings are open to the public and subject to the Open Meetings Act.
4. That the following documents referenced in this Resolution are available at the State Tax Commission website; to-wit: MICHIGAN FORM 5737 APPLICATION FOR MCL 211.7U PROVERTY EXEMPTION; FORM 5739 AFFIRMATION OF OWNERSHIP AND OCCUPANCY TO REMAIN EXEMPT AND FORM 4988 POVERTY EXEMPTION AFFIDAVIT.
5. The Board of Review shall not grant a Poverty Exemption to property owned by a business, partnership, or a corporation.
6. The Board of Review may require the Applicant to personally attend the meeting, provide additional copies of supporting documents other than the documents previously mentioned, require sworn testimony of the Applicant or other persons as the Board deems necessary.
7. The Board of Review may deny Applicant relief if it determines the Applicant refused to provide any requested documentation or concludes Applicant disposed of assets or income in any manner to wrongfully circumvent the policy and guidelines of Sagola Township.
8. The Board of Review shall follow the above stated policy and guidelines in granting or denying a poverty exemption and the Board shall not deviate from the policy and guidelines for any reason whatsoever.
9. If an Applicant meets the income and asset tests, the Board of Review shall grant a poverty exemption, however if an Applicant does not meet the income and asset tests, the Board of Review shall deny the application.
10. The 2023 Income Standards for Eligibility Guidelines for a 100% exemption, are percent based of the Federal Poverty Guidelines and State Tax Commission Bulletin 22 of 2023 dated December 19, 2023.
11. This Resolution shall take immediate effect on the date it is adopted, approved, and passed.


THIS RESOLUTION IS HEREBY ADOPTED, APPROVED AND PASSED BY THE SAGOLA TOWNSHIP BOARD ON THIS 4TH DAY OF MARCH, 2024.

The foregoing resolution was offered by Board Member, M. Cline, and supported by Board Member, J. Roell.

Upon roll call vote, the following voted

Aye: Cline, Kroll, Fleming, Roell, Begarowicz

Nay: None

The Supervisor declared the resolution adopted.   
Michael Cline

**CLERK'S CERTIFICATE**

The undersigned, being the duly qualified and acting Clerk of the Township, hereby certifies that (1) the foregoing is a true and complete copy of the March 4, 2024 resolution duly adopted by the Township Board at a meeting of the Sagola Township Board, at which meeting a quorum was present and remained throughout; (2) the original thereof is on file in the records in my office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976 as amended); (4) minutes of such meeting were kept and will be or have been available as required thereby; and (5) this Resolution consists of 6 pages.

  
Julie Roell  
Sagola Township Clerk