

City of Tawas City

Resolution of Guidelines for Poverty Exemptions

WHEREAS the adoption of guidelines for poverty exemptions is required of the City Council of the City of Tawas City; and

WHEREAS the principal residence of persons, whom the Assessor and Board of Review determine 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 City of Tawas City, Iosco 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 City 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, and a signed State Tax Commission Form 4988, Poverty Exemption Affidavit.
- 3) File a claim reporting that the combined assets of all persons residing in the home do not exceed the current guidelines. The Asset level does not include the primary residence for which exemption is being sought. It does include, but is not limited to:
 - a) Real estate owned other than the principal residence
 - b) Vehicles and other recreational vehicles
 - c) Jewelry, antiques, artwork and other personal property of value
 - d) Bank accounts, stocks, bonds and investments
 - e) Withdrawals of bank accounts and borrowed money
 - f) Gifts, loans, lump sum inheritances
 - g) Food or housing received in lieu of wages
 - h) Federal non-cash benefits, such as; Medicare, Medicaid, Food Stamps, etc.

The maximum total allowed assets, including amounts in banking/investment accounts may not exceed \$10,000 for the entire household.

- 4) Produce a valid driver's license or other form of identification as 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 City of Tawas City provided 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 for the purpose of reserving the right to appeal to the Michigan Tax Tribunal. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving this right of appeal.
- 8) Satisfy an asset level test and all of the eligibility requirements stated herein to determine the amount of exemption in whole or in part.

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. (Bulletin 17 of 2024, page 1 and 2)

2025 Poverty Guidelines	
Size of Family Unit	Total Income
1 person	\$15,060
2 people	\$20,440
3 people	\$25,820
4 people	\$31,200
5 people	\$36,580
6 people	\$41,960
7 people	\$47,340
8 people	\$52,720
each additional person	\$5,380

In accordance with MCL 211.7u(5) if a person claiming the poverty exemption meets all eligibility requirements, the board of review shall grant the exemption in whole or in part, as follows:

- 1) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted; or
- 2) A partial exemption equal to a 75%, 50%, or 25% reduction in taxable value for the tax year in which the exemption is granted.

NOW, THEREFORE, BE IT RESOLVED THAT the Tawas City Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution moved by Nagy and seconded by Lesinski.

Council Members Ayes: Lesinski, Nagy, Russo, Timreck, Coon, Klenow and Masich

Council Members Nays: None

Council Members Absent: None

Council Members Abstaining: None

WHEREUPON said Resolution was declared, passed and adopted this 2nd day of December 2024.

Michelle M. Westcott, City Clerk

(SBM 1810)