

RESOLUTION

WHEREAS, the adoption of guidelines for poverty exemptions is required of the Norton Shores City Council; and

WHEREAS, the principal residence of persons, who the Supervisor/Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Norton Shores, Muskegon County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

1. Be an owner of and occupy as a principal residence the property for which an exemption is requested.
2. File a claim with the supervisor/assessor or Board of Review, 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 or a signed State Tax Commission Form 4988, Poverty Exemption Affidavit.
3. File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
4. Produce a valid driver's license or other form of identification if requested.
5. Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
6. Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
7. The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the (2026) federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. Potential income and asset sources are (non-inclusive): Income from all sources, wage/salaries before deductions, net receipts from self-employment, Veteran payments, royalties, unemployment compensation, alimony, general assistance, Social Security, cash/checking/savings accounts, money market

accounts, assets in trust accounts, interest/dividends, pensions, supplemental security income, net rental income, scholarships/grants, insurance, retirement accounts, child support, IRA/Keogh annuities, new/reverse mortgages, stocks/bonds/investments, gifts and deferred compensation. The annual allowable income includes income for all persons residing in the principal residence.

Federal Poverty Guidelines Used in the Determination of Poverty Exemptions

Size of Family Unit	2026 Poverty Guidelines
1	\$15,650
2	\$21,150
3	\$26,650
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
Each additional person	\$5,500


NOW, THEREFORE, BE IT HEREBY RESOLVED that the supervisor/assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

At a regular meeting of the City Council of the City of Norton Shores, held at the Norton Shores Branch Library, 705 Seminole Road, on the 20th day of January 2026, the foregoing resolution was moved for adoption by Council Member Fox. The motion was supported by Council Member Fisher and carried unanimously.

Ayes: Mayor Nelund, Council Members Fisher, Fox, Halloran, Hylland, Jurkas, Kasher, Olson, and Sowa

Nays: None

Resolution declared adopted.


Rachel Pavlich, City Clerk

SPECIFIC REQUIREMENTS FOR POVERTY EXEMPTIONS
(As adopted by the City Council)

In addition to the requirements outlined in PA 390 of 1994, also known as MCL 211.7u, as amended, the following apply:

1. Applicant must file Michigan Department of Treasury form 5737, Application for MCL 211.7u Poverty Exemption.
2. Applicant must provide current copy of deed or land contract showing ownership in principal residence.
3. Applicant must provide copies of 2025 Michigan Income Tax Returns for all persons residing in the principal residence, including Homestead Property Tax Credit Claim [MI 1041 CR-1 (Senior) or CR-4 (General)] if he/she is required to file a state income return.
4. Applicant must provide copies of 2025 Federal Income Tax Return (1040) for all persons residing in the principal residence, if he/she is required to file federal income return. If applicant is not required to file income tax returns, they must indicate this on the application.
5. Any applicant or person residing in the principal residence who is not required to file a 2025 Michigan or Federal Income Tax Return is required to file an affidavit (Treasury Form 4988).
6. Applicant must provide copies of W-2 forms or 1099 forms pertaining to tax forms presented as well as a current Michigan driver license or state identification card for identification.
7. The Board of Review will apply a two (2) part test to determine the eligibility and amount of the exemption.
 - I. THE INCOME TEST:

An eligible applicant must meet the published poverty income standards.

1. For income meeting 110% of the annually adopted federal poverty guidelines based on the income for all the persons residing in the household.
2. For income exceeding 110% of the annually adopted federal poverty guidelines by \$1.00 - \$5,000.00, based on the income for all persons residing in the household, the poverty exemption percentage shall be reduced by 50%.
3. For income exceeding 110% of the annually adopted federal poverty guidelines by \$5,001.00 - \$10,000.00, based on the income for all persons residing in the household, the poverty exemption percentage shall be reduced to 25%
4. Have assets totaling no more than \$15,000, not including the primary residence.

- II. INCOME FROM OTHER SOURCES TEST:

If the Board of Review determines that the applicant has or should have income from other sources, such as relatives, dependents, friends, they may add this income to the applicant's reported income and if the resulting sum of these incomes is greater than the Federal Poverty Income Standards, then a poverty exemption will be denied. If the amount of the income added to the applicant's reported income and the resulting sum is less than the Federal Poverty Income Standards, then a poverty exemption may be granted.

8. Granting a poverty exemption does not relieve the taxpayer of the burden of special assessments levied against the property. Special Assessments will still be due and payable.

**POLICY GUIDELINES FOR POVERTY EXEMPTIONS FROM TAXATION
YEAR OF 2025
AS REQUIRED BY PA390 OF 1994**

In order to comply with the General property Tax Act, PA. 206 of 1893 as amended, Section 211.7u, which reads: "The homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act." The following policy for applicants requesting consideration for poverty exemptions will be followed:

1. All requests for Poverty Exemption must be made on the form (s) provided by the State of Michigan. Handicapped or infirmed applicants may call the assessor's office or make necessary arrangements for assistance.
2. Applications may be filed with the City of Norton shores Assessing Department after January 1, but before the day prior to the last day of the March, July or December Board of Review.
3. Applications are to be reviewed by the Board of Review, and may be reviewed without the applicant being present. However, the Board of Review may request that any or all applicants be physically present to respond to any questions the Board of Review may have. This means an applicant may be called to appear on short notice.
4. The applicant (s) may have to answer questions regarding financial affairs, health, the status of people living in his/her home before the board, at a meeting which is open to the public at large.

5. The Board of Review will use as a basis for the granting of such exemption the following listed items and requirements.
 - a) Public Act 390 of 1994, also known as MCL. 211.7u, as amended, (Copy Attached).
 - b) Bulletin No. 22, December 19, 2023, Michigan Department of Treasury, State Tax Commission to include the definitions and requirements.
 - c) Poverty thresholds as provided by the United States Office of Management and Budget.
 - d) Asset thresholds for the entire household as determined by the City Council. (Specific requirements thresholds list is attached).
 - e) Specific requirements by City of Norton Shores that must be met before the application will be considered for approval. Be advised that some of the listed requirements are included as part of P.A. 390 of 1994. (Specific requirements list is attached).
 - f) Data submitted to the board by the petitioner.
 - g) Testimony taken from petitioner and information gathered from any source the board may wish to use.
6. Any successful applicant may be subject to personal investigation by the City. This would be done to verify information submitted or statements made to the assessor or Board of Review in regard to the applicant's property tax abatement claim. Should any representation by the applicant appear to be false, the exemption shall be denied.
7. Applications for poverty exemption are for one year only. A new application must be submitted for the following year.
8. The supervisor, or secretary of the Board of Review, will keep minutes of all proceedings before the Board of Review and all meetings must be held in a municipal building and pursuant to the Open Meetings Act.
9. The Board of Review shall follow this policy when considering all requests for a poverty exemption.
10. Poverty Exemptions denied by the Board of Review may be appealed to the Michigan Tax Tribunal by July 31st of the current year or within 35 days of denial at a July or December Board of Review.

Michigan Tax Tribunal
PO Box 30232
Lansing, MI 48909
Phone: 517-373-3003
Fax: 517-373-1633
Email: taxtrib@michigan.gov