

**TOWNSHIP OF WATERTOWN
BOARD OF REVIEW
2026 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 and Public Act 253 of 2020 (MCL 211.7u and MCL 211.53b); and

WHEREAS, pursuant to PA 253 of 2020, 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 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 2026 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 Unit | Poverty Guidelines |
|----------------------------|---------------------------|
| 1 | \$15,650 |
| 2 | \$21,150 |
| 3 | \$26,650 |
| 4 | \$32,150 |
| 5 | \$37,650 |
| 6 | \$43,150 |
| 7 | \$48,650 |
| 8 | \$54,150 |
| For each additional person | \$ 5,500 |

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 = \$15,650 + 5% | \$0 - \$16,433.00 | 100% Exemption |
| \$15,650 + 10% | \$16,434 - \$17,215 | 75% Exemption |
| \$15,650 + 15% | \$17,216 - \$17,998 | 50% Exemption |
| \$15,650 + 20% | \$17,999 - \$18,780 | 25% Exemption |
| | Over \$18,780 | No hardship relief will be granted |
| Persons in Household | | |
| 2 = \$21,150 + 5% | \$0 – \$22,208.00 | 100% Exemption |
| \$21,150 + 10% | \$20,209 – 23,265 | 75% Exemption |
| \$21,150 + 15% | \$23,266 – 24,323 | 50% Exemption |
| \$21,150 + 20% | \$24,324 – 25,380 | 25% Exemption |
| | Over \$25,380 | No hardship relief will be granted |

For each additional person over 2 in the household, add \$5,500 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 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(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. 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. 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
JASON RADLOFF and

supported by Watertown Township Board Member TAMMY ROSS

Record of Roll Call Votes by Name

Ayes- RADLOFF, HACKER, HENDERSON, ROSS, COATS
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 JANUARY 6, 2026.

Tammy Ross
Township Clerk