

Crystal Falls City Council
Iron County, Michigan

Councilor Cudnohufsky, seconded by Councilor Smith, moved to approve the following Resolution:

RESOLUTION NO. 25-01

AMENDED GUIDELINES AND POLICY RESOLUTION FOR POVERTY EXEMPTION

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City of Crystal Falls; and

WHEREAS, the principal residence of person, who the Assessor and Board of Review determine, by reason of poverty, to be unable to contribute to the public charge, is eligible for exemption in whole or in part (75%, 50%, 25%) from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Crystal Falls, Iron County, Michigan, adopts the State of Michigan policy for Poverty Exemption Guidelines and Policy for Applicants Requesting Consideration for Poverty Exemption 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 person residing in the household, including any property tax credit returns filed in the current or immediately preceding year; and

WHEREAS, the City of Crystal Falls, Iron County, Michigan, adopts the Federal Poverty Guidelines, which are updated annually by the United State Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence; and

WHEREAS, the City of Crystal Falls, Iron County, Michigan, adopts an asset level test which requires that the combined assets of all persons do not exceed \$10,000. 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.; and

WHEREAS, to be eligible for the exemption by reason of poverty, a person shall comply with all of the following provisions and conditions as required for by MCL 211.7u:

1. **Ownership and Occupancy:** The applicant must be the owner and occupant of the property as a principal residence (as defined by MCL 211.7dd) and provide proof of ownership, such as a deed, land contract, or other evidence of ownership.
2. **Principal Residence Exemption:** The applicant must have a valid Principal Residence Exemption (PRE) filed with the City of Crystal Falls Assessor.
3. **Identification:** The Applicant must provide a valid Michigan Driver's License or other legal form of photo identification indicating the property address for all persons in the household.
4. **Application Forms:** Initial applicants must complete the State of Michigan Form 5737, "Application for MCL 211.7U Poverty Exemption," and, if applicable, Form 5739, "Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty." Applications, including all required information listed below, must be filed with the City Assessor after January 1 and before the day prior to the last day of March, July or December Board of Review meetings for the assessing year.
 - Incomplete applications or applications not meeting eligibility requirements will be returned to the applicant and will not be considered by the Board of Review.
 - All first-time qualified applicants or their authorized representative may appear in person before the

Board of Review.

5. **Supporting Documents:** Applicants must provide copies of the following for all household members:

- Federal and State Income Tax Return (if filed), including applicable 1099s.
- Income Tax Exemption Affidavit (Treasury Form 4988). If no tax returns were filed.
- W-2 Forms.
- Social Security Benefit Statements (Form SSA-1099).
- Proof of all other sources of Income
- Bank/Credit Union statements for the current and preceding six months.
- Recent tax bills and taxable values of properties other than the principal residence.
- Proof of gross annual income from all sources.

6. **Income and Asset Standards:** Applicant must meet the Standards for Eligibility Guidelines, as well as Liquid and Non-liquid Assets Tests, as outlined in the following:

**FEDERAL PROVERTY GUIDELINES USED IN THE DETERMINATION OF
POVERTY EXEMPTIONS**

Size of Family Unit	2025 Poverty Guidelines
1	\$15,060
2	\$20,440
3	\$25,820
4	\$31,200
5	\$36,580
6	\$41,960
7	\$47,340
8	\$52,720
For each additional person	\$5,380

Evaluation Procedures

1. The Board of Review shall follow the above policy and guidelines when making poverty exemptions decisions
2. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the house hold, and any other questions relevant to the exemption request.
3. The Board of Review shall consider the value of the assets, or indebtedness otherwise owned by the applicant and shall not exceed ten thousand dollars (\$10,000).

NOW, THEREFORE, BE IT RESOLVED, that this amended policy is hereby adopted by the City of Crystal Falls Council to ensure consistent application of poverty exemptions in compliance with state law.

Ayes: Mayor Bean, Councilors Cudnohufsky, Maki, and Smith

Nays: None

Absent: None

1 RESOLUTION DECLARED ADOPTED.

Dated: January 13, 2025



Tara Peltoma City Clerk/Treasurer