



Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 824
Detroit, Michigan 48226

Phone: 313-628-0273
Fax: 313-224-4576
www.detroitmi.gov

DATE: October 12, 2023

TO: The Honorable Detroit City Council

RE: 2024 Homeowner Property Exemption (HOPE) Policy and Guidelines in accordance with MCL 211.7u

INTRODUCTION

The Board of Review is a nine (9)-member board appointed by this Honorable Body to act on matters relative to assessments within the jurisdiction of the City of Detroit. The purpose of this communication is to establish through the adoption by resolution the 2024 “Homeowners Property Exemption” (HOPE) Guidelines and Process for the Property Assessment Board of Review to act in accordance with MCL 211.7u.

Additionally, under the “Homeowners Property Exemption” ordinance, the Property Assessment Board of Review is required to file its proposed version with this Honorable Body through the City Clerk by October 15th.

This document contains a point-by-point review detailing that all aspects were properly met.

The document attached to this packet is the final document reviewed and agreed to by the Property Assessment Board of Review prior to submission to this Honorable Body.

Please keep in mind that as you review and consider the 2024 Guidelines, it is crucial to the overall process that this Honorable Body adopt the guidelines prior to December 1, 2023 so that the appropriate time will exist for printing, distribution and access by January 1, 2024.

This application is being respectfully submitted for your approval pertaining to the Homeowners Property Exemption (HOPE) program.

A RESOLUTION IS ATTACHED AND A WAIVER OF RECONSIDERATION IS REQUESTED.



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SUMMARY

Each year state law requires that each local governing unit establish a new process and guidelines in reviewing and determining property tax exemptions in accordance with MCL 211.7u. This portion of the General Property Tax Act provides for an exemption for homeowners who are unable to contribute to the public charges if they have met the required guidelines adopted by the local governing body, in this case City Council, by resolution in accordance with MCL 211.7u.

The Property Assessment Board of Review remains closely engaged in the current matters faced by many homeowners challenged with property tax delinquency and/or at risk of foreclosure. The Property Assessment Board of Review continues to aid the community in considering these challenges, when possible, to help homeowners maintain ownership within the City of Detroit by providing a connected and unified relationship with the Office of the Assessor, City of Detroit Treasury, Wayne County Treasurer and other community-based agencies and organizations to assist as many homeowners as possible under law.

2024 requires your attention due to potential changes in assessing deadlines and level of work that is required at the end of the year. An alternative deadline is requested for your consideration. Generally, the filing deadline has been the day before the actual meeting date of the December Board of Review. With certain changes pending and the level of exemptions being submitted by the deadline date, it is important to consider moving the deadline to a date that will allow the Board of Review and the Office of the Assessor the opportunity to complete its work prior to the December Board of Review statutory meeting date. It is being recommended that you consider November 1, 2024, as the filing deadline for the HOPE application.

As amended and signed into law March of 2020 the PAY AS YOU STAY (PAYS) Program, administered by the Wayne County Treasurer, in relationship with the Homeowners Property Exemption has resulted in saving more than 12,000 homeowners from tax foreclosure. It is important to note that the PAYS program will sunset in 2025 and this may be the one of the few remaining opportunities for homeowners to see the benefit of the combined resources.

Therefore, we are presenting to this Honorable Body the 2024 Homeowners Property Exemption Guidelines and Process in accordance with MCL 211.7u.



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DOCUMENTS

- **TITLE: “Homeowners Property Exemption” (HOPE)**
 - In 2021 the title “Homeowners Property Exemption” (HOPE) was adopted and should continue as such.
 - The new title clearly states the overall intent while maintaining and delivering the restored sense of attention, pride and dignity to the community.

- **CHANGE IN APPLICATION DEADLINE**
 - Based on the number of applications received by the Board of Review along with the current discussion relative to the “Tax Reform Ordinance”, we believe that it is important to consider changing the deadline date.
 - A deadline of November 1, 2024, is requested.
 - This will provide an opportunity for the Board of Review and Office of the Assessor to address pending applications so that I may timely close the December Board of Review on the statutorily required date.

- **APPLICATION PACKET**
 - CHANGES IN STATE LAW
 - December 23, 2020, Governor Whitmer signed into law PA 253 which amended MCL 211.7u. Key changes included:
 - The application will be created by the State Tax Commission
 - The removal of the ability for Boards of Review to deviate.
 - Any alternative reduction in taxable value must be approved by the State Tax Commission
 - An applicant with a sole source of income from a government source without a substantial yearly increase MAY not need to apply for the exemption for up to an additional three (3) years.
 - HOPE APPLICATION PACKET STRUCTURE
 - Because the application will now be provided the State of Michigan and other forms and documents are required, a packet format is needed. HOPE Application Packet will contain all required components and information to aide and assist with the completion of the application and submission of required documentation.
 - DOCUMENTS
 - Application packet cover page – title, disclosure, filing deadline, etc.
 - Added *“the Board of Review may use or access other services or means in the review of your application”* to give notice that additional sources may be used in the review of the application.
 - Added *“State law requires that homeowners submit a new application each year the assistance is needed. Exemption request*



Property Assessment

Board of Review

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on any parcel other than the principal residence may require a waiver” to aide in preventing the Board of Review not acting outside of its authority.

- Added “*Applications submitted after the close of business on this date will not be accepted*” to clarify deadline.
 - Added “*Approved applicants are still responsible for any special assessments or fees such as solid waste, water, special assessment districts, etc.*” to clarify responsibility.
 - List of community partners and organizations – a list of locations
 - Process and guidelines.
 - Document Checklist – applicant may follow to ensure that all required documentation is submitted.
- FORMS
- HOPE Application Packet will contain
 - MI Treasury Form 5737- Application for MCL 211.7u Poverty Exemption
 - MI Treasury Form 5739- Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty
 - MI Treasury Form 4988 – Poverty Exemption Affidavit (additional forms were added at the end of the packet for household members that may need to complete the form.)
 - MI Treasury Form 2368 – Principal Residence Exemption Affidavit
 - City of Detroit Property Appeal Letter of Authorization
 - 2024 HOPE Statement Form
 - The IRS 4506-T has been removed. The IRS no longer allows 3rd party request. We are currently in development of our long-term filing solution which would allow household income information to be retrieved electronically.
 - **GUIDELINES and FORMS**
 - 2024 PROCESS FOR REVIEWING HOMEOWNERS’ PROPERTY EXEMPTION (HOPE) APPLICATION
 - Establishing guidelines are a required part of the process.
 - Section 1 – establishes that ownership and occupancy as a homestead must have been established by December 31, 2023.
 - Section 2 – establishes the percentages levels in which the Board of Review may grant an exemption and the required documentation to be submitted with the application.
 - Underlined income year requirement to make it more prominent.
 - Provided examples of required documents.



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- Section 3 – establishes the income levels and asset test.
 - The 10% level was added based on approval from the State Tax Commission.
 - Section 4 – details process, use of information and deadlines.
 - Added *“eligible applicants will receive a statement after March Board of Reviews”* for qualified multi-year applicants.
 - Added *“Applicant is required to provide any changes in household circumstances”* to clarify qualification.
 - Section 4 – the language was changed to update relevant dates for the upcoming year.
 - Grammatical corrections where necessary.
- PROGRAM APPLICATION
 - In accordance with MCL 211.7u the application is now provided by the Michigan State Tax Commission.
 - Michigan Treasury Form 5737 – Application for MCL 211.7u Poverty Exemption must be completed in its entirety and filed before the last meeting of the Board of Review.
 - Michigan Treasury Form 5739 – Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty provides opportunity for approved homeowners whose income is solely from a government source with minimal yearly increases (Social Security, SSA, SSI, SSD, retirement) to remain exempt an addition 3 years without reapplication.
 - **OTHER**
 - Throughout all documents, the new City of Detroit logo was added where necessary.
 - Documentation has been provided to all agencies for review, consideration and/or input. (Office of the Assessor, Office of the Chief Financial Officer, Law Department and Legislative Policy Division)

ADDITIONAL FORMS and STATEMENTS

- Michigan Treasury Form 4988 Poverty Exemption Affidavit.
 - This form was developed and implemented by the State of Michigan Department of Treasury in accordance with MCL 211.7u.
 - The Board of Review utilizes Form 4988 as required by the State Tax Commission and MCL 211.7u.
 - Form 4988 is offered as an affidavit when the property owner or household member is not required to file income tax.



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- MI Treasury Form 2368 – Principal Residence Exemption Affidavit
 - This is a State of Michigan Treasury form required to be completed and on file with the Office of the Assessor for each home in which a Principal Residence Exemption exists.
 - The completion of the form provides the benefit of having a completed form in case one has not been filed. In addition, it provides an updated filing for the Office of the Assessor.
 - The Property Assessment Board of Review no longer has the authority to determine the outcome of a PRE, this includes prior years.
 - All PRE denials are required to be filed with the State of Michigan.

- Letter of Authorization
 - Letter of Authorization provides opportunity for community partner, representatives, and others to discuss and aide in the completion of a HOPE application
 - Letter of Authorization is beneficial to our most fragile who find it difficult to provide, access or interact and allows for the completion of the application in minimal time with the assistance of the authorized representative.

- Letter of Support
 - Letter of Support is not a part of the application packet.
 - The Board of Review sees a large number of applications in which the income verification has become somewhat difficult.
 - Some of our lower income homeowners receive funds from odds jobs, family, friends, and other means that may not be documented.
 - The Letter of Support serves as a means to provide a statement from to demonstrate who and how much may be contributing to the income to the household.
 - The Board of Review is requesting approval of the use of this form.
 - The form has been submitted to the law department, but a response had not been received by the time of this submission to the clerk.

