



## City Council

Mayor: Chris Emerick  
Mayor Pro-Tem: Sandy Szeliga  
Council: Dan Elliott  
Sean Duffy  
Matt Hildebrand  
City Clerk: Kathy Fiebig  
City Manager: Sarah Dvoracek

City of Evart  
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Sarah Dvoracek  
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[www.evart.org](http://www.evart.org)

### CITY OF EVART SPECIAL VIRTUAL COUNCIL MEETING AGENDA Monday, February 15, 2021 @ 11:00 AM

1. Call to Order: 11:00 AM
2. Roll Call
3. Citizens' Comments – *limited to 3-4 minutes per individual*
4. Approval of Agenda
5. New Business  
Items for Action:
  - A. Resolution 2021-1 Approval of Poverty Exemption Extension
6. Citizens' Comments – *limited to 3-4 minutes per individual*
7. Adjournment

Documents to be signed after council meeting:

## Zoom Virtual Meeting: How to Join In

### *Join Using a Link*

1. Open your web browser
2. Type in the url:

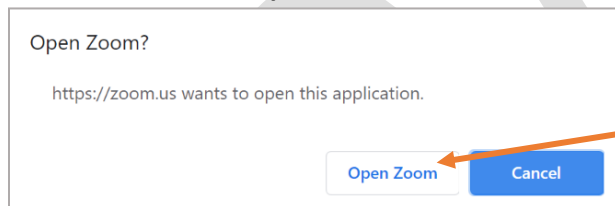
### ***To be announced the day of the council meeting***

This will open the meeting prompt loading page for the meeting

### *Entering the Meeting*

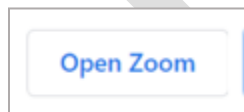
Once you have accessed the meeting using your web browser

1. You will be asked to **Open Zoom**

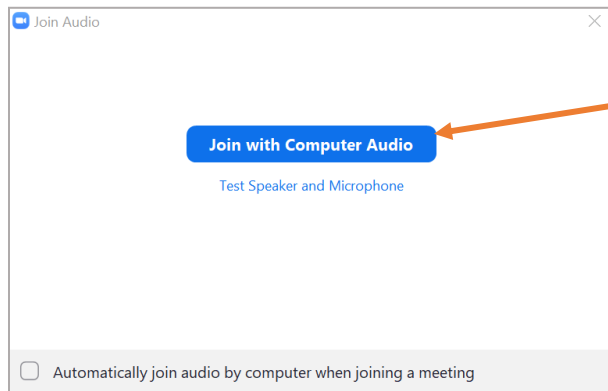


*The language of this pop up notification may be different depending on your browser*

2. Click **Open Zoom**



3. Click **Join with Computer Audio**



- a. You can test the audio before joining by clicking **Test Speaker and Microphone**

You are now in the meeting. If you join prior to the start time you will be in a digital waiting room. Five minutes prior to the start of the meeting, the moderator will grant you access.

### *Join via Phone*

1. On your phone, dial the teleconferencing number provided in your invite Dial **1-888-788-0099**
2. Enter the **Meeting ID** number when prompted using your key/dial pad **Meeting Id: to be announced**

You will be prompted to enter your unique participant ID. This only applies if you have joined on the computer or mobile device or are a panelist in a webinar. **Press #** to skip.

You are now in the meeting. If you join prior to the start time you will put on hold. Five minutes prior to the start of the meeting, the moderator will grant you access.

## **To Participate in Public Commentary**

### **Viewing via URL link**

- For those watching our virtual meeting on their device, if you wish to ask a question or make a statement, please type your question in the Chat provided. It will then be read to the council.
- If you wish to speak a statement or question via your device's microphone or audio, please indicate so in the chat window. The moderator will unmute your audio when it is your turn to speak.
- Video questions, at this time, are not available.

### **Teleconferencing**

- If you wish to speak during public comment please press \*9 on your telephone keypad, which will alert the moderator of your desire to speak.
- Please ensure you are in a quiet location and mute any video streams so all will be able to hear your comments.
- When it is your turn to speak, the moderator will identify you by the last four digits of your phone number.

## AGENDA REPORT

To: Honorable Mayor Emerick & Council Members  
From: Sarah Dvoracek, City Manager  
Date: February 12, 2021  
Re: Resolution 2021-01 to Approve Poverty Exemption Extension for 2021, 2022, and 2023

### ***For the Agenda of the Special Council Meeting February 15, 2021***

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**Background.** On December 22, 2020, Senate Bill No. 1234, was approved, see attachment 1. *Senate Bill No. 1234*. The bill made significant changes to the way assessors process poverty exemptions, see attachment 2. *Summary of Changes to MCL 211.7u Poverty Exemption in Public Act 253 of 2020*.

