

**BUTLER TOWNSHIP
RESOLUTION FOR POVERTY EXEMPTION
RESOLUTION # 2024-001**

WHEREAS, the principal residence of persons, who in the judgment of the supervisor and board of review, by reason of poverty, is unable to contribute toward the public charges is eligible for exemption in whole or in part from the collection of taxes 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, as amended including Public Act 253 of 2020 and Public Act 191 of 2023) to adopt guidelines for poverty exemptions;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, as amended, that BUTLER Township, BRANCH 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, 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 board of review on a form prescribed by the State Tax Commission and provided by the local assessing unit, 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.

If a 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, an affidavit in a form prescribed by the State Tax Commission may be accepted in place of the federal or state income tax return.

Applicant will be required to provide proof of income and expenses in the form of paystubs and copies of bills or some type of accounting notes showing income & expenses.

- 3) Produce a valid driver's 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 required by the board of review.
- 5) Meet the federal poverty income 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 provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.
 - a) The annual allowable income includes income for all persons residing in the principal residence.
 - b) The federal poverty income guidelines shall be approved annually by simple motion of the township board as they are updated by the United States Department of Health and Human Services. The motion of income guidelines shall be considered a part of this document.
- 6) 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, non-motorized vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- 7) Meet the township asset test guidelines below.
- 8) The application for an exemption shall be filed after January 1 but before the day prior to the last day of the 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.

- 9) The governing body of the local assessing unit shall make available to the public the policy, guidelines, and applications under this section; including but not limited to putting it on the township website if one exists.

Township Asset Test Guidelines:

- 1) Principal Residence allowed by right
- 2) New construction allowed for maintaining home and existing outbuildings or in the case of natural disaster not limited to fire, wind, tornado or the like.
- 3) Income must meet the federal poverty income guidelines as established by board motion and the United States Department of Health and Human Services. Income includes:
 - a) Money, wages, and salaries before any deductions for all residents of the property
 - b) Net receipts from non-farm self-employment. (These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.)
 - c) Net receipts from farm self-employment. (Same provisions as above for self-employment.)
 - d) Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
 - e) Alimony, child support, and military family allotments.
 - f) Private pensions, governmental pensions, and regular insurance or annuity payments.
 - g) College or university scholarships, grants, fellowships, and assistantships.
 - h) Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
- 4) One motor vehicle shall be allowed for every two occupants over the age of sixteen that are licensed drivers.
- 5) One non-motorized vehicle shall be allowed for every 6 dependents.
- 6) Livestock and farm equipment consistent with size of property or farm.
- 7) Total asset value allowed for full exemption \$4500.

BE IT FURTHER RESOLVED that the Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption. Further if the person claiming the exemption under this section is qualified under the eligibility requirements above, the board of review shall grant the exemption in whole or in part as follows:

- a) A full exemption equal to 100% reduction in taxable value for the tax year in which the exemption is granted.
- b) A partial exemption equal to 1 of the following:
 - a. A 75%, 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
 - b. As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.
- c) The March, July, or December Board of Review may grant a poverty exemption for the current year exemption; provided only one board of review decision is allowed per specific calendar year. For example: a poverty exemption denied at March Board of Review is not allowed to be reheard at July or December Board of Review.
- d) The July or December Board of Review per PA191 of 2023 (amended both MCL 211.7u and MCL 211.53b) may grant a poverty exemption, as a qualified error, for the immediately preceding year on the principal residence of a person who establishes eligibility as required by Section 7u and the guidelines above if an exemption was not on the assessment roll and was not previously denied.

The foregoing resolution offered by: Chris Brenner and supported by Det Bracy.

Upon roll call vote, the following voted: "Aye": Smith, Brenner, Bracy, Hammontree
 "Nay": 0; Absent: Janis Olney

The Butler Township Supervisor declared the resolution adopted.

Linda A. Hammontree
 Linda Hammontree, Clerk

I, LINDA HAMMONTREE, the duly elected Clerk of BUTLER Township, hereby certify that the foregoing resolution was adopted by the BUTLER Township Board at the regular meeting of said board held on January 22, 2024, 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.

Linda A. Hammontree
 Linda Hammontree, Clerk