

Resolution of the Pontiac City Council



25-7 (M) **Resolution to Approve Updates to Poverty Exemption Policy and Guidelines.** Move by Councilperson Rutherford and seconded by Councilperson Jones.

WHEREAS, Public Act 253 of 2020 ("Act") requires the governing body of each city and township to determine and make available to the public the policy and guidelines the Board of Review utilizes in granting reductions in property assessments due to limited income and assets, referred to as "Poverty Exemptions"; and

WHEREAS, it is the intent of the Council to adopt guidelines in compliance with the Act; and

WHEREAS, to be eligible for a poverty exemption, a person must do all of 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. The subject property must be classified as a single-family residential parcel or residential condominium property with a valid homeowner's Principal Residence Exemption (PRE) currently in effect.
3. Submit completed Form 5737 Application for MCL 211.7u Poverty Exemption and Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.
4. Submit the most recent year's copies of the following for all persons residing in the homestead:
 - a. Produce a valid driver's license or Michigan State Identification card for all persons residing in the household.
 - b. Federal Income Tax Return-1040, 1040A, or 1040E and Michigan Income Tax Return- MI 1040, MI 1040A, or MI 1040EZ.
 - c. Senior Citizens Homestead Property Tax Form MI-1040CR-1 or General Homestead Property Tax Claim MI-1040CR-4. *(The City Council will remove the requirement for seniors (aged 65 or older, as defined on the Senior Citizens Homestead Property Tax Form) to file federal or state income taxes to qualify for the poverty exemption).*
 - d. Seniors who are no longer required to file federal or state income taxes must complete and have notarized Form 4988 – Poverty Exemption Affidavit.
 - e. Benefit Statement from ADC, Pension, Retirement, Social Security Administration, and/or Michigan Social Services as to money paid to you during the previous year (along with a signed Form 4988).
5. Produce a copy of the deed, land contract, or other evidence of parcel ownership of all real property owned by the applicant if requested by the Board of Review; and

WHEREAS, the applicant(s) must complete the application form in its entirety and return it to the Treasurer's or Equalization Office. Any application submitted to the Board of Review that has not been filled out in its entirety shall be denied by the Board of Review. Appeals of such denial shall be made to the Michigan Tax Tribunal; and

WHEREAS, the applicant(s) may apply for Poverty Exemption to only one session of the Board of Review (March, July, or December), and any appeal of the Board's decision shall be made to the Michigan Tax Tribunal; and

WHEREAS, the Board of Review may request any additional information, including but not limited to

additional tax returns, financial statements, land contracts, personal or family trust documents, vehicle titles, and any other records or affidavits the Board deems necessary to make a poverty exemption determination, asset limit determination, or income level determination; and

WHEREAS, completed applications may be brought to the Board of Review on the day of an appointment, but to ensure timely consideration by the Board, the application, along with supporting documents, should be made available to the Board at least one (1) week prior to the meeting date; and WHEREAS, applications may be reviewed and acted upon by the Board of Review without the applicant(s) being present. However, the Board may request that any or all applicants be physically present to respond to any questions the Board of Review may have. This means that an applicant may be called to appear on short notice; and

WHEREAS, the Board of Review shall follow the policy and guidelines set forth above when granting and denying poverty exemptions. The same standards shall apply to each taxpayer within the city claiming the poverty exemption for the assessment year; and

WHEREAS, the allowed reduction for hardship exemption shall be 25%, 50%, 75%, or 100% of the Taxable Value of the homestead for the tax year. At their discretion, the Board may approve a full or partial exemption if deemed appropriate, using the following guidelines:

- 100% reduction in taxable value if the income is equal to or less than 125% of the federal poverty level.
- 75% reduction in taxable value if the income is equal to or less than 150% of the federal poverty level.
- 50% reduction in taxable value if the income is equal to or less than 175% of the federal poverty level.
- 25% reduction in taxable value if the income is equal to or less than 200% of the federal poverty level; and

WHEREAS, for a 100% reduction in taxable value, the applicant's total household income cannot exceed 125% of the most current Federal Poverty Guidelines set forth by the U.S. Department of Health and Human Services, as established by the State Tax Commission and updated annually; and

WHEREAS, a poverty exemption shall not be granted to any applicant whose assets exceed \$100,000. An applicant's homestead and principal vehicle shall be excluded from consideration as an asset. All other property, including property owned by other persons residing in the household, shall be included as an asset. Property shall include, but is not limited to cash, savings, stocks, mutual funds, insurance commodities, coin collections, art, motor vehicles, recreational vehicles, etc.; and

WHEREAS, any reduction in the State Equalized Value of a property is granted for one year only and must be applied for and reviewed annually based on the applicant's current situation; and

WHEREAS, PA 191 of 2023 amends both MCL 211.7u and MCL 211.53b to allow the July and December Board of Review to grant a poverty exemption, as a qualified error, for the immediately preceding year on the principal residence of a person who establishes eligibility as required by Section 7u, if an exemption was not on the assessment roll and was not previously denied; and

BE IT FURTHER RESOLVED, that a person filing a poverty exemption claim is not prohibited from also appealing the assessment on the property for which that claim is made before the March Board of Review in the same year and the July and December Board of Review as a qualified error, for the immediately preceding year.

NOW THEREFORE BE IT RESOLVED, in accordance with Public Act 253 of 2020, the Pontiac City Council approves the 2025 Policy and Guidelines for granting an exemption from payment of property taxes.


Ayes: Goodman, James, Jones, Parker, Rutherford, and Carrington

No: None

Resolution Passed

I, Garland S. Doyle, City Clerk of the City of Pontiac, hereby certify that the above Resolution is a true and accurate copy of the Resolution passed by the City Council of the City of Pontiac on January 21, 2025.




GARLAND S. DOYLE, City Clerk