Poverty exemptions are a tax exemption available to our city residents that qualify. Prior to the bill city residents had to annually apply for the tax exemption. Applicants had to provide bank statements, proof of income, and proof of all expenses then our board of review and assessor would analyze the income and expenses, if the income fell below the Federal Poverty Guidelines then the exemption from property taxes was granted. The city has on average three residents that annually apply for the poverty exemption. The residents have qualified and have been receiving the exemption for at least eight years.

Then on February 9, 2021, the State Tax Commission approved Bulletin 3 of 2021 regarding poverty exemptions. The Bulletin addresses the changes to the law by Public Act 253 of 2020, see attachment 3. *Bulletin 3 of 2021*.

**Issues & Questions Specified.** The major change of Senate Bill No. 1234 allows municipalities to approve a resolution allowing for any poverty exemption from 2019 or 2020 be carried over to tax years 2021, 2022, and 2023, provided there was no change of income.

**Alternatives.**

1. Do not approve resolution
2. Continue to require city residents apply for annual poverty exemption

**Financial Impact.** NA

**Recommendation.** To lessen the burden on our qualified taxpayers by annually providing proof of income and expenses, I am requesting the council approve the attached resolution providing the poverty exemption be carried over for tax years 2021, 2022, and 2023, see attachment 4. *Resolution 2021-01*.

**Attachments.**

1. Senate Bill No. 1234
2. Summary of Changes to MCL 211.7u Poverty Exemption in Public Act 253 of 2020
3. Bulletin 3 of 2021
4. Resolution 2021-01 To Approve Poverty Exemption Extensions for 2021, 2022, and 2023

Act No. 253  
Public Acts of 2020  
Approved by the Governor  
December 22, 2020  
Filed with the Secretary of State  
December 22, 2020  
EFFECTIVE DATE: December 22, 2020

**STATE OF MICHIGAN  
100TH LEGISLATURE  
REGULAR SESSION OF 2020**

Introduced by Senators Runestad and Chang

## **ENROLLED SENATE BILL No. 1234**

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 7u (MCL 211.7u), as amended by 2012 PA 135.

*The People of the State of Michigan enact:*

Sec. 7u. (1) The principal residence of a person who, in the judgment of the supervisor and board of review, by reason of poverty, is unable to contribute toward the public charges is eligible for exemption in whole or in part from the collection of taxes under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall, subject to subsections (6) and (8), do all of the following on an annual basis:

(a) Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.

(b) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, 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 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 federal poverty 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, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for an exemption under this section must be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under this section. If the local assessing unit maintains a website, the local assessing unit shall make the policy and guidelines, and the form described in subsection (2)(b), available to the public on the website. The guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section. If a person claiming an exemption under this section is qualified under the eligibility requirements in subsection (2), 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.

(6) Notwithstanding any provision of this section to the contrary, a local assessing unit may permit by resolution a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), and may permit a principal residence exempt for the first time from the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), if the person who establishes initial eligibility under subsection (2) receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits. Both of the following apply to a person who obtains an extended exemption under this subsection:

(a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(i) The person ceases to own or occupy the principal residence for which the exemption was extended.

(ii) The person experiences a change in household assets or income that defeats eligibility for the exemption under subsection (2).

(b) If the person fails to file a rescission as required under subdivision (a) and the property is later determined to be ineligible for the exemption under this section, the person is subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible for the exemption under this section, the assessor shall remove the exemption of that property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days of the date of the discovery, issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall, within 30 days of the date of the removal, prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

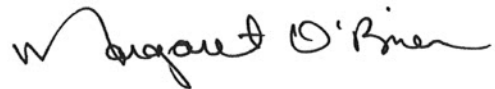
(7) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(8) Notwithstanding any provision of this section to the contrary, if the assessor determines that a principal residence of a person by reason of poverty is still eligible for this exemption and the property was exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, the property shall remain exempt from the collection of taxes under this section through tax year 2021 if, on or before February 15, 2021, the governing body of the local assessing unit in which the principal residence is located adopts a resolution that continues the exemption through tax year 2021 for all principal residences within the local assessing unit that were exempt from the collection of taxes under this section in tax year 2019 or 2020, or both. The local assessing unit may require the owner of a principal residence exempt from the collection of taxes under this subsection to affirm ownership, poverty, and occupancy status in writing by filing with the local assessing unit the form prescribed by the state tax commission under subsection (2)(a).

