

**WATERTOWN TOWNSHIP
BOARD OF REVIEW
2025 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 191 of 2023 (MCL 211.7u and MCL 211.53b);

WHEREAS, pursuant to PA 191 of 2023, the Watertown Township, 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 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.
- 7) 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 **2025 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.

Size of Family	Poverty Guidelines
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,500
6	\$41,960
7	\$47,340
8	\$52,720
For Each Additional Person	\$ 5,380

Applicants who exceed the Federal Poverty Guidelines Used in the Determination of Poverty Exemption as produced annually by the U.S. Department of Health and Human Services may be eligible for consideration based on the following chart.

Persons in Household	Household Income	Board of Review Action
1 = \$15,060 + 5%	\$0 - \$15,813	100% Exemption
\$15,060 + 10%	\$15,814 – 16,566	75% Exemption
\$15,060 + 15%	\$16,567 – 17,319	50% Exemption
\$15,060 + 20%	\$17,320 - \$18,072	25% Exemption
	Over \$18,073	No hardship relief will be granted
Persons in Household		
2 = \$20,440 + 5%	\$0 – \$21,462	100% Exemption
\$20,440 + 10%	\$21,463 – 22,482	75% Exemption
\$20,440 + 15%	\$22,483 – 23,506	50% Exemption
\$20,440 + 20%	\$23,507 – 24,528	25% Exemption
	Over \$24,529	No hardship relief will be granted

For each additional person over 2 in the household, add **\$5,380** to income levels to determine income qualifications as shown on the Federal Poverty Guidelines Used in the Determination of Poverty Exemptions as provided by the State Tax Commission in an annual Bulletin.

Asset Guidelines Used in the Determination of Poverty Exemptions.

As required by PA 191 of 2023, and 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(s) shall not have assets exceeding the amount shown in the chart below based on the size of the family unit.
- The asset Guideline (test) shall exclude the value of the principal residence subject to the poverty exemption request and exclude the value of one automobile. If multiple automobiles are owned, then the least valuable automobile will be excluded from the asset guideline.
- The applicant(s) shall not have total assets (excluding the value of the principal residence subject to the exemption request and excluding the value of one automobile) more than the guidelines set below. Assets exceeding the amounts stated below will result in a denial of the poverty exemption.

Size of Family Unit	Asset Guidelines
1	\$5,000
2	\$10,000
3	\$15,000
4	\$20,000
5	\$20,000
6	\$20,000
7	\$20,000
8	\$20,000
For each additional person	N/A

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.*

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. Applicant does not otherwise meet the asset levels set by the local governing body.
3. Recreational Vehicles* owned or leased in total exceed the amount of the current asset guidelines.
4. Total Household Income exceeds eligibility guidelines as adopted by the Township Board of Trustees.

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

The foregoing resolution offered by Watertown Township Board Member Bekky Cambridge and supported by Shida Coats Board Member

Record of Roll Call Votes by Name

Ayes- Susan Cole, Bekky Cambridge, Scott Kenny, Tammy Ross, Shida Coats

Nays-

CERTIFICATION

I, Tammy Ross, Clerk of the Watertown Township, Sanilac County, Michigan, do hereby certify that the foregoing is a true and correct copy of the whole of a Resolution adopted by the Watertown Township at a regular meeting held on Tuesday, February 4, 2025

Tammy Ross
Township Clerk