- Michigan STC Approval
 - On October 12, 2021, the Michigan State Tax Commission approved the use of a 10% reduction in taxable value.
 - This reduction is based on 195% of the adopted household composition levels and applicant must meet only one of two standards:
 - Loss of income of at least 20% from the prior year or,
 - Subject property is in threat of tax foreclosure.



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- Michigan STC Bulletins
 - State Tax Commission Bulletin 3 of 2021 gives guidance on the poverty application process and requirements related to the amended state statute.
 - State Tax Commission Bulletin 12 of 2021 gives guidance to local assessing unit on how the multi-year exemption should be carried out and audit process implemented.
- Office of the Assistance Secretary for Planning and Evaluation issued in 2023 the Update to HHS Poverty Guidelines
 - Contains the published 2023 Department of Health and Human Services income guidelines relative to poverty.
 - In accordance with MCL 211.7u and the STC, the Property Assessment Board of Review must consider the income guidelines as the base that it CANNOT fall below.
- Proposed 2024 HOPE Income Levels
 - Provides thresholds limits for all household levels.
 - Demonstrates that income limits are consistent with ordinance requirements.
 - Provides asset limit.
- MCL 211.7u
 - The portion of the generally property tax act which gives the Board of Review the ability to act on property tax exemptions by reason of poverty.
- Detroit City Code Division 8 – Homeowners Property Exemption
 - Current ordinance has been amended as not to conflict with state law.

The Board of Review carefully and thoughtfully considered the make-up of homeowners within the City of Detroit, average household incomes for those persons who have filed for poverty exemptions in the past, reviewed guidelines and applications from other communities in the State of Michigan and consciously participated in every effort to prevent property tax foreclosure where it can by law.

The Board of Review fully understands and devotes time even outside of its normal duties to assist the community as it relates to educating and providing information to property owners when it comes to understanding property assessments and taxation. This includes providing appropriate information to supporting agencies such as UCHC, U-Snap-BAC, Accounting Aid Society, Wayne Metro, MACC Development and others. In addition, board members frequently attend community meetings, seminars, and workshops to provide assistance and information when requested.



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Therefore, we submit to this Honorable Body for your consideration, approval, and adoption by resolution the 2024 Homeowner Property Exemption (HOPE).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Willie C. Donwell'.

Willie C. Donwell, MCAO / MCPPE
Director
Property Assessment Board of Review

Cc; Mayor Mike Duggan
Council President Mary Sheffield
Council Member Fred Durhal, II, Chair – Budget, Finance and Audit Committee
Council Member LaTisha Johnson, Chair – Internal Operations Committee
Brian white, Chief of Staff – Council President Mary Sheffield
David Whitaker, Director – Legislative Policy Division
Irvin Corley, Legislative Policy Division
Lakisha Barclift, Legislative Policy Division
Derrick Headd, Legislative Policy Division
Marcel Todd, Legislative Policy Division
Jay Rising, Chief Financial Officer – Office of the Chief Financial Officer (OCFO)
Charles Raimi – Deputy Corporation Counsel / Law Department
Alvin Horhn, Assessor/Deputy CFO – Office of the Assessor-(OCFO)
Charles Erickson – Assessor / Office of the Assessor (OCFO)
Stefanie O’Neal – Assessor / Office of the Assessor (OCFO)
Perry Yun, Law Department



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Attachments;

2024 HOPE Resolution
2024 HOPE Cover Page
2024 Sample HOPE Community Partner List
2024 Process for Reviewing HOPE Applications
Michigan Treasury Form 5737
Michigan Treasury Form 5739
Michigan Department of Treasury Form 4988
Letter of Authorization
Letter of Support
2024 HOPE Statement Form and Board Reconciliation Page
2024 HOPE Document Checklist
US DHHS 2023 Poverty Guidelines
2024 HOPE Income Calculations
State Tax Commission Approval For Alternative Reduction In Taxable Value
MCL 211.7u
Michigan State Tax Commission Bulletin 3 of 2021 (MCL 211.7u Poverty Exemption)
Michigan State Tax Commission Bulletin 12 of 2021 (Extended Poverty Exemptions)
Michigan State Tax Commission Bulletin 3 of 2023 (Board of Review)

BY COUNCIL MEMBER _____

WHEREAS, pursuant to Public Act 206 of 1893, as amended, specifically MCL 211.7u, the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption from taxation; and,

WHEREAS, also pursuant to MCL 211.7u this Honorable Body is charged with adopting the policies and guidelines for the granting of said exemptions; and,

WHEREAS, pursuant to Section 9-401 of the Charter of the City of Detroit this Honorable Body has appointed a Property Assessment Board of Review to hear and determine applications for exemption for taxation by reason of poverty; and,

WHEREAS, the Property Assessment Board of Review has submitted to this Honorable Body the attached proposed 2024 Homeowners Property Exemption policies, procedures and guidelines for approval;

NOW, THEREFORE BE IT RESOVLED, that it is hereby found and determined that the attached proposed 2024 Homeowners Property Exemption policies, procedures and guidelines provide for the exemption from taxation the principal residence of person who, by reason of poverty, are unable to contribute toward the public charges; and be it further

RESOLVED, that the proposed 2024 Homeowners Property Exemption policies, procedures and guidelines are hereby adopted and approved.



BOARD OF REVIEW

Homeowners Property Exemption

Application, Policy and Guidelines

2024

Please read and fully complete ALL sections of the application and provide requested documentation.

By submitting this HOPE, Board of Review may use or access other services or means in the review of your application, the application, the petitioner authorizes the sharing of their name, address, parcel number, phone number and email address to certain community partners for the purposes of providing petitioner with additional resources which may benefit the petitioner and petitioner's household. Applicant further acknowledges that all HOPE applications are subject to the Freedom of Information Act (FOIA). The Board of Review does not share private information, including social security numbers, driver license numbers, bank account numbers or any other protectable.

The completed application and all required documentation must be returned, in person, on-line, or by mail, to:



CAYMC - 2 Woodward Ave. Suite 130
Detroit, MI 48226



WWW.DETROITMI.GOV/HOPE



Office of the Assessor
Coleman A. Young Municipal Center 2
Woodward Avenue, Suite 804 Detroit,
Michigan 48226

State law requires that homeowners submit a new application each year the assistance is needed.

Exemption requests on any parcel other than the principal residence may require a waiver.

Please submit the application as soon as possible.

The last day to submit the 2024 application is _____, 2024.

Applications submitted after the close of business on this date will not be accepted.

Applications not considered at the December Board of Review meeting cannot be considered for the current year. You are encouraged to file at least two weeks prior to the final acceptance date.

For assistance with your application please call the number listed below:

**Board of Review
Coleman A. Young Municipal Center
2 Woodward Avenue – Suite 105
Detroit, Michigan 48226**

www.detroitmi.gov/HOPE

Call: 211 or 313-224-0274

For questions regarding the application,
Call: 313-628-0722

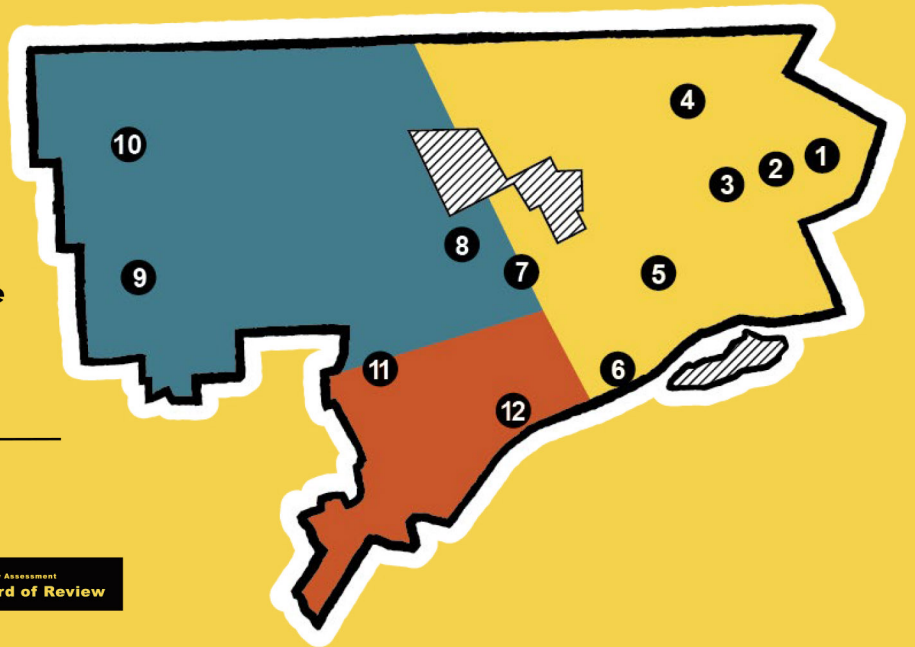
Application may be completed and filed on-line at www.detroitmi.gov/hope

Approved applicants are still responsible for any special assessments or fees such as solid waste fee, water, special assessment districts, etc.

The city does not charge a fee for this application.

Get FREE Property Tax Assistance

Call (313) 244 - 0274 to speak with a representative from Wayne Metro, or contact one of the organizations below.



