

CITY OF ANN ARBOR BOARD OF REVIEW
GUIDELINES FOR POVERTY EXEMPTIONS

TAX YEAR 2021

The Board of Review may grant property tax exemptions (in whole and in part) to the principal residence of persons who, in the judgement of the supervisor and the Board of Review, are by reason of poverty unable to contribute toward the public charges. MCL 211.7u(1). Such exemptions are referred to herein as “poverty exemptions.” Corporations are ineligible for poverty exemptions. The Board shall not grant a poverty exemption to any individual who the Board finds has the ability to contribute towards public charges, but otherwise meets the poverty income eligibility guidelines herein (e.g., self-imposed poverty).

Guidelines

1. In granting poverty exemptions, the Board of Review realizes this represents a shift of that portion of the tax burden to the other taxpayers of the community and state.
2. Poverty exemption are only available to persons who own and occupy the subject property as their “principal residents,” as that term is defined in MCL 211.7dd.
3. To be considered for a poverty exemption, the applicant must submit the requirements of MCL 211.7u(2) on an annual basis and fully complete, execute and deliver an application for such exemption to the assessor after each January 1st (for the applicable year) but before the day prior to the last day of the board of review (for the applicable year).
4. Any relief granted is a reduction over and above the maximum Homestead Property Tax Credit granted by the State of Michigan.
5. The Board of Review may request an applicant to personally appear before the Board to respond to any questions the Board or Assessor may have.
6. Poverty exemptions must be applied for each year. If an exemption is granted, it is for one year only.

7. The total income of the applicant and each member of the applicant's household shall not exceed the Federal Poverty Income Standards, as defined and determined annually by the U.S. Department of Health and Human Services, which is annually published by the Michigan State Tax Commission for each person in the household times a factor of 2.20 (the "household income test").
8. The Board of Review may make an exception from the household income test should income be greater than allowed under this guideline, if the applicant documents expenses that are beyond the ordinary scope of expected costs, and where such expenses are beyond the ordinary scope of the expected costs, and such expenses are both severe and unavoidable (e.g., unusually high health care costs not covered by insurance).
9. The guideline for the maximum assets the taxpayer may have is \$50,000. Assets are defined as resources other than the homestead and the standard mode of transportation. If the homestead property assessed value exceeds 150% of the average assessed value of the residential class as determined by the Assessor, the poverty exemption will not be considered.
10. The Board of Review shall follow these guidelines as approved by Ann Arbor City Council as set forth herein for granting or denying a poverty exemption unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from these guidelines. Any deviations from this guideline must be documented by the Board of Review and supplied to the applicant in writing.

As Amended and Approved by Ann Arbor City Council on January 19, 2021