

**RESOLUTION TO ADOPT POVERTY GUIDELINES AND AN ASSET LEVEL TEST
FOR THE TOWNSHIP OF WALTON, EATON COUNTY
FOR THE 2025 ASSESSMENT 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.

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

Dated January 14th, 2025

Clerk Elin Cummings

2025 POVERTY GUIDELINES AND ASSET LEVEL TEST

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) File Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty
- 4) Produce a valid drivers' license or other form of identification if requested.
- 5) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if requested
- 6) Meet **100%** of the current township poverty income guidelines as defined and determined by the Walton Township Board

Size of Family Unit	Poverty Guidelines
1	\$17,000
2	\$22,380
3	\$27,760
4	\$33,140
5	\$38,520
6	\$43,900
7	\$49,280
8	\$54,660
For each additional person	\$5,380

- 6b) According to the United States Census Bureau "income" includes, but is not limited to
- Money, wages, salaries before deductions, regular contributions from persons not living in the residence.
 - Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
 - Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
 - Alimony, child support, military family allotments
 - Private and governmental retirement and disability pensions, regular insurance, annuity payments

- College or university scholarships, grants, fellowships, assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

The Michigan homestead property tax credit cannot be considered as income for purposes of the poverty exemption. (Ferrero v Walton Twp, Court of Appeals No. 302221).

7) 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 Level Test and Guidelines).

8) 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 and Guidelines

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 convert 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.

ASSET LEVEL TEST (ATTACHMENT B)

Make sure to list ALL assets for ALL people residing in the household.

Additional assets to be reported might include artwork, antiques, jewelry, recreation vehicles such as side by side, 4-wheeler, 3-wheeler, fishing boat, camper, motor home. (Attach additional listings if needed.)

Bank accounts over 500.00 (the first 500.00 is not considered an asset)

A second home, land over 5 acres (the first 5 acres where the principal residence is located is not considered an asset)

Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)

Gifts, loans, lump-sum inheritances, and one-time insurance payments.

All applicants must provide a list of all assets when applying for a poverty exemption, the assets will include all of the persons residing in the home.

If you do not have one the assets listed put N/A (not applicable) on the line next to the asset.

Assets

Cash	\$ _____	
Savings Account	\$ _____	
Checking Account	\$ _____	
Stocks and Bonds	\$ _____	
Certificate of Deposits	\$ _____	
Insurance	\$ _____	
Retirement (401k or IRA)	\$ _____	
Trust Funds	\$ _____	
Art Work	\$ _____	
Other Assets not listed above	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____

Any additional information or comments you feel is relevant to the poverty exemption:

The applicant must deliver this application and all required documents to the Board of Review (March, July or December Board of Review Meetings). The applicant must be present to answer any questions the Board of Review may have.

Under certain circumstances, if it is not feasible for the applicant to attend, they can get permission from the Board of Review to have the application received by the Supervisor, Assessor or Board of Review Member and presented to the Board of Review at their regular meeting.

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit		
PART 2: REAL ESTATE INFORMATION				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Code Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: ADDITIONAL PROPERTY INFORMATION				
List information related to any other property owned by you or any member residing in the household.				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 4: EMPLOYMENT INFORMATION — List your current employment information.					
Name of Employer					
Address of Employer		City	State	ZIP Code	
Contact Person		Employer Telephone Number			
PART 5: INCOME SOURCES					
List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.					
Source of Income			Monthly or Annual Income (indicate which)		
PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION					
List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.					
Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment	
PART 7: LIFE INSURANCE — List all policies held by all household members.					
Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured
PART 8: MOTOR VEHICLE INFORMATION					
All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.					
Make	Year	Monthly Payment	Balance Owed		

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc)	
Other (type and amount)	Other (type and amount)		Other (type and amount)
Other (type and amount)	Other (type and amount)		Other (type and amount)

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT
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<p>The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.</p>
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<input type="checkbox"/> The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

<p>I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.</p>

Printed Name	Signature	Date
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This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
 PO Box 30232
 Lansing MI 48909

Phone: 517-335-9760
 E-mail: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893, MCL 211.7u

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed. <input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home. <input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive 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.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	Date
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	