



**MEETING TYPE  
STAFF REPORT**

**Agenda Date:** January 22, 2024

**Eric Buckman, City  
Manager:**

**Department:** Assessing

**Department Head Name:**

Janice Frizzell

**Presenter:** Janice Frizzell

**Kim Berry, City Clerk:**

**This form and any background material must be approved by the City Manager, then delivered to the City Clerk by 4:00 PM the Tuesday prior to the Commission Meeting.**

**AGENDA ITEM TITLE:**

Poverty Exemption Guidelines

**BACKGROUND:**

MCL 211.7u provides for a property tax exemption, in whole or part, for the principal residence of persons who, by reason of poverty, are unable to contribute to the public charges. For purposes of the poverty exemption "principal residence" means how principal residence exemption and qualified agricultural property are defined in MCL 211.7dd. The exemption does not apply to property of a corporation.

MCL 211.7u requires local units to adopt guidelines that must include the specific income and asset levels of the applicant and the total household income and assets.

Local units must adopt guidelines which specify the total household income which will be used to approve or deny poverty exemptions. The adopted income levels shall not be set lower than the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services. For reference, the federal poverty guidelines to be used are published annually by the State Tax Commission.

**FISCAL EFFECT:**

2023 saw 5 poverty exemptions that totaled \$106,842 in Taxable Value

**SUPPORTING DOCUMENTATION:**

STC Bulletin 22 of 2023

Poverty Exemption Affidavit form 4988

Application for MCL 211.7u Poverty Exemption form 5737

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty form 5739

Guidelines for Poverty Exemption

**RECOMMENDATION:**

Approve Guidelines as Presented