Presented by:

ROCKET
Community Fund



	ORGANIZATION NAME	PHONE NUMBER	EMAIL
1	ALGER THEATER	(313) 720 - 3904	Jackie Grant President@AlgerTheater.org
2	U-SNAP-BAC	(313) 640 - 1100 ext. 16	Jawana Jackson Jawanaj@USnapBac.org
3	EASTSIDE COMMUNITY NETWORK	(313) 264 - 1416	Sparkle Berry SBerry@ECN-Detroit.org
4	OSBORN NEIGHBORHOOD ALLIANCE	(313) 526 - 4000 ext. 1330	Quincy Jones QJones@ONAOBA.org
5	MACC DEVELOPMENT	(313) 732 - 9302 ext. 714	Edythe Ford Edythe@MackAve.com
6	BAILEY PARK	1 (877) 224 - 5390 ext. 102	Katrina Watkins Katrina@BaileyParkNDC.org
7	HANNAN CENTER	(313) 833 - 1300	Latrell Belle LBell@Hannan.org
8	CENTRAL DETROIT CHRISTIAN	(313) 873 - 0064 ext. 22	Tracy Smith TSmith@CentralDetroitChristian.org
9	CODY ROUGE COMMUNITY ACTION ALLIANCE	(313) 397 - 9280	Dr. Pat Butler RBare@CodyRouge.org
10	GRACE COMMUNITY UMC	(313) 279 - 8652	Deborah LaViolette LaVioletted@HOPENorthwestDistrict1.com
11	SOUTHWEST ECONOMIC SOLUTIONS	(313) 841 - 9641	Cynthia McCreary CMcCreary@SWSol.org
12	BRIDGING COMMUNITIES	(313) 361 - 6377	Gabby White G.White@BridgingCommunities.org

For additional assistance, please reach out to the following organizations:

BACK TAX RELIEF	DETROIT TAX RELIEF FUND	(313) 244-0274	WayneMetro.org/DTRF
HOUSING ASSISTANCE	UNITED COMMUNITY HOUSING COALITION	(313) 405 - 7726	UCHCDetroit.org/Resources
FUNDING ASSISTANCE	WAYNE METRO	(313) 388 - 9799	WayneMetro.org/Programs
INCOME TAX ASSISTANCE (and HOPE applications)	ACCOUNTING AID SOCIETY	(313) 556 -1920	AccountingAidSociety.org

Detroit Property Assessment Board of Review

2024 Process for Reviewing Homeowners Property Exemption (HOPE) Application

*****READ ALL OF THE FOLLOWING CAREFULLY*****

KEEP A COPY OF ALL PAGES AFTER THIS POINT

The Homeowners Property Tax Exemption (HOPE) program is offered in accordance with MCL 211.7u of the General Property Tax Act. It offers an opportunity to see a reduction or elimination of the current year property taxes only, and does not eliminate any special assessments or fees such as Solid Waste Fee, Special Assessment Districts, etc.

1. Each applicant must own and occupy the property as his/her primary Homestead as of December 31, 2023 and must be on file with the Office of the Assessor.
2. Homeowners may be granted a 100% exemption, 50% exemption, 25% exemption. A 10% exemption may be granted if household suffered a 20% loss in income or subject property is in a foreclosure year. Regarding a Homestead Property Tax Credit that is forwarded to the City of Detroit, the proportioned amount remaining shall be exempt in whole or in part in accordance with the decision of the Board of Review.

To be considered for an exemption, the applicant is required to submit the following to the Board of Review:

- A **FULLY** completed and signed Application for MCL 211.7u Poverty Exemption – Michigan Treasury Form 5737 and Michigan Treasury Form 5739
- Complete Federal and State Income Tax Returns filed in 2024 for **2023** (filed in 2023 for 2022 will be accepted, however, **income for 2023 is still required**), with all schedules, including any Homestead Property Tax Credit and Home Heating Credit returns, for **ALL** adults residing at the property.
 - For **ALL adults** residing at the property who were **not required** to file taxes, the Michigan Treasury Form 4988 Poverty Exemption Affidavit must be completed and signed.
- **ALL INCOME SOURCES FOR EACH MEMBER IN THE HOUSEHOLD FOR THE TAX YEAR OF 2023**, i.e. W-2's, 1099's, annual statements, award letter of grant amount from Social Security award for each person, Employer Verification Statement, Pension, Unemployment Compensation, Disability Allowances, Alimony, Child Support, SSI, Adoption/Foster Subsidy, FIA, School Grants and/or Scholarships, Family/Friend Support, or any other source of income for each person. This includes adults, minor children, dependents, non-dependents, etc. If you are providing a written statement regarding financial support from family or friends, please include contact information and amount given.
- **ALL** other required supporting documentation. This should include:
 - **Valid** identification for homeowner and all household members above the age of 18 and older (must contain photo and address must match subject property in which exemption is being sought)
 - Proof of residency for minor children (report card, transcript, FIA Statement, etc. with name and address matching subject property in which the exemption is being sought)

Detroit Property Assessment Board of Review

2024 Process for Reviewing Homeowners Property Exemption (HOPE) Application

- Recorded proof of ownership (deed, land contract, court order) Note: recorded memorandum of land contract will only be accepted with entire land contract attached
- Documents verifying family/household composition (valid identification, FIA statement, etc.)
- List household debts and expenses as required on application

The Board of Review retains the right to request additional information from the applicant.

3. **Household (Related and Non-Related) Composition and Annual Income** – The Detroit Board of Review has established the following maximum eligible income as a guideline and as an aid in eliminating subjective judgments for reviewing **2024** petitions. **See table below:**

NUMBER IN HOUSEHOLD	Income Limit for 100% Exemption	Income Limit for 50% Exemption	Income Limit for 25% exemption	Income Limit for 10% Exemption
1	\$20,120.00	\$23,182.00	\$26,098.00	\$39,234.00
2	\$24,256.00	\$27,214.00	\$29,974.00	\$47,299.00
3	\$26,849.00	\$29,832.00	\$32,567.00	\$52,356.00
4	\$31,200.00	\$34,200.00	\$37,200.00	\$60,840.00
5	\$35,140.00	\$38,303.00	\$41,114.00	\$68,523.00
6	\$40,280.00	\$43,502.00	\$46,322.00	\$78,546.00
7	\$45,420.00	\$48,599.00	\$51,325.00	\$88,569.00
8	\$50,560.00	\$53,594.00	\$56,627.00	\$98,592.00

Add \$5,140.00 to the income limit for each household member above eight for a 100% exemption. For a 50% exemption add \$5,448.00 to the income limit for each household member above eight. For a 25% exemption add \$5,575.00 to the income for each household member above eight. For a 10% exemption add \$10,023 for each household member above eight.

In addition, the total household assets (i.e. bank accounts, other real property, boats, campers, stocks, bonds, IRA's, other assets in or out of the United States, etc.) **SHALL NOT** exceed **\$12,000.00**. Verification of additional assets will be done for all parties and household members applying for property tax assistance. Information not provided by applicant that is discovered by the Board of Review may cause your application to be denied.

4. Each application is reviewed according to individual circumstances based on information submitted by the applicant. The Board of Review utilizes all information in judging the taxpayer's ability to meet the tax obligation.

The Board of Review may consider a reduction as approved by the State Tax Commission. In such an instance, the taxpayer shall be advised in writing of the granting or denying of an exemption and the reason shall also be noted on the application.

Detroit Property Assessment Board of Review

2024 Process for Reviewing Homeowners Property Exemption (HOPE) Application

The Board of Review will receive applications and supporting materials up until the day before the final date of the December Board of Review, but to ensure that the Board has adequate time to review your request, please return at least two weeks before the March, July or December meeting dates:

March BOR meeting date: April 1, 2024
July BOR meeting date: July 16, 2024
December BOR meeting date: December 10, 2024

If approved for a multi-year exemption, eligible applicants will receive a statement after the March Board of Review closes. These guidelines are in accordance with the amendments to Section 7(u) of MCL 211 et seq.

It should be noted that each taxpayer's circumstances are considered anew each year. Applicant is required to provide any changes in household circumstances. An incomplete application will delay the disposition process of the application and may also cause it to be denied.

Assistance with your application is available at:

Property Assessment Board of Review
Coleman A. Young Municipal Center
2 Woodward Ave. - Suite 105
Detroit, Michigan 48226
313-628-0722
Community Partner List: www.detroitmi.gov/hope

Applications must be submitted by close of business _____, **2024**, to:

Office of the Assessor
Coleman A. Young Municipal Center
2 Woodward Ave. – Suite 804
Detroit, Michigan 48226

Important: Any person who knowingly makes a false statement, omission or misrepresentation may not be considered for this assistance program and may be prosecuted to the fullest extent provided by law. Any/All applicants are subject to random home inspection for compliance with the City of Detroit guidelines.

Respectfully Submitted

Property Assessment Board of Review

Geraldine Chatman – Member, At-Large

Donielle January – Member, District 3

La'Toshia Patman – Member, At-Large

Teresa Dubose – Member, District 4

Jacqueline Robinson – Vice Chair, District 1

Maria Muhammad – Member, District 5

Marcus Twyman – Member, District 2

Rocio Ocampo – Member, District 6

Lewis Moore, Chair, District 7

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit		
PART 2: REAL ESTATE INFORMATION				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Code Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: ADDITIONAL PROPERTY INFORMATION				
List information related to any other property owned by you or any member residing in the household.				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 5: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 7: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.				
First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income
		SELF		

PART 10: PERSONAL DEBT — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION			
The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.			
Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. 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.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

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 MCL 211.7u. In order to be eligible for the exemption, the applicant must 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 so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date
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This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
 PO Box 30232
 Lansing MI 48909

Phone: 517-335-9760
 E-mail: taxtrib@michigan.gov

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County	
Name of Local School District			
Parcel Identification Number	Year(s) Exemption Previously Granted by Board of Review		
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed.			
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.			
<input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive 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.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)	Signature of Owner or Legal Designee		Date
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____



Signature of Person Making Affidavit

Date

Instructions for Form 2368 Principal Residence Exemption (PRE) Affidavit

General Instructions

Principal Residence Exemption (PRE) exempts a principal residence from the tax levied by a local school district for operating purposes, up to 18 mills.

