

**RESOLUTION TO ADOPT POVERTY GUIDELINES AND AN ASSET LEVEL TEST  
FOR THE TOWNSHIP OF WALTON, EATON COUNTY  
FOR THE 2024 TAX YEAR**

**WHEREAS**, the homestead of persons who, in the judgment of the supervisor and 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 as amended by Public Act 253 of 2020 (MCL 211.7u), to adopt guidelines for poverty exemptions;

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, pursuant to MCL 211.7u, that Walton Township, Eaton 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, 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 homestead the property for which an exemption is requested.
- 2) File an application (Form 5737) with the board of review, accompanied by federal and state income tax returns for all persons residing in the homestead for the current and previous year. PA 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.
- 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) Meet **100%** of the current township poverty income guidelines as defined and determined by the Walton Township Board.

<b>Size of Family Unit</b>	<b>Poverty Guidelines</b>
1	\$17,000
2	\$21,720
3	\$26,440
4	\$31,160
5	\$35,880
6	\$40,600
7	\$45,320
8	\$50,040
For each additional person	\$4,720

6) Meet additional eligibility requirements as determined by the township board, including an asset level test not to exceed \$10,000. Claimants with a total asset level test of 10,000 or more will receive 0% poverty exemption, even though they may meet the federal poverty income guidelines. The asset level test will NOT include the principal residence (footprint) additional lands will be included as assets, one vehicle, personal property such as clothing and furniture. (See attachment B for Asset Guidelines).

7) File a poverty exemption form prescribed by the state tax commission (Form 5737) with the local assessing unit after January 1 but before the day prior to the last day of the board of review.

**Asset Level Test:**

PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset level test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available.

Other assets will not include the following:

The footprint of the homestead, one vehicle, clothing and furniture.

The footprint of the homestead. The footprint is defined as the 5 acres surrounding the property for which an exemption is being requested. Any additional property will be considered an asset in terms of qualifying for this exemption. The value placed on the additional acreage will be calculated as the true cash value currently on the assessment roll.

As an example of the footprint of a homestead:

I own 15 acres with my residence on it and am applying for a poverty exemption. I could legally remove my house and 5 acres leaving me with 10 acres I could covert to cash. Which at the time of my application the true cash value for non-tillable land was 2,500 per acre this would calculate to an asset of \$25,000. This value alone would put me over the asset limit of 10,000 and I would not qualify for the poverty exemption because of the value of my assets.

One vehicle will be exempt in the calculation of asset income. Any additional vehicles, equipment, or recreational vehicles will be considered an asset in terms of qualifying for this exemption.

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

Dated

12/14/23

Clerk