(9) A local assessing unit that adopts a resolution under subsection (6) or (8) must develop and implement an audit program that includes, but is not limited to, the audit of all information filed under subsection (2). If property is determined to be ineligible for exemption as a result of an audit, the person who filed for the exemption under subsection (2) is subject to repayment of additional taxes including interest to be paid as provided in subsection (6)(b). The state tax commission shall issue a bulletin providing further guidance to local assessing units on the development and implementation of an audit program under this subsection.

(10) As used in this section, "principal residence" means principal residence or qualified agricultural property as those terms are defined in section 7dd.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

\_\_\_\_\_  
Governor



## Summary of Changes to MCL 211.7u Poverty Exemption in Public Act 253 of 2020

Public Act 253 of 2020 was signed into law on December 23, 2020. The Act made several changes to the poverty exemption statute (MCL 211.7u) that will impact how local units, assessors, and boards of review handle the exemption starting with the 2021 tax year:

- Removes the word “supervisor” from statute, making it clear that only the Board of Review can grant/deny poverty exemption
- Clarifies that the federal income levels used are those adopted in the *prior* tax year (2020 federal levels are used for 2021 exemptions)
- Requires the local unit to make the policy, guidelines and application form available on their website
- Removes the ability for Boards of Review to deviate from the adopted policy/guidelines for “substantial and compelling reasons”
- Local units can adopt a resolution that allows an exemption granted in 2019 or 2020 to carry forward to 2021, 2022 and 2023 for those persons who receive a fixed income solely from public assistance that is not subject to significant annual increases (Federal Supplemental Security Income, Social Security disability or retirement benefits). Local units can also adopt a resolution for any new exemptions in 2021, 2022 or 2023 to remain exempt for up to 3 years for persons who receive a fixed income (MCL 211.7u(6))
- Local units can carry a poverty exemption forward that was granted in 2019 or 2020 for the 2021 tax year, without an application or protest to the Board of Review. **Local units must adopt a resolution by February 15, 2021 to carry the exemption forward** (MCL 211.7u(8))
- If a person meets all eligibility requirements in statute, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value OR a partial exemption equal to a 25% or 50% reduction in taxable value OR any other percentage reduction in taxable value approved by the STC

A person receiving the extended exemption in MCL 211.7u(6) for up to 3 years due to receiving a fixed income is required to file an affidavit rescinding the exemption within 45 days of no longer being eligible for the exemption.

Local units that adopt a resolution to extend the poverty exemption for up to 3 years for those persons who receive a fixed income solely from public assistance **or** local units that carry the 2019/2020 granted poverty exemptions forward to 2021 must implement an audit program and if found ineligible, the person is subject to repayment of the taxes plus interest.

Local units may need to revise their guidelines, policies, etc to implement the changes in statute. This includes revised guidelines that remove any other calculation of the taxable value for approved poverty exemptions, i.e. formulas that take into consideration the homestead tax credit to calculate the property tax liability and revised TV based on that calculated tax liability. The guidelines may only provide for a full exemption equal to a 100% reduction in taxable value (TV of 0) or a partial exemption equal to a 25% reduction or 50% reduction in taxable value, or any other percentage reduction approved by the State Tax Commission.

PA 253 requires the State Tax Commission to issue a bulletin on how to develop and implement the audit program for the extended poverty exemption provisions in MCL 211.7u(6) and (8). The State Tax Commission will also be working to create the statutorily required poverty application form and other necessary forms and guidance.



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

**Bulletin 3 of 2021**  
**February 9, 2021**  
**MCL 211.7u Poverty Exemption**

**TO:** Assessors and Equalization Directors

**FROM:** Michigan State Tax Commission

**SUBJECT:** MCL 211.7u Poverty Exemption

**Bulletin 6 of 2017 is rescinded.**

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. This Bulletin includes updates made to MCL 211.7u by Public Act 253 of 2020.

**Local Unit Responsibilities**

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. If the local unit maintains a website, the local unit is required under the statute to make the policy, guidelines, and the poverty application (Form 5737) available to the public on the local unit's website. Additional items that the local unit should make available include the statutorily required Form 5739 (which must be filed by the applicant with Form 5737) and Form 4988, *Poverty Exemption Affidavit* (used by applicants who are not required to file federal and state income tax returns).

**Income Test**

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.

According to the United States Census Bureau "income" includes, but is not limited to:

- Money, wages, salaries before deductions, regular contributions from persons not living in the residence
- Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)

- Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
- Alimony, child support, military family allotments
- Private and governmental retirement and disability pensions, regular insurance, annuity payments
- College or university scholarships, grants, fellowships, assistantships
- Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings

The Michigan homestead property tax credit **cannot** be considered as income for purposes of the poverty exemption. (*Ferrero v Walton Twp, Court of Appeals No. 302221*).