Principal residence means the dwelling that you own and occupy as your permanent home and any unoccupied adjoining or contiguous properties that are classified residential or timber-cut over.

Owners are defined in MCL 211.7dd(a). Only the owner listed in MCL 211.7dd(a) are eligible to claim the exemption.

Occupying means this is your principal residence, the place that you reside in as your permanent residence and if absent intend to return. It should be the address that appears on your driver's license and voter registration card. Vacation homes, seasonal homes, and income property are not occupied as your principal residence and may not be claimed.

Claiming a PRE: To claim a PRE, complete this Affidavit and file it with your township or city of the year of the claim. A valid affidavit filed on or before June 1 allows an owner to receive a PRE on the current year summer and winter tax levy and subsequent tax levies so long as it remains the owner's principal residence. A valid affidavit filed after June 1 and on or before November 1 allows an owner to receive a PRE on the current winter tax levy and subsequent tax levies so long as it remains the owner's principal residence.

MCL 211.7cc(3) Disqualifications: An owner is ineligible to claim a PRE if any of the disqualifying factors apply listed in MCL 211.7cc(3).

RESCINDING YOUR EXEMPTION

Within 90 days of when you no longer own or occupy the property as a principal residence, you must complete and file a *Request to Rescind Principal Residence Exemption (PRE)* (Form 2602) or file a *Conditional Rescission* (Form 4640) with your township or city assessor. Failure to do so may subject you to additional tax plus penalties and interest as determined under the General Property Tax Act.

INTEREST AND PENALTY

If it is determined that you claimed property that is not your principal residence, you may be subject to the additional tax plus penalty and interest as determined under the General Property Tax Act.

Line-by-Line Instructions

Lines not listed here are explained on the form.

You must complete each line in its entirety. Failure to complete any of the lines may result in your claim being denied.

PART 1: PROPERTY INFORMATION

Submit a separate affidavit for each property tax identification number being claimed.

Line 1: It is important that your property tax identification number is entered accurately. This ensures that your property is identified properly and that your township or city can accurately adjust your property taxes. You can find this number on your tax bill and on your property tax assessment notice. If you cannot find this number, call your township or city assessor.

NOTE: Do not include information for a co-owner who does not occupy the property as a principal residence.

Line 6: Please list the last four digits of your Social Security Number (SSN). The request for the last four digits of your SSN is authorized under Section 42 USC 405 (c) (2) (C) (i). It is used by the Department of Treasury to verify tax exemption claims and to deter fraudulent filings.

Line 12: If you own and occupy the entire property as a principal residence, you may claim a 100 percent exemption. If you own and live in a multi-unit or multi-purpose property (e.g., a duplex or apartment building, or a storefront with an upstairs flat), you can only claim a partial exemption based on that portion that you use as a principal residence. Please consult your local assessor to determine the percentage of the exemption the owner is allowed to claim in these situations.

If the parcel of property you are claiming has more than one home on it, you must determine the percentage that you own and occupy as your principal residence. A second residence on the same property (e.g., a mobile home or second house) is not part of your principal residence, even if it is not rented to another person. Your local assessor can tell you the assessed value of each residence to help you determine the percentage that is your principal residence. Please consult your local assessor to determine the percentage of the exemption the owner is allowed to claim in these situations.

If you rent part of your home to another person, you may have to prorate your exemption. If your home is a single-family dwelling and less than 50 percent of your home is rented to others who use it as a residence, you may claim a 100 percent exemption. If 50 percent or more is rented to others who use it as a residence or if part of the home was converted to an apartment with a separate entrance, you must calculate the percentage that is your principal residence by dividing the floor area of your principal residence by the floor area of the entire building.

Line 16: MCL 211.7cc(3)(a) prescribes a penalty of \$500 for a person who claims a PRE and a substantially similar exemption, deduction, or credit in another state.

PART 2: CERTIFICATION

Sign and date the form. Enter your mailing address if it is different from the address under Part 1.

MAILING INFORMATION

Mail your completed form to the township or city assessor where the property is located. This address may be on your most recent tax bill or assessment notice. **DO NOT** send this form directly to the Department of Treasury.

If you have any questions contact your local assessor or the PRE Unit of the Michigan Department of Treasury at 517-335-7487, or visit www.michigan.gov/PRE.

**CITY OF DETROIT - PROPERTY APPEAL
LETTER OF AUTHORIZATION**

I/WE _____ as the legal owner of the property stated herein, authorize the following individual or business:

NAME: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE: _____ FAX: _____
EMAIL: _____

To act as my sole and designated representative on my behalf regarding the assessment appeal of the following property:

PARCEL: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____

I further understand that the decision from my appeal is required to be provided in writing and hereby expressly assign to my representative the authority to receive such writing on my behalf.

OWNER: _____
SIGNATURE: _____ DATE: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____
PHONE: _____ FAX: _____
EMAIL: _____

All companies, LLC's and/or corporations must provide organization documents along with title and name of authorized person to speak on behalf of company.

Any appeals not meeting the minimum requirements of the Michigan Treasury Form L-4035 and not in the proper name of the owner, with proof provided, will not be considered.

This Letter of Authorization is required under MCL211.30(4) and City of Detroit Ordinance Chapter 18 Finance and Taxation Division 1 Ordinance **Sec. 44-4-3**

2024 HOPE STATEMENT FORM

If you would like to include additional information about your application, please do so here. If needed use additional paper to complete your statement.

PHONE NUMBER: _____ EMAIL: _____

Did a Community Partner assist you? If yes, please select:

NAME: _____ DATE: _____

ADDRESS: _____ SIGNATURE: _____

BOARD OF REVIEW USE ONLY BEYOND THIS POINT

HH	100%	50%	25%	10%		AGE:	
1	\$20,120	\$23,182	\$26,908	\$39,234			
2	\$24,256	\$27,214	\$29,974	\$47,299		Number of Owners:	
3	\$26,849	\$29,832	\$32,567	\$52,356		Total Household Members:	
4	\$31,200	\$34,200	\$37,200	\$60,840		Monthly Income:	
5	\$35,140	\$38,303	\$41,114	\$68,523		Monthly Expenses:	
6	\$40,280	\$43,502	\$46,322	\$78,546			
7	\$45,420	\$48,599	\$51,325	\$88,569		Total Household Income:	
8	\$50,560	\$53,594	\$56,627	\$98,592			

Year 2023	Parcel		Assessed Value		Taxable Value		PRE	
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Board Disposition: Committee # _____ GRANTED _____% DENIED _____ NO CONSIDERATION _____ WITHDRAWN _____

Committee Member Signature and Date Committee Member Signature and Date Committee Member Signature and Date

DOCUMENTATION CHECKLIST

This form is intended to assist you in completing your application. It is NOT a required form. You are encouraged to apply two weeks in advance of the March, July and December Board of Review meetings.

APPLICATION MUST BE COMPLETED IN ENGLISH

DID YOU COMPLETE ALL SECTIONS OF THE APPLICATIONS and PROVIDE REQUIRED DOCUMENTATION?

PART 1. PERSONAL INFORMATION – Petitioner must list all required personal information

PART 2. OWNERSHIP (Documentation Required)

- Copy of recorded proof of ownership (deed, land contract, court order, etc.). Note: recorded memorandum of land contract will only be accepted with the complete land contract attached.

PART 3: ADDITIONAL PROPERTY

List information related to any other property owned by you or any member residing in the household.

PART 4. EMPLOYMENT INFORMATION

List your current employment information

PART 5. INCOME SOURCES FOR ALL HOUSEHOLD MEMBERS (2023 Documentation Required)

For all adults in the home who filed income tax returns:

- Copy of FULL Federal and/or State income tax returns filed in 2024 for 2023 (filed in 2023 for 2022 will be accepted), including all schedules and any Homestead Property Tax Credit and Home Heating Credit returns.

For all adults in the home who are not required to file income tax returns in 2023 or 2022:

- Poverty Exemption Affidavit (4988) (included within this packet)
Copies of all applicable income sources in 2023 for all household members including minor children:

- | | |
|---|---|
| <input type="checkbox"/> Wages (W-2 or 1099) | <input type="checkbox"/> VA Benefits (Award letter) |
| <input type="checkbox"/> Unemployment Comp (1099-G) | <input type="checkbox"/> Disability (1099) |
| <input type="checkbox"/> Pension (W-2 or 1099R) | <input type="checkbox"/> Child /Spousal Support (Judgment/award letter) |
| <input type="checkbox"/> SSI/SSA/SSD (letter or 1099) | <input type="checkbox"/> Support from Family/Friends (signed statement) |
| <input type="checkbox"/> Bridge Card (Award letter) | <input type="checkbox"/> Self-Employment (Checks/Receipts/signed statement) |
| <input type="checkbox"/> FIA/DHS (Award Letter) | <input type="checkbox"/> Rental Income (Checks or receipts) |
| <input type="checkbox"/> Dividends | <input type="checkbox"/> Other |

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION (Documentation Required)

List any and all savings owned by household members, including but not limited to:

- Checking Accounts
- Savings Accounts
- Postal Savings
- Credit Union Shares
- Certificates of Deposit (CD)
- Stocks/Bonds
- Other Investments

PART 7: LIFE INSURANCE

List all policies held by all household members

PART 8: MOTOR VEHICLE INFORMATION

ALL motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

PART 9: HOUSEHOLD OCCUPANTS (Documentation Required)

For adults age 18 and over:

- Copy of identification (any government-issued ID that includes picture and home address, such as a Driver's License, State ID, Consulate ID, Student ID, etc.)

