

**ECHO TOWNSHIP**

**RESOLUTION ESTABLISHING POVERTY EXEMPTION  
INCOME GUIDELINES AND ASSET TEST POLICY**

**Resolution No. 01-2025**

At a regular meeting of the Echo Township Board held at the Echo Township Hall located at 1720 Six Mile Lake Road, East Jordan, Michigan on January 8, 2025, at 7:00pm

PRESENT: Robert Hott, Dennis Graham, Alan Petrie, Diane Kucharek, William Derenzy

ABSENT: None

The following resolution was made by Robert Hott and seconded by Alan Petrie, to-wit:

**Recitals**

WHEREAS, the principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are 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, being Act 206 of the Public Acts of 1893, as amended; and

WHEREAS, the township board is required by Section 7u of the General Property Tax Act, MCL 211.7u, to adopt guidelines for poverty exemptions.

**Resolution**

NOW, THEREFORE, BE IT RESOLVED that the Echo Township Board hereby establishes the following poverty exemption income guidelines and asset test policy:

**POVERTY EXEMPTION INCOME  
GUIDELINES AND ASSET TEST POLICY**

- A. This policy applies to the principal residence of individuals and does not apply to the property of a corporation. For the purposes of this policy, "principal residence" means either of the following:
  - 1. The one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Except as otherwise provided in this subdivision, principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied

by an owner of the dwelling or unit. Principal residence also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Principal residence also includes all of an owner's unoccupied property classified as timber-cutover real property under section 34c that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Except as otherwise provided in this subdivision, principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders. Property that qualified as a principal residence shall continue to qualify as a principal residence for 3 years after all or any portion of the dwelling or unit included in or constituting the principal residence is rented or leased to another person as a residence if all of the following conditions are satisfied:

- (a). The owner of the dwelling or unit is absent while on active duty in the armed forces of the United States.
  - (b). The dwelling or unit would otherwise qualify as the owner's principal residence.
  - (c). Except as otherwise provided in this subparagraph, the owner files an affidavit with the assessor of the local tax collecting unit on or before May 1 attesting that it is his or her intent to occupy the dwelling or unit as a principal residence upon completion of active duty in the armed forces of the United States.
2. "Qualified agricultural property," which is defined to mean unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principal residence exemption on other property. Property shall not lose its status as qualified agricultural property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan. Property used for commercial storage, commercial processing,

commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use or if more than 50% of the parcel's acreage is devoted to a combination of agricultural use and is exempt under MCL 2117jj(1) as qualified forest property. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building. As used in this subdivision, "Wildlife risk mitigation action plan" means a written plan consisting of one or more projects to help reduce the risks of a communicable disease spreading between wildlife and livestock that is approved by the department of agriculture under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

- B. A property owner(s) seeking an exemption under this policy shall file an application for the exemption with the board of review on a form prescribed by the state tax commission and provided by the township assessor after January 1 but before the day prior to the last day of the board of review.
- C. To be eligible for exemption under this policy, a property owner(s) shall comply with all of the following requirements on an annual basis:
  - (a). Be an owner of and occupy as a principal residence the property for which an exemption is requested. A property owner(s) shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the township assessor.
  - (b). File a claim with the board of review on a form prescribed by the state tax commission and provided by the township assessor 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. Federal and state income tax returns are not required for a person residing in the principal residence if that 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. 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. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

- (c). Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
- (d). Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
- (e). Meet the income and asset guidelines provided in this policy.

D. To be eligible for exemption under this policy, a property owner(s) shall 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. For 2025 the federal poverty income guidelines are as follows:

<u>Size of Family/Household</u>	<u>Maximum Total Income</u>
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,900
7	\$47,340
8	\$52,720
For each additional person add	\$5,380

E. To be eligible for exemption under this policy a person shall not own real and personal property with a fair market value greater than \$5,000. For purposes of determining the maximum asset level, the following property shall be exempt: (1) the principal residence of the property owner(s), (2) one motor vehicle regardless of use, (3) motor vehicles and other vehicles used exclusively for business purposes, and (4) the proceeds from the sale of the principal residence of the property owner(s) if the sale occurred in the previous 12 months.

F. The Echo Township Board of Review shall follow this policy when deciding whether granting or denying an exemption under this policy. If a property owner(s) claiming an exemption under this policy is qualified under Paragraphs D and E of this policy, the board of review shall grant the exemption in whole or in part, as follows:

- (a) A full exemption equal to a 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:
- (i). A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
  - (ii). 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.

