

**TOWNSHIP OF WATERTOWN  
BOARD OF REVIEW  
2021 POVERTY EXEMPTION POLICY & GUIDELINES**

**WHEREAS**, the adoption guideline for poverty exemptions is required of the Watertown Township Board: and

**WHEREAS**, the principal residence of persons, who the 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 Public Act 253 of 2020 and;

**WHEREAS**, pursuant to PA 390 of 1994, the Township of Watertown, Sanilac 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, 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 Asset level test adopted by the governing body.
- 7) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 8) 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.

The following are the 2020 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. **Public Act 253 of 2020 requires federal income levels used are those adopted in the prior year. (2020 Federal levels are used for the 2021 Exemptions.)**

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

The foregoing resolution offered by Watertown Township Board Member \_\_\_\_\_ and supported by Watertown Township Board Member \_\_\_\_\_

**Record of Roll Call Votes by Name**

Ayes-  
Nays-

**CERTIFICATION**

I, Tammy Ross, Clerk of the Township of Watertown, Sanilac County, Michigan, do hereby certify that the foregoing is a true and correct copy of the whole of a Resolution adopted by the Township Board of Watertown Township at a regular meeting held on \_\_\_\_\_.

\_\_\_\_\_  
Township Clerk

**TOWNSHIP OF WATERTOWN  
BOARD OF REVIEW  
2021 GUIDELINES FOR APPLICANTS  
REQUESTING CONSIDERATION FOR POVERTY EXEMPTIONS  
Federal Poverty Guidelines Used in the Determination  
of Poverty Exemptions for 2021.**

MCL 211.7u requires local units to annually adopt a policy, including an asset test, used to approve or deny poverty exemptions

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 \$21,720 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 \$21,720.

Following are the federal poverty guidelines for use in setting poverty exemption guidelines for full exemption of the 2021 assessments. Partial exemptions may be granted with higher income guidelines.

Size of Family	Poverty Guidelines
1	\$12,760
2	\$17,240
3	\$21,720
4	\$26,200
5	\$30,680
6	\$35,160
7	\$39,640
8	\$44,120
For Each Additional Person	\$4,480

The income guidelines shall include, but are not limited to, the specific income for the person claiming the exemption, and should also include anyone else who is living at or contributing to the claimant's household. Income includes:

- Money, wages, and salaries before any deductions.
- Net receipts from non-farm self-employment
- Net receipts from farm self-employment, (the same provisions as above for self-employment.)
- Losses from business, rentals and royalties and net operating losses which are no longer allowable deductions to household income according to the State of Michigan.
- Regular payments for social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance.
- Alimony, child support, and military family allotments.
- Private pensions, governmental pensions, and regular insurance or annuity payments.
- College or university scholarships, grants, fellowships, and assistantships.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
- Tax Refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, and State and/or Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches

**APPLICANT:** Your application for poverty exemption shall be denied if:

1. Your Application for Tax Exemption is not filled out completely or includes inaccurate information.
2. Savings Account, Checking Account, Investments, Interest Earnings, Dividends or other liquid assets either in total or individually meet or exceed double the amount of the current annual property tax obligation.
3. Applicant does not otherwise meet the asset levels set by the local governing body.
4. Recreational Vehicles\* owned or leased in total exceed the amount of the current asset guidelines.
5. If you own, and are receiving rents from other real estate, excluding your homestead.
6. If you own, or are buying, other real estate *i.e. Summer Cottage, Vacant Land (acreage or lot), Camping Lot.*
7. Total Household Income exceeds eligibility guidelines as adopted by the Township Board of Trustees.

\* *Recreational vehicles include snowmobiles, boats, camping trailers, travel trailers, motor homes, Jet skis, motor cycles, off road vehicles, or anything else which may be considered a recreational vehicle.*

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

**Record of Roll Call Votes by Name**

Ayes-

Nays-

**CERTIFICATION**

I, Tammy Ross, Clerk of the Township of Watertown, Sanilac County, Michigan, do hereby certify that the foregoing is a true and correct copy of the whole of a Resolution adopted by the Township Board of Watertown Township at a regular meeting held on

\_\_\_\_\_.

\_\_\_\_\_  
Township Clerk

## Asset Guidelines Used in the Determination of Poverty Exemptions for 2021.

As required by PA 390 of 1994, and PA 253 of 2020 all guidelines for poverty exemptions as established by the governing body of the local assessing unit **SHALL** also include an asset level test. The following asset test shall apply to all applications for poverty exemption.

- The applicant shall not have “**liquid**” assets (excluding the value of the principal residence subject to the exemption request) in excess of **two** (2) times the amount of the estimated tax obligation of the current assessment.
- The applicant shall not have **total** assets (excluding the value of the principal residence subject to the exemption request) in excess of **ten** (10) times the amount of the estimated tax obligation of the current assessment.

All asset information, as requested in the Application for Poverty Exemption must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if the assets are not properly identified.

Liquid Assets may include but are not limited to:

- Bank accounts
- Stocks and Bonds
- IRA’s and other investment accounts
- Pensions
- Money received from the sale of property such as stocks, bonds, a house or a car unless a person is in the specific business of selling such property.

In addition, total assets may also include but are not limited to:

- A second home
- Excess or vacant land
- Rental property
- Extraordinary automobiles
- Recreational vehicles\*
- Buildings other than the residence
- Equipment
- Other personal property of value
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.

*\* Recreational vehicles include snowmobiles, boats, camping trailers, travel trailers, motor homes, Jet skis, motor cycles, off road vehicles, or anything else which may be considered a Recreational vehicle.*

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Review shall follow the above stated Asset Test in determining Poverty Exemptions.

**Record of Roll Call Votes by Name**

Ayes-

Nays-

**CERTIFICATION**

I, Tamny Ross, Clerk of the Township of Watertown, Sanilac County, Michigan, do hereby certify that the foregoing is a true and correct copy of the whole of a Resolution adopted by the Township Board of Watertown Township at a regular meeting held on

\_\_\_\_\_.

\_\_\_\_\_  
Township Clerk