For minors under 18:

- Proof that dependent lives at address (Copy of a recent report card, transcript, or other document that includes address, such as those from FIA, MDHHS, WIC, Friend of the Court, etc.).

PART 10: PERSONAL DEBT

List all personal debt for all household members as required on application.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

Print, sign and date certification of completeness and accuracy of the application.

MI-TREASURY FORM 5739 – Affirmation of Ownership and Occupancy

This affirmation form is required to be completed and filed with the application.

STATEMENT PAGE – This is your opportunity to provide a statement to the Board of Review concerning your household.

PRINCIPAL RESIDENCE AFFIDAVIT (PRE) – A PRE is required to be on file with the Office of the Assessor. If you are unsure if you have a current PRE on file, complete this form in its entirety and on Line 11 state the date you first owned and occupied the property as your primary residence.

MCL 211.7u(6)(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.

Important: incomplete applications may not be considered.

In order for your application to be considered, additional information may be requested by the Board of Review. If contacted, please submit this information in the time frame requested by the Board of Review.

Taxpayers claiming inability to meet their property tax obligation due to limited income may be eligible for financial assistance by filing: Michigan Homestead Property Tax Credit Claim and Home Heating Tax Credit. Refunds arising from these claims are intended to assist taxpayers in meeting their obligation. If the Board of Review exempted your property last year from paying taxes, you are **not eligible to file** a Michigan Homestead Property Tax Claim. If you are eligible, you are required to file and submit a copy of your filing as part of your required documentation when seeking a poverty exemption. Your credit claim form is subject to review by the State of Michigan, City of Detroit and Board of Review.

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____



Signature of Person Making Affidavit

Date

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____



Signature of Person Making Affidavit

Date

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____



Signature of Person Making Affidavit

Date



Property Assessment
Board of Review

CITY OF DETROIT LETTER OF SUPPORT (Non-Traditional Income)

APPLICANT/HOUSEHOLD MEMBER: _____

ADDRESS: _____

PARCEL: _____

REASON: _____

FINANCIAL SUPPORT BREAKDOWN BY MONTH:

January: _____

February: _____

March: _____

April: _____

May: _____

June: _____

July: _____

August: _____

September: _____

October: _____

November: _____

December: _____

TOTAL AMOUNT OF SUPPORT PROVIDED: _____ YEAR PROVIDED: _____

NAME OF PROVIDER: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

PHONE: _____ EMAIL: _____

I certify that the above financial support was provided.

I certify under the penalty of perjury that the statements contained in this document are true and correct to the best of my knowledge.

PROVIDER SIGNATURE

DATE

Poverty Guidelines

[ASPE](#) [Topics](#) [Poverty & Economic Mobility](#) [Poverty Guidelines](#)

U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Programs

HHS Poverty Guidelines for 2023

The 2023 poverty guidelines are in effect as of January 19, 2023. [Federal Register Notice, January 19, 2023](#) - Full text.

The [Poverty Guidelines API](#) is now available with the 2023 data.

Join our [listserv](#) to stay up-to-date on the latest news regarding the poverty guidelines.

2023 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
Persons in family/household	Poverty guideline
1	\$14,580
2	\$19,720
3	\$24,860
4	\$30,000
5	\$35,140
6	\$40,280
7	\$45,420
8	\$50,560
For families/households with more than 8 persons, add \$5,140 for each additional person.	

2023 POVERTY GUIDELINES FOR ALASKA	
Persons in family/household	Poverty guideline
1	\$18,210
2	\$24,640
3	\$31,070

2023 POVERTY GUIDELINES FOR ALASKA	
Persons in family/household	Poverty guideline
4	\$37,500
5	\$43,930
6	\$50,360
7	\$56,790
8	\$63,220
For families/households with more than 8 persons, add \$6,430 for each additional person.	

2023 POVERTY GUIDELINES FOR HAWAII	
Persons in family/household	Poverty guideline
1	\$16,770
2	\$22,680
3	\$28,590
4	\$34,500
5	\$40,410
6	\$46,320
7	\$52,230
8	\$58,140
For families/households with more than 8 persons, add \$5,910 for each additional person.	

Resources

- [Prior Poverty Guidelines and Federal Register References](#)
- [A chart with percentages \(e.g., 125 percent\) of the guidelines \(PDF\)](#)
- [Frequently Asked Questions](#) (FAQs) on the Poverty Guidelines and Poverty
 - [Poverty guidelines — gross or net income](#)
 - [The poverty line for a state or city](#)
 - [The number of poor people in a state or city](#)
 - [How the poverty line was developed](#)
- [Further Resources on Poverty Measurement, Poverty Lines, and Their History](#)
- [ASPE research on poverty](#)
- [The Census Bureau's Poverty Home Page](#)

The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds — the

original version of the poverty measure — have never had separate figures for Alaska and Hawaii. The poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office which administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The poverty guidelines apply to both aged and non-aged units. The guidelines have never had an aged/non-aged distinction; only the Census Bureau (statistical) poverty thresholds have separate figures for aged and non-aged one-person and two-person units.

Programs using the guidelines (or percentage multiples of the guidelines — for instance, 125 percent or 185 percent of the guidelines) in determining eligibility include Head Start, the Supplemental Nutrition Assistance Program (SNAP), the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children’s Health Insurance Program. Note that in general, cash public assistance programs (Temporary Assistance for Needy Families and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility. The Earned Income Tax Credit program also does NOT use the poverty guidelines to determine eligibility. For a more detailed list of programs that do and don’t use the guidelines, see the [Frequently Asked Questions](#) (FAQs).

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in January 2023 are designated the 2023 poverty guidelines. However, the 2023 HHS poverty guidelines only reflect price changes through calendar year 2022; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 2022. (The 2022 thresholds are expected to be issued in final form in September 2023; a preliminary version of the 2022 thresholds is now available from the Census Bureau.)

The poverty guidelines may be formally referenced as “the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).”

There are two slightly different versions of the federal poverty measure: poverty thresholds and poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau**. The thresholds are used mainly for **statistical** purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines). [Poverty thresholds since 1973 \(and for selected earlier years\)](#) and [weighted average poverty thresholds since 1959](#) are available on the Census Bureau’s Web site. For an example of how the Census Bureau applies the thresholds to a family’s income to determine its poverty status, see “[How the Census Bureau Measures Poverty](#)” on the Census Bureau’s web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the Federal Register by the **Department of Health and Human Services** (HHS). The guidelines are a simplification of the poverty thresholds for use for **administrative** purposes — for instance, determining financial eligibility for certain federal programs.

The poverty guidelines are sometimes loosely referred to as the “federal poverty level” (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

Key differences between poverty thresholds and poverty guidelines are outlined in a table under [Frequently Asked Questions](#) (FAQs). See also the [discussion of this topic](#) on the Institute for Research on Poverty’s web site.

The January 2023 poverty guidelines are calculated by taking the 2021 Census Bureau’s poverty thresholds and adjusting them for price changes between 2021 and 2022 using the Consumer Price Index (CPI-U). The poverty thresholds used by the Census Bureau for statistical purposes are complex and are not composed of standardized increments between family sizes. Since many program officials

prefer to use guidelines with uniform increments across family sizes, the poverty guidelines include rounding and standardizing adjustments.

FILES

[Chart Showing different multiples of the poverty guidelines for 2023 \(xlsx, 51.48 KB\)](#)

[Chart showing different multiples of the poverty guidelines for 2023 \(pdf, 157.65 KB\)](#)

[Chart showing different multiples of the poverty guidelines for prior years \(xlsx, 41.43 KB\)](#)

Poverty Guidelines

[Prior HHS Poverty Guidelines and Federal Register References](#)

[Frequently Asked Questions](#)

[Further Resources](#)

[Mollie Orshansky](#)

[Poverty Guidelines API](#)

[Poverty Estimates, Trends, and Analysis](#)

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Assistant Secretary for Planning and Evaluation, Room 415F
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2024 HOPE
PROPOSED INCOME LEVELS
AND ASSET TEST

DRAFT ONLY - NOT FOR DISTRIBUTION

NUMBER IN HOUSEHOLD	2023 FEDERAL	FULL %age	Income Limit for 100% Exemption	50% Exemption	Income Limit for 50% Exemption	25% Exemption	Income Limit for 25% exemption	ALT %AGE	Income Limit for 10% Exemption
1	\$14,580.00	138%	\$20,120.00	159%	\$23,182.00	179%	\$26,098.00	195%	\$39,234.00
2	\$19,720.00	123%	\$24,256.00	138%	\$27,214.00	152%	\$29,974.00	195%	\$47,299.00
3	\$24,860.00	108%	\$26,849.00	120%	\$29,832.00	131%	\$32,567.00	195%	\$52,356.00
4	\$30,000.00	104%	\$31,200.00	114%	\$34,200.00	124%	\$37,200.00	195%	\$60,840.00
5	\$35,140.00	100%	\$35,140.00	109%	\$38,303.00	117%	\$41,114.00	195%	\$68,523.00
6	\$40,280.00	100%	\$40,280.00	108%	\$43,502.00	115%	\$46,322.00	195%	\$78,546.00
7	\$45,420.00	100%	\$45,420.00	107%	\$48,599.00	113%	\$51,325.00	195%	\$88,569.00
8	\$50,560.00	100%	\$50,560.00	106%	\$53,594.00	112%	\$56,627.00	195%	\$98,592.00

An additional \$5,140 for each person over 8 for a Full Exemption
 An additional \$5,448 for each person over 8 for a 50% Exemption
 An additional \$5,757 for each person over 8 for a 25% Exemption
 An additional \$10,023 for each person over 8 for a 10% Exemption
 Asset limit will be \$12,000.00



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

October 13, 2021

Janice M. Winfrey, Clerk
City of Detroit, Wayne County
2 Woodward Ave
CAYMC Suite 824
Detroit, MI 48226

Dear Janice Winfrey:

At their meeting on October 12, 2021, the State Tax Commission was presented with Form 5738, *Request for Approval of Percentage Reduction in Taxable Value*, received on May 24, 2021, from the City of Detroit, Wayne County.

