

**BOARD OF TRUSTEES**

Gary Wall, Supervisor  
Kim Markee, Clerk  
Steven Thomas, Treasurer  
Anthony M. Bartolotta, Trustee  
Marie E. Hauswirth, Trustee  
Janet Matsura, Trustee  
Mark Monohon, Trustee



**Assessing Department**

5200 Civic Center Drive  
Waterford, Michigan 48329-3773  
Telephone: (248) 674-6270 Fax: (248) 674-6255  
www.waterfordmi.gov

**January 11, 2023**

---

**to:** Honorable Township Board

**from:** Paula Moore, Chief Assessor

*pm*

**subject:** 2023 Poverty Exemption

---

Attached you will find the information for your approval for the 2023 Poverty Exemption Guidelines based upon the requirements sited under PA 253 of 2020 that amended MCL 211.7u. Since the Board of Review no longer can approve an exemption under extraordinary circumstances, the Board has increased the federal poverty income levels to include up to 200% of the federal amounts. This will allow the Board of Review to assist additional citizens of Waterford that are going through a difficult financial time. The law only allows a 100%, 50% or 25% reduction in the Taxable Value. Therefore, the resolution and the guidelines show the exact income levels relating to the reduction in Taxable Value for those that qualify.

The federal poverty guidelines change every year, therefore a new resolution approving the income and guidelines are required. I respectfully request that you approve the resolution for Poverty Exemption for the 2023 tax year.

**With us there are no boundaries**

**RESOLUTION TO ADOPT POVERTY EXEMPTION  
POLICY AND GUIDELINES FOR 2023**

**WHEREAS**, the adoption of guidelines for poverty exemptions is required of the Township Board of Trustees; and

**WHEREAS**, the principal residence of persons, who the Assessor and 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 253 of 2020 (MCL 211.7u); and

**WHEREAS**, pursuant to PA 253 of 2020, the Township of Waterford, Oakland County, adopts the following guidelines and those on the attached Policy and Guidelines for Poverty Exemptions 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; and

**WHEREAS**, in order to qualify for a poverty exemption, property owners must submit an application using the State of Michigan Form 5737, Application for MCL 211.7u Poverty Exemption. The Board of Review shall consider the income and asset guidelines listed below along with the attached Policy and Guidelines for Poverty Exemptions for Waterford Township.

**Income:** The income guidelines shall be no more than 200% of the Federal Poverty Guidelines as follows:

***For 100% Poverty Exemption:***

<u>Size of Family Unit</u>	<u>2023 Poverty Income Guidelines</u>
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
Each additional person	Add \$4,720/person

***For 50% Poverty Exemption:***

<u>Size of Family Unit</u>	<u>2023 Poverty Income Guidelines</u>
1	\$20,385
2	\$27,465
3	\$34,545
4	\$41,625
5	\$48,705
6	\$55,785
7	\$62,865
8	\$69,945
Each additional person	Add \$7,080/person

*For 25% Poverty Exemption:*

<u>Size of Family Unit</u>	<u>2023 Poverty Income Guidelines</u>
1	\$27,180
2	\$36,620
3	\$46,060
4	\$55,500
5	\$64,940
6	\$74,380
7	\$83,820
8	\$93,260
Each additional person	Add \$9,440/person

**Asset Test:** To be eligible for a poverty exemption for 2023, assets (excluding the principal residence and one vehicle) shall not exceed \$25,000 for one person and \$35,000 for two or more people living in the household.

***NOW, THEREFORE, BE IT HEREBY RESOLVED*** that the Assessor and Board of Review shall follow the above-stated policies and federal guidelines (and the Policy and Guidelines attached hereto) in granting or denying an exemption.

I hereby certify that this Resolution was adopted by the Charter Township of Waterford Board of Trustees at a regular meeting of the Board on January 23, 2023.

\_\_\_\_\_  
Waterford Township Clerk

\_\_\_\_\_  
Date

100% Poverty Exemption	
Size of Family Unit	Poverty Guidelines
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For Each Add'l person	\$4,720

50% Poverty Exemption	
Size of Family Unit	Poverty Guidelines
1	\$20,385
2	\$27,465
3	\$34,545
4	\$41,625
5	\$48,705
6	\$55,785
7	\$62,865
8	\$69,945
For Each Add'l person	\$7,080

25% Poverty Exemption	
Size of Family Unit	Poverty Guidelines
1	\$27,180
2	\$36,620
3	\$46,060
4	\$55,500
5	\$64,940
6	\$74,380
7	\$83,820
8	\$93,260
For Each Add'l person	\$9,440



**POLICY AND GUIDELINES FOR POVERTY EXEMPTIONS**

In accordance with Public Act (P.A.) 253 of 2020, guidelines for a Poverty Exemption must be set by the local governing body. Guidelines for the Charter Township of Waterford are as follows:

**APPLICATION PROCEDURE**

1. All applicants must obtain the Poverty Exemption Application from the Township Assessor’s Office or obtain it online at [www.waterfordmi.gov](http://www.waterfordmi.gov). Please call (248) 674-6270 for assistance.
  