YES: Robert Hott, Dennis Graham, Alan Petrie, Diane Kucharek, William Derenzy

NO: None

RESOLUTION DECLARED ADOPTED.

ECHO TOWNSHIP

By: \_\_\_\_\_  
William Derenzy, Supervisor

I, the undersigned, the Clerk of the Township of Echo, Antrim County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by said municipality at its regular meeting held on January 8, 2025 relative to adoption of the resolution therein set forth; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Dated: January 8, 2025

\_\_\_\_\_  
Diane Kucharek, Clerk

## **Taxpayer Filing Requirements:**

In order to receive a poverty exemption, a taxpayer must annually file a completed application form and all required additional documentation, with the Board of Review where the property is located. The application form may be obtained from the local unit where the property is located and may be submitted on or after January 1 but before the day prior to the last day of the December Board of Review during the year in which the exemption is requested.

To ensure an application is received in time to be heard by a Board of Review, the State Tax Commission recommends the claimant contact the local governing unit directly to verify deadline dates for submission of an application.

In addition to annually filing the application and affirmation of ownership; in order to be eligible for the poverty exemption, a taxpayer must do all of the following:

1. Own and occupy the principal residence.
2. Provide federal and state income tax returns for the current or immediately preceding year, including any property tax credits, for all persons **residing in the principal residence** (disclosure of the income of an owner who is not residing in the principal residence is not required). An alternative affidavit may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year. (See Form 4988, *Poverty Exemption Affidavit*)
3. Produce a valid driver's license, or other form of identification, if requested by the Board of Review.
4. Produce a deed, land contract, or other evidence of ownership of the property, if requested by the Board of Review.
5. Meet the federal poverty income guidelines determined annually by the U.S. Department of Health and Human Services.
6. Meet the asset level test adopted by **Echo Township**

## **Board of Review Responsibilities:**

MCL 211.7u (**AMENDED**) indicates: The principal residence of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under this act.

Additionally, MCL 211.7u(5) states, in part: The Board of Review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section.

When reviewing an application, the Board of Review should consider all information available to them at that time. They should consider all documentation originally submitted by the taxpayer and any additional relevant information that is available to the Board of Review.

## **Appeal Rights:**

A property owner or assessor may appeal a decision of the March Board of Review by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A property owner or assessor may appeal a decision of the July or December Board of Review by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's denial of the poverty exemption.

An application for poverty exemption, for a specific principal residence, may only be acted upon by the Board of Review once a year. If an application is denied at the March Board of Review, it may not be reheard by the July or December Board of Review during the same calendar year. The taxpayer must file an appeal of the March Board of Review determination to the Michigan Tax Tribunal. Similarly, if an application is denied at the July Board of Review, the December Board cannot rehear that application. The taxpayer must file an appeal to the Michigan Tax Tribunal.

A person who files a claim for poverty exemption is not prohibited from also appealing the assessment on the same property in the same year.

## ECHO TOWNSHIP

### ECHO TOWNSHIP GUIDELINE RESOLUTION FOR POVERTY EXEMPTION

#### Resolution No. 02-2025

**WHEREAS**, the adoption of Michigan Department of Treasury Application for MCL 211.7u Poverty Exemption form 5737 (01-21), Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty form 5739 (01-21) and posting such to the **Echo Township** website is required of the Township Board; and

**WHEREAS**, the adoption of the guidelines and policy for poverty exemptions is required of the 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

**WHEREAS**, pursuant to PA 390 of 1994, the Township of **Echo, Antrim 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 supervisor/assessor or 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) **Asset Level Test** - 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.
- 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 **2024** federal poverty income guidelines used for **2025** exemptions 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.



## Federal Poverty Guidelines Used in the Determination of Poverty Exemptions

Size of Family Unit	Poverty Guidelines
1	\$ 15,060
2	\$ 20,440
3	\$ 25,820
4	\$ 31,200
5	\$ 36,580
6	\$ 41,900
7	\$ 47,340
8	\$ 52,720
For each additional person	\$ 5,380

***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 Township Board Member; Robert Hott

and supported by Township Board Member; Alan Petrie

Upon roll call vote, the following voted:

“Aye”: Robert Hott, Dennis Graham, Alan Petrie, Diane Kucharek, William Derenzy

“Nay”: None

Township Clerk declared the resolution adopted on January 8, 2025.

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Diane Kucharek, Clerk

Date