The request was reviewed according to the requirements of Public Act 253 of 2020 and the *State Tax Commission Policy Regarding Requests For Percentage Reductions In Taxable Value For Poverty Exemptions Under MCL 211.7u*. It was determined that the information provided by the local assessing unit demonstrates that the requested percentage reduction(s) in taxable value meet the requirements of MCL 211.7u and the Commission's Policy.

This letter shall serve as written authorization that the request was approved by the State Tax Commission on October 12, 2021. The City of Detroit, Wayne County is authorized to use the following percentage reduction in taxable value in addition to those percentages permitted by statute:

- 10% reduction to be applied with an income threshold limit of 195% of the City's adopted guidelines associated with household composition. The applicant meets one of the following criteria:
 - Reduction in household income and/or financial situation by 20% or more.
 - Subject property in threat of foreclosure.

If the City of Detroit wishes to modify any percentage reduction(s) approved by the Commission, the local unit must submit a new Form 5738 with the new requested percentage reductions for the Commission's review.

Should you have further questions, you can contact our office at (517) 335-3429 or email State-Tax-Commission@michigan.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Buick".

David A. Buick, Executive Director
State Tax Commission

cc: City of Detroit Assessor (via email)

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7u Principal residence of persons in poverty; exemption from taxation; applicability of section to property of corporation; eligibility for exemption; application; policy and guidelines to be used by local assessing unit; duties of board of review; exemption by resolution and without application for certain tax years; appeal of property assessment; audit program; "principal residence" defined.

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.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 1994, Act 390, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2012, Act 135, Imd. Eff. May 16, 2012;—Am. 2020, Act 253, Imd. Eff. Dec. 22, 2020.

Popular name: Act 206

ORDINANCE NO. 2021-48
CHAPTER 44
ARTICLE IV

AN ORDINANCE to amend Chapter 44 of the 2019 Detroit City Code, *Taxation*, Article VI, *Personal Property Taxes, Real Property Taxes, and Special Assessments*:

- (1) By renaming Division 8, *Homeowners Property Tax Assistance Program to Homeowners Property Exemption*;
- (2) By amending Section 44-1-151, *Purpose*, Section 44-4-152, *Ownership and occupancy required*, Section 44-4-153, *Annual application required; time of submission*, and Section 44-4-154, *Application for Homeowners Property Tax Assistance Program; availability*; and
- (3) By repealing Section 44-4-155, *Short Form Affidavit*, Section 44-4-156, *Guidelines*, Section 44-4-157, *Relief*, Section 44-4-158, *Notice of the Homeowners Property Tax Assistance Program; outreach*, Section 44-4-159, *Decision letter*, Section 44-4-160, *Appeal of assessment preserved*, and Section 44-4-161, *Tax bill*, and adding substitute Section 44-4-155, *Guidelines*, Section 44-4-156, *Relief*, Section 44-4-157, *Notice of the Homeowners Property Exemption; outreach*, Section 44-4-158, *Decision letter*, Section 44-4-159, *Appeal of assessment preserved*, Section 44-4-160, *Tax bill*, and Section 44-4-161, *Data confidentiality*,

To require the use of State Tax Commission forms in the application process and to otherwise conform this division to the requirements of Public Act 253 of 2020, which amended MCL 211.7u of the Michigan General Property Tax Act.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:

Section 1. Chapter 44 of the 2019 Detroit City Code, *Taxation*, Article VI, *Personal Property Taxes, Real Property Taxes, and Special Assessments*, be amended by renaming Division 8, *Homeowners Property Tax Assistance Program to Homeowners Property Exemption*, by amending Sections 44-4-151, 44-4-152, 44-4-153 and Section 44-4-154; and by repealing Sections 44-4-155, 44-4-156, 44-4-157, 44-4-158, 44-4-159, 44-4-160, and 44-4-161 and adding substitute Sections 44-4-155, 44-4-156, 44-4-157, 44-4-158,

44-4-159, 44-4-160 and 44-4-161, to read as follows:

**CHAPTER 44. TAXATION
ARTICLE IV. PERSONAL PROPERTY TAXES, REAL PROPERTY TAXES, AND SPECIAL ASSESSMENTS
DIVISION 8. HOMEOWNERS PROPERTY EXEMPTION**

Sec. 44-4-151. Purpose.

(a) To set forth the procedures and standards for the submission and review of applications for property tax exemptions, in whole or in part, for persons who, in the judgment of the Board of Review by reason of poverty, are unable to contribute toward the public charges.

(b) This title of this division has been changed from the "Homeowners Property Tax Assistance Program" to the "Homeowners Property Exemption." The title "Homeowners Property Exemption" speaks to exactly what the division is intended to provide and creates the acronym "H.O.P.E.," which offers encouragement.

Sec. 44-4-152. Ownership and occupancy required.

The applicant must be an owner and occupy as a principal residence the property for which the exemption is requested. This applicant shall affirm this ownership and occupancy status by completing and filing a form provided by the State Tax Commission with the Office of the Assessor.

Sec. 44-4-153. Annual application required; time of submission.

(a) Except as otherwise provided by Subsection 7u(6) and (8) of the Michigan Property Tax Act, being MCL 211.7u(6) and (8), the applicant must submit a new application each year to qualify for the exemption provided for in the Homeowners Property Exemption.

(b) The application for an exemption shall be filed after January 1st but prior to the last day of the December Board of Review.

Sec. 44-4-154. Application for Homeowners Property Exemption; availability.

(a) Homeowners Property Exemption applications, as prescribed and provided by the State Tax Commission, shall be available to the general public at the Office of the Assessor, City of Detroit Recreation Centers, Department of Neighborhood Offices, and on the City's website under all web pages that reference property taxes or the payment of property taxes. In addition:

(1) The Office of the Assessor shall post a notice near the Homeowners Property Exemption applications and on the Property Assessment Documents Page,

which advises residents that the applicant may speak with a representative of the Board of Review if they have any questions about the application; and

(2) The Board of Review shall maintain and provide, upon request, a resource list of organizations that will assist in the completion of the Homeowners Property Exemption application.

(b) An application for Homeowners Property Exemption made pursuant to Section 7u of the Michigan General Property Tax Act, being MCL 211.7u, shall be made by the property owner on a form that is provided by the State Tax Commissioner as set forth in Subsection (a) of this section.

(c) The applicant shall produce with the application:

(1) A deed, land contract, or any other recorded proof of ownership, including, but not limited to, a probate order or judgment of divorce;

(2) A valid driver's license, or any unexpired government issued identification so long as the official document includes the applicant's photograph and address; and

(3) Complete federal and state income tax returns, including schedules, for all adults for the current year, provided, that tax returns are not required for a person residing in the principal residence if that person was not required to file a federal tax return in the tax year in which at the exemption is claimed or in the immediately preceding tax year. Instead, an affidavit on a form provided for by the State Tax Commission may be accepted.

(d) The applicant shall not be required to provide utility bills to support the claim of occupancy of the subject property.

(e) In the instance of physical impairment, the Board of Review may be contacted to pick up the application.

(f) The application packet shall include a document checklist of all items needed for the application to be considered by the Board of Review and contain language strongly encouraging the applicant to apply as soon as possible.

Sec. 44-4-155. Guidelines.

(a) City Council shall determine and make available to the public the policy and guidelines that the City uses for the granting of exemptions.

(b) The guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets to qualify for property tax exemption for the applicant.

(1) Qualifying levels of household income shall be computed based on the following table:

Household Size	Full Exemption 100%	Partial Exemption 50%	Partial Exemption 25%
1	138% of federal poverty level	159% of federal poverty level	179% of federal poverty level
2	123% of federal poverty level	138% of federal poverty level	152% of federal poverty level
3	108% of federal poverty level	120% of federal poverty level	131% of federal poverty level
4	104% of federal poverty level	114% of federal poverty level	124% of federal poverty level
5	100% of federal poverty level	109% of federal poverty level	117% of federal poverty level
6	100% of federal poverty level	108% of federal poverty level	115% of federal poverty level
7	100% of federal poverty level	107% of federal poverty level	113% of federal poverty level
8 or greater	100% of federal poverty level	106% of federal poverty level	112% of federal poverty level

(2) For purposes of this section, "federal poverty level" means the most recently available release of the federal poverty guidelines applicable to the State of Michigan that are published and adjusted annually by the United States Department of Health and Human Services.