### Asset Test

The local unit guidelines must include an asset test. This asset test must clearly state the maximum value of all assets allowable to be eligible for the poverty exemption. This means that the guidelines must state a total dollar amount and the value of all assets cannot exceed that total dollar amount.

The purpose of an asset test is to determine the resources available: cash, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. The local unit asset test **cannot** include the value of the principal residence (*Robert Taylor v Sherman Twp, MTT Docket No. 236230*).

The local unit should require that applicants provide a list of all assets when applying for a poverty exemption. The State Tax Commission is providing the following list of assets that may be included in the local unit asset test (this is not an exhaustive list and is provided as examples of what may be considered as assets):

- A second home, land, vehicles
- Recreational vehicles such as campers, motor-homes, boats and ATV's
- Buildings other than the residence
- Jewelry, antiques, artworks
- Equipment, other personal property of value
- Bank accounts (over a specified amount), stocks
- Money received from the sale of property, such as, stocks, bonds, a house or car (unless a person is in the specific business of selling such property)
- Withdrawals of bank deposits and borrowed money
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches

The local unit policy may provide for an applicant to own possessions in addition to the principal residence and still receive a poverty exemption. Examples may include, but are not limited to:

- Additional vehicles
- More land than a minimum "footprint" for the home



- Equipment or other personal property of value, including recreational vehicles (campers, motor homes, boats, ATV's etc.)
- Bank account(s) (a maximum amount should be specified)

### **Full or Partial Poverty Exemptions**

PA 253 of 2020 made changes related to granting full or partial poverty exemptions. MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

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

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized in statute, or any other percentage reduction approved by the State Tax Commission. Local assessing units wishing to use any other percentage reduction than what is stated in MCL 211.7u(5) must obtain permission for use of such percentage reduction(s) by filing Form 5738, *Request For Approval of Percentage Reduction in Taxable Value For Poverty Exemptions Under MCL 211.7u* with the State Tax Commission. The State Tax Commission has adopted a Policy Regarding Requests For Percentage Reductions In Taxable Value For Poverty Exemptions Under MCL 211.7u that details how these requests will be processed. The policy and Form 5738 are available on the State Tax Commission's website at <https://www.michigan.gov/statetaxcommission>.

The State Tax Commission recommends that local assessing units include within their guidelines language and criteria for granting partial exemptions and/or minimum or maximum exemptions.

### **Extension Of Poverty Exemptions**

PA 253 of 2020 adds two provisions in which the local assessing unit can adopt a resolution that would allow a taxpayer to continue to receive a poverty exemption without having to file a new Form 5737 and other required documents each year. Local units **must** adopt resolutions to utilize these provisions and the requirements in the statute must be met.

### **MCL 211.7u(6): Extension For Those Persons Receiving A Fixed Income From Public Assistance**

Local units can adopt a resolution that allows an exemption granted in 2019 or 2020 to carry forward to 2021, 2022 and 2023 for those persons who receive a fixed income solely from public assistance that is not subject to significant annual increases (Federal Supplemental Security Income, Social Security disability or retirement benefits).

Local units can also adopt a resolution for any new exemptions in 2021, 2022 or 2023 to remain exempt for up to 3 years for persons who receive a fixed income solely from public assistance that is not subject to significant annual increases.

A person that receives an extended exemption under MCL 211.7u(6) must file an affidavit rescinding the exemption with the local assessing unit within 45 days after: 1) ceasing to own and occupy the

property as a principal residence; or 2) a change in household assets or income that defeats eligibility for the poverty exemption. If the person fails to file the required rescission and the property is later determined to be ineligible for the exemption, the person is subject to repayment of any additional taxes with interest as provided in MCL 211.7u(6)(b).

### **MCL 211.7u(8): Extension Applicable to the 2021 Tax Year Only**

If the assessor determines that a person is still eligible for the poverty exemption in 2021 and the person received a poverty exemption for the property in tax year 2019 or 2020, or both, local assessing units can carry the poverty exemption forward for the 2021 tax year, without an application or protest to the Board of Review in 2021. **Local units must adopt a resolution by February 15, 2021 to carry the exemption forward.** If an exemption is carried forward to 2021 no Form 5737 or other documentation is required from the taxpayer and they do not have to protest to a Board of Review. However, the statute provides that the local assessing unit *may* require that the person affirm ownership, poverty, and occupancy status in writing by filing Form 5739.