2. Applicants will not be eligible for consideration if their income is greater than 200% of the income levels listed below:

***For 100% Poverty Exemption:***

<u>Size of Family Unit</u>	<u>2023 Poverty Income Guidelines**</u>
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
Each additional person	Add \$4,720/person

***For 50% Poverty Exemption:***

<u>Size of Family Unit</u>	<u>2023 Poverty Income Guidelines**</u>
1	\$20,385
2	\$27,465
3	\$34,545
4	\$41,625
5	\$48,705
6	\$55,785
7	\$62,865
8	\$69,945
Each additional person	Add \$7,080/person

**For 25% Poverty Exemption:**

<b>Size of Family Unit</b>	<b>2023 Poverty Income Guidelines**</b>
1	\$27,180
2	\$36,620
3	\$46,060
4	\$55,500
5	\$64,940
6	\$74,380
7	\$83,820
8	\$93,260
Each additional person	Add \$9,440/person

\*\*All guidelines are based on the Federal poverty level established by P.A. 390 of 1994 and further amended by P.A. 253 of 2020. ***Proof of income should be income earned in 2022.***

3. All applicants must own and occupy the property being appealed as their principal residence. If requested, a valid driver's license, deed, land contract, or other evidence of ownership or identification and verification of information must be produced.
  
  4. All applicants must fill out the State of Michigan application form in its entirety and return it to this office.
  
  5. All members of the household must submit, if applicable, the immediately preceding year or current year copies of:
    - A. Federal Income Tax Return – 1040 or 1040A
    - B. State of Michigan General Homestead Property Tax Claim MI-1040CR
    - C. Statement from Social Security Administration and/or Michigan Social Services as to monies received during the previous year.
    - D. Alimony, child support and military family allotments or other regular support from an absent family member or someone not living in the household.
  
  6. FAILURE TO SUPPLY THE REQUESTED INFORMATION WILL NEGATE THE APPLICATION BEING PROCESSED.
-

## **EVALUATION PROCEDURE**

1. Applications may be reviewed by the Board of Review without the applicant being present. However, the Board may request that any and all applicants be physically present to respond to any questions the Board may have. This means that an applicant could be called to appear on short notice.
2. At this meeting, an applicant should be prepared to answer questions regarding their financial affairs and the status of people living in their home, etc.
3. The Board of Review will apply a two-part test to determine the eligibility and the amount of the exemption.

A. **THE INCOME TEST**: The Federal Income Guidelines will be used as part of the Income Test for 100% Poverty Exemption. 150% of the Federal Income Guidelines will be used for a 50% Poverty Exemption. 200% of the Federal Income Guidelines will be used for a 25% Poverty Exemption.

B. **THE ASSET TEST**:

- i. The residence where the applicant claims the Principal Residence Exemption and one vehicle are not considered in the Asset Test.
- ii. The asset threshold for Waterford Township is \$25,000 for one person living in the household and \$35,000 for two or more people living in the household.
- iii. Assets include, but are not limited to: real estate other than principal residence, personal property, additional motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- iv. If the values of the applicant's assets are of an amount which would indicate that a condition of poverty is not indicated, then a poverty exemption may be denied.

C. **THE INCOME FROM OTHER SOURCES TEST**: If the Board of Review determines that the applicant has or should have income from other sources, such as relatives, dependents or friends, they may add this income to the applicant's reported income and if the resulting sum of these incomes is greater than the stated household income guidelines, then a poverty exemption may be denied. If the amount of this income is added to the applicant's reported income and the resulting sum is less than the stated household income guidelines, then a poverty exemption will be granted. The homeowner cannot use expenses and deduction to lower their income. These areas of expenses and deductions are for Federal taxes.

4. The Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.
5. Any successful applicant may be subject to personal investigation by the Township. This would be done to verify information submitted or statements made to the Board of Review in regard to their property tax abatement claim.
6. The Assessor will keep minutes of all proceedings before the Board of Review and all meetings must be held in a municipal building.
7. A person filing a poverty exemption claim is not prohibited from also appealing the Assessed Value on the property for which that claim is made before the March Board of Review in the same year.
8. The Board of Review shall follow the policy and guidelines of the Township of Waterford in granting or denying an exemption under this section.
9. All applicants, claiming the poverty exemption, who meet eligibility requirements, shall receive from the Board of Review a 25%, 50% or 100% reduction in Taxable Value for the year in which the exemption is granted.