(3) The maximum value of asset levels of the claimant established by the guidelines shall not be less than \$12,000.00.

(c) The Board of Review shall submit the proposed guidelines to City Council by October 15th for consideration and adoption via resolution for the next tax year.

(d) The policy and guidelines shall include the appeal process for applicants that are denied relief.

(e) The policy and guidelines must describe, in clear language, the conditions that qualify applicants for a multi-year exemption as described in MCL 211.7u(6) and (8).

(f) As provided for in the Michigan General Property Tax Act, being MCL 211.1 *et seq.*, the Board of Review shall follow the policy and guidelines of the City in granting or denying an exemption.

Sec. 44-4-156. Relief.

(a) If a person claiming an exemption is qualified based on the guidelines referenced in Section 44-4-155 of this Code, the Board of Review shall grant an exemption in whole or in part.

(b) Exemptions may be granted in the following levels:

(1) A full exemption equal to a 100 percent reduction in taxable value for the tax year in which the exemption is granted.

(2) A partial exemption equal to one of the following:

(a) A 50 percent or 25 percent reduction in taxable value for the tax year in which the exemption is granted; or

(b) Any other percentage reduction in taxable value as approved by the State Tax Commission for the tax year in which the tax exemption is granted to be applied in the form and manner prescribed by the State Tax Commission.

Sec. 44-4-157. Notice of Homeowners Property Exemption; outreach.

(a) The City shall include on the Notice of Assessment mailed to homeowners the second week in January that Homeowners Property Exemption help is available and contact information to request or obtain an application.

(b) The Office of the Assessor or the Board of Review shall mail an informational packet regarding eligibility and applications for the Homeowners Property Exemption to all residential homeowners in the City at least twice each calendar year.

(c) The Office of the Assessor or the Board of Review shall conduct at least three community-based educational programs each calendar year. These events may be conducted in person or by electronic media.

(d) The City shall provide and maintain easily accessible information on its website that describes the Homeowners Property Exemption, the program guidelines, and the process to apply.

Sec. 44-4-158. Decision letter.

(a) All applicants for the Homeowners Property Exemption shall receive a written notification of the Board of Review's decision within ten days after the close of the Board of Review.

(b) The Board of Review shall provide notice of all approved application by letter stating in clear language that the application for exemption was approved and the percentage level of the discount granted. The notice must also state that the taxpayer will receive a revised tax bill within 30 days of the date of the approval letter, if approved in July or December, and that the taxpayer is still obligated to pay the solid waste fee and any non-exempt portion of their property tax bill.

(c) If the Board of Review denies an application, the notice shall include the reasons for denial and provide the process and timeline for the appeal.

(d) If the Board of Review fails to consider an application, the notice shall include information as to the inadequacy or untimeliness of the application.

Sec. 44-4-159. Appeal of assessment preserved.

If one is an applicant for the Homeowners Property Exemption, the person is not prohibited from also appealing the assessment on the same property before the Board of Review in the same year.

Sec. 44-4-160. Tax bill.

(a) Taxpayers who receive a partial or complete property tax exemption will be issued a revised tax bill within 30 days after the close of the July or December Board of Review, whichever is applicable.

(b) Except for a partial exemption, the revised tax bill will reflect the amount of the reduced solid waste fee.

Sec. 44-4-161. Data confidentiality.

Except as otherwise provided by applicable law, the Office of the Assessor and the Board of Review shall not knowingly use or disclose to third parties confidential information which is gained through the administration of this program and is not available to members of the public.

Secs. 44-4-162 – 44-4-180. Reserved.

Section 2. This ordinance is hereby declared necessary to preserve the public peace, health, safety, and welfare of the People of the City of Detroit.

Section 3. All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

Section 4. In the event this ordinance is passed by two-thirds majority of City Council Members serving, it shall be given immediate effect and shall become effective upon publication in accordance with Section 4-118(1) of the 2012 Detroit City Charter. Where this ordinance is passed by less than a two-thirds majority of City Council Members serving, it shall become effective on the 30th day after

publication in accordance with Section 4-118(2) of the 2012 Detroit City Charter.

(J.C.C. Page): November 3, 2021
Passed: November 16, 2021
Approved: November 22, 2021
Published: December 1, 2021
Effective: December 1, 2021

JANICE M. WINFREY
City Clerk



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

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>.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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Bulletin 12 of 2021
September 14, 2021
Poverty Exemption Audit

TO: Assessors and Equalization Directors
FROM: Michigan State Tax Commission
SUBJECT: Local Unit Audit of MCL 211.7u Poverty Exemptions

This Bulletin includes updates made to MCL 211.7u by Public Act 253 of 2020. Specifically, PA 253 allows a local assessing unit, by resolution, to extend certain poverty exemptions, once granted, without annual reapplication by the taxpayer. PA 253 requires the State Tax Commission to issue a bulletin providing further guidance to local assessing units on the development and implementation of an audit program for these “extended” poverty exemptions, which are further described in this bulletin.

“Extended” Poverty Exemptions under MCL 211.7u(6) and (8) Must Be Audited

Assessors **are not** required to audit all poverty exemptions that have been granted. PA 253 of 2020 added 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. If the local unit has adopted one or both of these resolutions, then the assessor would be required to audit the poverty exemptions granted under MCL 211.7u(6) and/or (8).

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.

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).

MCL 211.7u(9) requires that the local assessing unit audit program include, at a minimum, an audit of all information filed under MCL 211.7u(2). The items that must be filed, and audited, are as follows:

1. 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.
2. 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.
3. Produce a valid driver license or other form of identification if requested by the supervisor or board of review.

4. 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.
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 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.

How To Conduct the Audit of “Extended” Poverty Exemptions

The State Tax Commission suggests the following steps be taken by the assessor to audit poverty exemptions that were extended under MCL 211.7u(6) or (8). Please note, these are the minimum steps to be taken; the assessor may need to take additional action based on the circumstances of the particular poverty exemption being audited.

A local assessing unit resolution under MCL 211.7u(8) to extend an exemption granted in 2019 or 2020, or both, for the 2021 tax year only would require that the assessor audit only those poverty exemptions extended by resolution for the 2021 tax year. For local assessing unit resolutions adopted under MCL 211.7u(6), the assessor would be required to audit poverty exemptions extended for the 2021 tax year and subsequent tax years.

The State Tax Commission recommends that the assessor audit extended poverty exemptions at least once every three years. The date of the most recent audit should be documented, along with supporting evidence.

1. Check to ensure the necessary local assessing unit resolution has been adopted under MCL 211.7u(6) and/or (8)
2. Compile a list or report of all poverty exemptions extended under MCL 211.7u(6) and/or (8)
3. If there is reason to believe the taxpayer was not eligible for the extended poverty exemption for any of the years granted and additional information or documentation is needed, send an audit letter to the taxpayer requesting additional information and/or documentation
4. Issue a written denial letter to any taxpayer found to be ineligible for the poverty exemption following an audit. The written denial letter must include an explanation of the taxpayer’s appeal rights to the Michigan Tax Tribunal

Below is a list of audit sources that can help when auditing extended poverty exemptions (similar to sources that assessors may be already using when auditing principal residence exemptions):

- Compare mailing address against property address
- Look for multiple properties owned by the same person
- Check list or database of rental properties
- Check to see if property owners are registered to vote at the property address
- Review death notices

- Review returned mail when sent to the property address
- Check water/sewer (utility) databases for properties that say to bill “tenant”

Taxpayer Appeal Rights for Poverty Exemption Denials

An appeal of the written denial by the assessor of a poverty exemption, following audit, can be made to the Michigan Tax Tribunal within 35 days of the written denial. The petition form required to appeal and more information on how to file an appeal are available on the Michigan Tax Tribunal’s website at <https://www.michigan.gov/taxtribunal>.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
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Bulletin 3 of 2023
February 14, 2023
2023 Boards of Review

TO: Boards of Review and Assessing Officers

FROM: Michigan State Tax Commission

SUBJECT: 2023 Boards of Review

This Bulletin contains information that Boards of Review need to be aware of for the 2023 assessment year. The State Tax Commission Q&A regarding the statutory obligations for Boards of Review can be found on the State Tax Commission website at www.michigan.gov/statetaxcommission. The State Tax Commission asks that all Board of Review members carefully review this document.

Board of Review members are also strongly encouraged to attend an annual *Board of Review Member Training* to review updates on statutory and policy changes. Public Act 660 of 2018 requires that all Board of Review members receive training approved by the State Tax Commission at least once every two years.

Key Dates for 2023 Boards of Review

- March 7, 2023.** The March Board of Review begins their work on the Tuesday following the first Monday in March. On this day, the Board holds their organizational meeting and formally receives the assessment roll from the assessor. This is the meeting for the Board to “get organized”. They should elect a chairperson, discuss how they are going to conduct business, review any statutory or policy changes they should be aware of for the current year and receive any briefings they want from the assessor regarding the assessment roll. The Board will not hear appeals at this first meeting. The organizational meeting date cannot be rescheduled to a different day.
- March 13, 2023.** Appeal meetings of the March Board begin on the 2nd Monday in March. Local units can set an alternative start date for the appeal meetings by adopting an ordinance or resolution, but that alternative start date can only be the Tuesday or Wednesday of that same week (i.e. the Tuesday or Wednesday following the 2nd Monday in March).