### **Local Unit Audit Program Requirement**

Local units that adopt a resolution to extend the poverty exemption under MCL 211.7u(6) for up to 3 years for those persons who receive a fixed income solely from public assistance or local units that carry the 2019 and 2020 granted poverty exemptions forward to 2021 under MCL 211.7u(8) must implement an audit program. If found ineligible, the taxpayer is subject to repayment of the taxes plus interest as provided in MCL 211.7u(6)(b). The State Tax Commission's guidance on the required local unit audit program will be published in a separate bulletin.

### **How To Apply For The Poverty Exemption**

To request a poverty exemption, a taxpayer must file:

1. Form 5737 *Application for MCL 211.7u Poverty Exemption*
2. Form 5739 *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*
3. All required additional documentation (such as federal/state income tax returns)

Forms 5737 and 5739, along with any additional documentation, must be filed with the local assessing unit where the property is located. **Do not file these forms with the Department of Treasury or the State Tax Commission.** The forms may be submitted to the local assessing unit 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.

Taxpayers should contact the local assessing unit directly to verify deadline dates for submission of the forms to ensure the application gets reviewed by a Board of Review during that calendar year.

In addition to filing Forms 5737 and 5739 and any supporting documentation, a taxpayer must do all the following to be eligible for the poverty exemption:

1. Own and occupy the property as a 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). 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. Instead, Form 4988, *Poverty Exemption 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.

3. Produce a valid driver license or other form of identification, if requested.
4. Produce a deed, land contract, or other evidence of ownership of the property, if requested.
5. Meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services **or** alternative guidelines adopted by the local assessing unit. The alternative guidelines cannot provide income eligibility requirements less than the federal guidelines.
6. Meet the asset level test adopted by the local assessing unit.

### **Board of Review Responsibilities**

The Board of Review shall approve or deny the request for the poverty exemption. The Board of Review is required to follow the policy and guidelines adopted by the local assessing unit in granting or denying a poverty exemption. The Board of Review is not permitted to deviate from the adopted policy and guidelines.

Poverty exemption applications can be heard at the March, July, or December Board of Review. However, there can only be **one** Board of Review decision for a specific calendar year; a subsequent Board of Review cannot reconsider a decision already made that year. For example: 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 decision to the Michigan Tax Tribunal.

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

### **Appeal Rights**

An appeal of a decision of the March Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A decision of the July or December Board of Review may be appealed by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's decision. More information on how to file an appeal is available by contacting the Michigan Tax Tribunal. Information can also be viewed on the Michigan Tax Tribunal's website at <https://www.michigan.gov/taxtribunal>.

**EVART CITY COUNCIL**

**CITY OF EVART  
County of Osceola, Michigan**

**RESOLUTION NO. 2021-01**

**A RESOLUTION TO APPROVE POVERTY EXEMPTION EXTENSIONS FOR 2021,  
2022, AND 2023**

**WHEREAS**, Public Act 253 of 2020, MCL 211.7u(6) authorizes a the Evart City Council to allow residents who were granted a poverty exemption in 2019 or 2020, to carry forward the poverty exemption through 2021, 2022, and 2023 without reapplying for the exemption, provided that the occupancy status does not change; and

**WHEREAS**, the Evart City Council desires to alleviate property tax burden for persons who receive a fixed income and qualify under the federal poverty guidelines; and

**WHEREAS**, the said extension exemption is not for taxpayers who receive significant annual increases from federal Supplemental Security Income, Social Security disability or retirement benefits; and

**WHEREAS**, the exemption shall be permitted for an additional three (3) years, if the exemption on the principal residence is a first-time exemption in the following years 2021, 2022, or 2023 without reapplying for said exemption.

**NOW, THEREFORE, BE IT RESOLVED**, the Evart City Council supports the change to the statue (MCL 211.7u), adding Public Act 253 of 2020, which allows local units to accept poverty exemptions granted in 2019 and 2020 to carry forward to 2021, 2022 and 2023. The resident shall follow the guidelines set forth by the Public Act 253 of 2020 and the local assessing unit.

The above resolution was offered by Member \_\_\_\_\_ and supported by Member

\_\_\_\_\_.

YEAS: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\* \* \* \* \*

**RESOLUTION DECLARED ADOPTED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Kathy Fiebig, City Clerk

**CERTIFICATION**

I, the undersigned duly qualified and acting Clerk of the City of Evart (the "City"), do hereby certify that the foregoing a true and complete copy of a resolution adopted by the City Council of the City at a regular meeting held on \_\_\_\_\_, 2021, the original of which is on file in my office and that public notice of said meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976, as amended.

\_\_\_\_\_  
Kathy Fiebig, City Clerk