

**RESOLUTION: #2025-12-9(A) Valley Township Board Resolution to Adopt Poverty Income Guidelines**

At a regular meeting of the Board of Trustees of Valley Township, held at the Valley Township Hall, 2054 N. M-40, Allegan, MI 49010 on December 9, 2025 at 7:30PM

**RESOLUTION FOR POVERTY EXEMPTION**

**WHEREAS**, the adoption of guidelines for poverty exemptions is required of the Township Board; and

**WHEREAS**, the principal residence of persons, who the 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 No. 253; Public Acts of 2020; Enrolled Senate Bill No. 1234; MCL 211.7u Poverty Exemption; and**

**WHEREAS**, pursuant to **PA 253 of 2020**, the Township of Valley, Allegan 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 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.
- 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 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 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.

**VALLEY TOWNSHIP POVERTY GUIDELINES FOR 2026 ASSESSMENTS**

(The Valley Township Board has taken a moderate approach to poverty exemptions, and has adopted the federal income guidelines plus an additional 25% and an asset test that limits an applicant’s eligible assets to the house and one car with a value of \$15,000 or less.)

<b>Number of Persons Residing in the Principal Residence</b>	<b>Poverty Guidelines</b>
1	\$19,562
2	\$26,437
3	\$33,312
4	\$40,187
5	\$47,062
6	\$53,937
7	\$60,812
8	\$67,687
For each additional person	\$6,875

**MAXIMUM VALUE OF ALL ADDITIONAL ASSETS SHALL NOT EXCEED \$15,000**

**TEST 1: POVERTY INCOME GUIDELINES**

According to the U.S. Census Bureau, “income” includes:

- \*Money, wages and salaries before any deduction.
- \*Net receipts from nonfarm self-employment. (These are receipts from a person’s own business, professional enterprise, or partnership, after deductions for business expenses.)
- \*Net receipts from farm self-employment. (With the same provisions as above for self-employment.)
- \*Regular payments from social security, railroad retirement, unemployment, workers’ compensation, veterans’ payments, and public assistance.
- \*Alimony, child support, and military family allotments.
- \*Private pensions, government pensions, and regular insurance or annuity payments.
- \*College or university scholarships, grants, fellowships, and assistantships.
- \*Dividends, interest, net rental income, net royalties, periodic receipts from estate or trusts, and net gambling or lottery winnings.

**TEST 2: ASSET TEST (IF THE APPLICANT MEETS THE POVERTY INCOME GUIDELINES)**

Additional assets to be considered for exemption:

- \*More than one (1) vehicle.
- \*More land than a minimum “footprint” for the home.
- \*Equipment of other personal property of value, including recreational vehicles (campers, motor homes, boats, ATV’s, etc.)
- \*Bank account(s).
- \*A second home.
- \*Buildings other than the residence.
- \*Equity in the residence.
- \*Jewelry.
- \*Antiques.
- \*Artwork.
- \*Equipment.
- \*Stocks.
- \*Money received from sale of property unless a person is in the business of selling such property.

- \*Withdrawals of bank deposits and borrowed money.
- \*Gifts, loans, lump-sum inheritances, one-time insurance payments.
- \*Food or housing received in lieu of wages and value of food and fuel produced and consumed on farms.
- \*Federal noncash benefits programs such as Medicare, Medicaid, food stamps, school lunches.

**FEDERAL POVERTY GUIDELINES USED IN THE DETERMINATION OF POVERTY EXEMPTIONS FOR 2026**

The following are the federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

SIZE OF FAMILY UNIT	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
For each additional person	\$5,500

MCL 211.7u, which deals with poverty exemptions, was significantly altered by **PA 253 of 2020** and was further amended by **PA 390 of 1994** and **PA 620 of 2002**.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. **The township will set Poverty Income levels at 125%, OF THE Federal Poverty Income levels as provided annually, by the U.S. Department of Health and Human Services (DHHS).**

**Note:** PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 5 of 2012 for more information on poverty exemptions.

**Note:** PA 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) 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 does include the owner of the property who is filing for the exemption.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** the Board of Review shall follow the above stated policy and federal guidelines in granting or denying a poverty exemption. If a person meets all eligibility requirements in the statute, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value OR a partial exemption equal to a 25% OR 50% reduction in taxable value OR any other percentage reduction approved by the State Tax Commission.

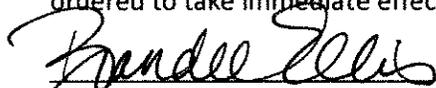
The foregoing resolution offer by Board Member Tim Batchelor and supported by Board Member Mike Jensen

Upon roll call vote, the following voted "Aye": Mike Jensen, Mike Krcatovich, Christi Foster, Tim Batchelor, and Brandee Ellis

"Nay": None

The Supervisor declared the resolution adopted.

I, Brandee Ellis, the duly elected and acting Clerk of Valley Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on December 9, 2025 at which a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.

  
Brandee Ellis, Clerk