



## Legislation Details (With Text)

**File #:** 19-0136      **Version:** 1      **Name:** 2/4/19 Resolution to Approve Board of Review Guidelines for Poverty Exemptions

**Type:** Resolution      **Status:** Passed

**File created:** 2/4/2019      **In control:** City Council

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**Title:** Resolution to Approve the Board of Review Guidelines for Poverty Exemptions from Property Taxation of Principal Residences Pursuant to MCL 211.7u

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Poverty Exemption Guidelines\_1-22-19 EXT.pdf, 2. mcl-211-7u.pdf

Date	Ver.	Action By	Action	Result
2/4/2019	1	City Council	Approved	Pass

Resolution to Approve the Board of Review Guidelines for Poverty Exemptions from Property Taxation of Principal Residences Pursuant to MCL 211.7u

Attached for your approval is a resolution to approve the Board of Review Guidelines for Poverty Exemptions pursuant to Michigan Compiled Law 211.7u. Pursuant to that law, the City may adopt guidelines that set income levels for their poverty exemptions from taxes of principal residences at levels higher than the federal guidelines. The state law also requires that such guidelines include specific income and asset level limitations of the both the applicant and the household (“asset test”).

Approval of the revised Board of Review Guidelines will further define the definition of a Poverty Exemption, maintain the existing maximum \$25,000 asset level test, set the income limits not to exceed 2.0 times the U.S. Department of Health and Human Services for a one-person household, which is annually published by the Michigan State Tax Commission, and adjust the Federal Poverty Standards for each additional person times a factor of 1.10. If Council approves the revision, the Board of Review will implement the changes for the 2019 year.

The following chart represents the Federal poverty guidelines and City of Ann Arbor adjusted income levels for use in setting poverty exemption guidelines for 2019 assessments.

# OF PEOPLE HOUSEHOLD	FEDERAL GUIDELINES	CITY OF ANN ARBOR
1 PERSON	\$12,140	\$24,280
2 PERSONS	\$16,460	\$29,032
3 PERSONS	\$20,780	\$33,784
4 PERSONS	\$25,100	\$38,536
5 PERSONS	\$29,420	\$43,288
6 PERSONS	\$33,740	\$48,040
7 PERSONS	\$38,060	\$52,792

8 PERSONS	\$42,380	\$57,544
EACH ADDITIONAL PERSON	\$4,320	\$4,752

Prepared by: Mark Perry, City Assessor

Reviewed by: Tom Crawford, Financial Services Area Administrator and CFO

Approved by: Howard S. Lazarus, City Administrator

Whereas, Michigan Compiled Laws 211.7u, allows the principal residences of persons who, in the judgment of the the Board of Review, by reason of poverty, are unable to contribute toward the public charges, be eligible for exemption in whole or in part from taxation under this act;

Whereas, MCL 211.7u(2)(e) set the income guidelines to meet the Federal poverty income standards or alternative guidelines adopted by the governing body of the local assessing unit provided those guidelines are not less than the Federal guidelines; and

Whereas, The City Council last approved the series of guidelines in 2014 developed by the Ann Arbor City Assessor and Board of Review which conformed to MCL 211.7u;

RESOLVED, That City Council approve the attached revised Poverty Exemption Guidelines for the Ann Arbor Board of Review to implement, which establishes minimum poverty income levels not to exceed 2.0 times the Federal Poverty Income Standards as annually determined by the U.S. Department of Health and Human Services for a one person household and adjust the Federal Poverty Standards for each additional person times a factor of 1.10, and maintain the existing asset test. These guidelines shall supersede any previously adopted Poverty Exemption Guidelines.