



Legislation Text

File #: 22-0182, **Version:** 1

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

Attached for your approval is a resolution to adopt the Board of Review Guidelines for Poverty Exemptions pursuant to Michigan's General Property Tax Act (the "Act"). Local governing bodies may adopt guidelines that set income levels for poverty exemptions from taxes of principal residences at levels higher than those in the federal guidelines. Michigan Compiled Laws ("MCL") Section 211.7u of the Act requires local governing bodies to identify in their guidelines, specific income and asset level limitations of both the applicant and the household ("asset test").

Approval of the revised Board of Review Guidelines (attached) will define the Poverty Exemption, establish the existing maximum \$50,000 asset level test, and set the income limits not to exceed 2.20 times the U.S. Department of Health and Human Services for each person in the household, as If Council approves the revision, the Board of Review will implement the changes for the 2022 tax year.

..Staff

Prepared by: Jerry Markey, City Assessor

Reviewed by: Marti Praschan, Financial Services Area Administrator and CFO
Michelle Landis, Senior Assistant City Attorney

Approved by: Milton Dohoney Jr., Interim City Administrator

..Body

Whereas, MCL 211.7u of the General Property Tax Act allows for persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges for taxation of their principal residences, to be eligible for exemption in whole or in part from taxation under the Act;

Whereas, MCL 211.7u(2)(e) sets 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 Poverty Exemption Guidelines in 2021 as developed by the Ann Arbor City Assessor and Board of Review in conformance with MCL 211.7u;

RESOLVED, That City Council adopt the attached revised Poverty Exemption Guidelines for 2022 for the Ann Arbor Board of Review to establish minimum poverty income levels not to exceed 2.20 times the Federal Poverty Income Standards as annually determined by the U.S. Department of Health and Human Services for each person in the household, and maintain the existing asset test of \$50,000. These guidelines shall supersede any previously adopted Poverty Exemption Guidelines.