The required first appeal meeting on the second Monday in March must start no earlier than 9 A.M. and no later than 3 P.M. The Board must meet for a minimum

of 6 hours that day. The Board must meet a total of at least 12 hours during that first week and at least 3 hours of the required sessions must be after 6 P.M.

- **April 3, 2023.** The March Board of Review must complete their work by the first Monday in April. Assessment rolls must be turned over to County Equalization by the Wednesday following the first Monday in April or 10 days following the close of the March Board, whichever is first.
- **July 18, 2023.** The July Board meets on the Tuesday following the third Monday in July, unless an alternate start date is adopted by the local unit.
- **December 12, 2023.** The December Board meets the Tuesday following the second Monday in December, unless an alternate start date is adopted by the local unit.

Alternate Start Dates for the July or December Boards of Review

MCL 211.53b provides that July or December Boards of Review may have an alternate start date. The governing body of the city or township must adopt by ordinance or resolution alternate start dates that must conform to the following: for the July Board, an alternate date during the week of the third Monday in July; for the December Board, an alternate date during the week of the second Monday in December.

Documentation of Board of Review Changes

The State Tax Commission requires that all Boards of Review maintain appropriate documentation of their decisions including minutes, a copy of the form 4035, and form 4035a whenever the Board of Review makes a change that causes the Taxable Value to change and a Board of Review Action Report. Form 4035 must include a detailed reason why the Board made their determination. **Assessors are not required to file the Board of Review log or Action Report with the State Tax Commission.**

Minutes must include all the following items:

- Day, time, and place of meetings.
- Members present, members absent, name of elected chairperson and notation of any correspondence received.
- A log that identifies the hearing date, the petition number, the petitioner's name, the parcel number, the type of appearance, type of appeal and decision of the board of review.
- Record daily the actual hours the Board was in session, and time of daily adjournments. Record the closing date and time of the final annual session.

Inflation Rate used in the 2023 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2023 Capped Value Formula is 1.05.

The 2023 Capped Value Formula is as follows:

$$\mathbf{2023\ CAPPED\ VALUE = (2022\ Taxable\ Value - LOSSES) X 1.05 + ADDITIONS}$$

The formula includes 1.05 because the inflation rate multiplier of 1.079 is higher than 1.05.

July and December Board of Review Authority and Qualified Errors

Boards of Review **and** assessors are cautioned to take great care to ensure that any changes made by the July or December Board meet the requirements of MCL 211.53b.

MCL 211.53b provides that the July or December Boards of Review can correct "qualified errors" for the current year and one prior year unless additional years are specifically addressed by the statute.

Regarding MCL 211.27a(4): if the taxable value of property is adjusted and the assessor determines that there had not been a transfer of ownership, the taxable value of the property shall be adjusted for the current year and for the **three** immediately preceding calendar years. An adjustment under this subsection shall be considered the correction of a clerical error.

Qualified Errors are defined in MCL 211.53b as:

- A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes
- A mutual mistake of fact.
- An adjustment under section 27a(4) – taxable value or an exemption under section 7hh(3)(b)– qualified start-up business exemption.
- An error of measurement or calculation of the physical dimensions or components of the real property being assessed.
- An error of omission or inclusion of a part of the real property being assessed.
- An error regarding the correct taxable status of the real property being assessed.
- An error made by the taxpayer in preparing the statement of assessable personal property under section 19.
- An error made in the denial of a claim of exemption for personal property under section 9o.
- An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse that causes a denial of an exemption under section 7b. An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse means an error made by the local tax collecting unit in the processing of a timely filed exemption affidavit or a delay in the determination by the United States Department of Veterans Affairs that a veteran is permanently and totally

disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

Clerical Error was defined by the Court of Appeals in *International Place Apartments v Ypsilanti Township* 216 Mich App 104; 548 NW2d 668 (1996), as “an error of a transpositional, typographical, or mathematical nature.” July and December Boards of Review are NOT allowed to revalue or reappraise property when the reason for the action is that the assessor did not originally consider all relevant information.

Mutual Mistake of Fact was defined by the Court of Appeals in *Ford Motor Co v City of Woodhaven*, 475 Mich 425; 716 NW2d 247 (2006) as “an erroneous belief, which is shared and relied on by both parties, about a material fact that affects the substance of the transaction.” This definition was clarified by the Michigan Supreme Court in *Briggs Tax Service, LLC v Detroit Public Schools*, 485 Mich 69; 780 NW2d 753 (2010). The Michigan Supreme Court indicated that to qualify, the “mutual mistake of fact” must be one that occurs only between the assessor and the taxpayer.

Disabled Veterans Exemption

The State Tax Commission guidance on the Disabled Veterans Exemption can be found on the State Tax Commission website. Boards of Review are encouraged to review all Disabled Veterans Exemption guidance issued by the State Tax Commission.

Boards of Review are strongly cautioned that the determination that a veteran is 100% disabled or individually unemployable is made by the U.S. Department of Veterans Affairs. Boards of Review **do not** have authority to make an independent determination that a veteran is 100% disabled or individually unemployable. Boards of Review **do not** have the authority to determine a veteran is not 100% disabled or individually unemployable once the U.S. Department of Veterans Affairs has issued their determination.

Disabled Veterans Exemption for Unremarried Surviving Spouse

On May 19, 2022, the Michigan Court of Appeals issued a published decision in *Lockhart v Ontonagon Twp*, Docket No. 356883. This decision relates to eligibility of the Disabled Veterans Exemption in MCL 211.7b for an unremarried surviving spouse. The Court of Appeals determined that under the language in MCL 211.7b, if the disabled veteran had not **used and owned the property as a homestead prior to their death**, the unremarried surviving spouse could not qualify to receive the Disabled Veterans Exemption on that property.

Personal Property Tax

Taxpayers who miss the February 20 filing deadline for either the Small Business Taxpayer Exemption, the Eligible Manufacturing Personal Property Exemption, or the Qualified Heavy Equipment Rental Personal Property Exemption may file a late application directly with the March Board of Review.

Important Reminder: The July and December Boards of Review **have no authority** to grant these exemptions. If an assessor misplaces or missed a timely filed Form 5278,

that **is not** considered a clerical error or mutual mistake and cannot be considered by the July or December Board of Review.

See the [Guide to Small Business Taxpayer Exemption](#) and [Bulletin 18 of 2022: Qualified Heavy Equipment Rental Personal Property Exemption](#) for more information.

Further information and guidance on the Eligible Manufacturing Personal Property (EMPP) Exemption, Special Acts, and the Essential Services Assessment (ESA) is available at www.michigan.gov/ESA. Additional questions should be sent via email to ESAQuestions@michigan.gov.

Poverty Exemptions

The State Tax Commission issued Bulletin 3 of 2021 regarding the poverty exemption. This Bulletin reflects updates due to recent court decisions and legislative changes. There were a number of significant changes to the poverty exemption made in December 2020 by PA 253 of 2020. It is important that Board of Review members review this bulletin and understand the changes to the statute that impact how poverty exemptions are reviewed and granted.

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** (this is a change to the law in PA 253).

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.

Starting in 2021, 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)

Local units are still required to have adopted income guidelines and an asset test. These documents should be in writing and should be made available to taxpayers.

If a taxpayer qualifies for the poverty exemption, PA 253 allows the Board of Review to grant a 100%, 50%, or 25% reduction in taxable value. There are no other percentage reductions permitted unless approval is granted to the local unit by the State Tax Commission for additional percentage reductions. The request must comply with the *State Tax Commission Policy Regarding Requests for Percentage Reductions in Taxable Value for Poverty Exemptions* and must be submitted using Form 5738.

The forms and guidance related to the poverty exemption are available on the State Tax Commission's website under the [Poverty Exemption Forms & Policy Related to PA 253 of 2020](#) link.

Reminders:

- The Michigan Court of Appeals ruled in *Ferrero v Township of Walton* (Docket No. 302221) that monies received pursuant to MCL 206.520 (homestead property tax credit) is a rebate of property taxes and is not income for purposes of MCL 211.7u.
- Statutory changes allow an affidavit to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This includes the individual filing for the exemption.

Board of Review members are encouraged to review Bulletin 3 of 2021 prior to the start of March Board of Review meetings.

Property Classification

Property is classified according to its current use. A property cannot have more than one classification. MCL 211.34c(5) states that if the total usage of a parcel includes more than one classification, the assessor shall determine the classification that most significantly influences the total valuation of the parcel.

Boards of Review are encouraged to review the [Property Classification Q&A](#) available on the State Tax Commission website.

Board of Review Member Required Training

PA 660 requires the State Tax Commission audit to ensure that Board of Review members are participating in training. Beginning in 2022, Board of Review members will be required to complete Board of Review training at least once every two years to meet this audit requirement. This training will be offered by the State Tax Commission, or by outside organizations with State Tax Commission approval and use of State Tax Commission approved materials. Proof of completion and the required Form 5731 should be attached to the Board of Review's Certification of the Assessment Roll and maintained with local unit records.

The State Tax Commission has provided additional resources and guidance regarding changes to be implemented as a result of Public Act 660 of 2018 under the "Property Assessing Reform" link at www.michigan.gov/statetaxcommission.

Resources

The State Tax Commission has published a significant amount of resource information to assist Boards of Review in carrying out their statutory responsibilities. This information can be found on the State Tax Commission website at www.michigan.gov/statetaxcommission under the “Board of Review Resources” heading.

If you have additional questions or cannot locate information on the State Tax Commission website, please contact the State Tax Commission at (517) 335-3429 or email State-Tax-Commission@michigan.gov.