

AGENDA REPORT

TO: Mayor Pat Humphrey & the Clare City Commission
FROM: Jeremy Howard, City Manager
DATE: November 26, 2025
RE: Approve 2026 Poverty Exemption Policy & Guidelines and Income Levels

For the Agenda of December 1, 2025

Background Public Act 390 of 1994 requires each governing body to approve a Poverty Exemption Policy & Guidelines to be administered by the municipality's appointed Board of Review. Furthermore, Public Act 390 requires the governing body to annually approve income levels for the Board of Review to follow in their review of property tax poverty exemption applications from owners of residential properties. Public Act 390 along with other applicable bulletins (*att'd*) and regulations from the State Tax Commission provide the federal poverty income levels, the required asset tests, and other procedural requirements for the poverty exemption application.

The City's Assessor has provided the Policy and Guidelines for 2026 (*att'd*) with the federal poverty levels to be used by the Board of Review and the Poverty Exemption Affidavit to be filed by the requestor (*att'd*). The Assessor will assist the City of Clare's Board of Review in their consideration of applications under the provisions of Public Act 390 to ensure compliance.

The City Commission is asked to review and approve the recommended 2026 Poverty Exemption Policy & Guidelines and Income Levels.

Issues & Questions Specified Should the Clare City Commission formally approve the Poverty Exemption Policy & Guidelines and Income Levels?

Alternatives

1. Approve the Poverty Exemption Policy & Guidelines and Income Levels.
2. Do not approve the Poverty Exemption Policy & Guidelines and Income Levels.
3. Defer/delay decision to a subsequently scheduled City Commission meeting.

Financial Impact The financial impact of this requirement of State Law on the City of Clare and the other taxing authorities is not determinable until after any potential applications have been received from residential property owners who qualify for the exemption. However, based upon the very low-income levels required to qualify for exemption along with the rather stringent asset tests that the Board of Review must consider the potential financial impact is negligible.

Recommendations I recommend that the City Commission formally approve the Poverty Exemption Policy & Guidelines and Income Levels for the upcoming calendar year as required by state law by adoption of Resolution 2025-098 (*att'd*).

Attachments

1. State of Michigan Department of Treasury Bulletin 15, November 18, 2025.
2. City Poverty Exemption Policy & Guidelines.
3. Poverty Exemption Affidavit.
4. Resolution 2025-098.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

Bulletin 15 of 2025
November 18, 2025
Procedural Changes for 2026

TO: Assessing Officers and County Equalization Directors
FROM: Michigan State Tax Commission
SUBJECT: Procedural Changes for the 2026 Assessment Year

The purpose of this Bulletin is to provide information on statutory changes, procedural changes and reminders for the 2026 assessment year. Additional guidance may be issued later if any pending legislation is enacted by the end of the year.

A. Inflation Rate Used in the 2026 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2026 Capped Value Formula is 1.027.

The 2026 Capped Value Formula is as follows:

$$\mathbf{2026\ CAPPED\ VALUE = (2025\ Taxable\ Value - LOSSES) \times 1.027 + ADDITIONS}$$

The formula above does not include 1.05 because the inflation rate multiplier of 1.027 is lower than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2026

Local governing bodies are required to adopt guidelines that establish income levels for poverty exemptions. These income levels **shall not be set lower** than the federal poverty guidelines, which are updated annually by the U.S. Department of Health and Human Services. For example, the income level for a household of three persons shall not be set lower than \$26,650 as shown on the following chart below. The income level for a family of three may be set higher than \$26,650.

The following federal poverty guidelines are to be used in establishing poverty exemption guidelines for 2026 assessments:

Size of Family Unit	Poverty Guidelines
1	\$15,650
2	\$21,150

Size of Family Unit	Poverty Guidelines
3	\$26,650
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
For each additional person	\$5,500

Note: MCL 211.7u requires that the poverty exemption guidelines established by the governing body of the local assessing unit shall include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash to pay property taxes.

The asset test should establish a maximum amount and any assets exceeding that amount is considered available. Please refer to STC Bulletin 17 of 2025 for additional information.

Note: MCL 211.7u allows 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 includes the property owner who is filing for the exemption.

The application forms have been combined. Form 5739, *Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty*, has been retired. Form 5737, previously titled *Application for MCL 211.7u Poverty Exemption*, has been revised to incorporate content from Form 5739.

All poverty exemption applications for 2026 should use the revised Form 5737, *Application and Affirmation for MCL 211.7u for Poverty Exemption*.

C. Sales Studies

Equalization study dates are as follows for 2026 equalization:

- Two Year Study: April 1, two years prior through March 31, current year
- Single Year Study: October 1, preceding year through September 30, current year

For 2025 studies for 2026 equalization the dates are as follows:

- Two Year Study: April 1, 2023 through March 31, 2025
- Single Year Study: October 1, 2024 through September 30, 2025

Note that the revised time periods apply to all equalization studies, including sales ratio studies, land value studies, and economic condition factor studies for appraisals. Additionally, the revised timeframe for two-year studies applies to all real property classifications.

D. Property Classification

The State Tax Commission reminds assessors that property classification must be determined annually and is based upon the current use of the property **and not its** highest and best use. The Commission is aware that some assessors are still classifying property according to highest and best use and/or are not classifying property on an annual basis.

The Commission urges all assessors to take the necessary steps to ensure that all real and personal property is properly classified according to MCL 211.34c.

E. Public Act 660 of 2018 Training Requirements

Required Training: Assessors and Support Staff

PA 660 requires local units to ensure that support staff are sufficiently trained to respond to taxpayer inquiries. PA 660 also requires local units to ensure that assessors maintain their certification levels.

Support staff include all non-certified staff involved in the development of the assessment roll, including fieldwork, and any individual who provides information from the assessment roll to the public. Certified staff members are required to complete annual continuing education requirements.

The State Tax Commission adopted the following requirements for support staff training at the October 20, 2020, meeting:

1. **Certified Support Staff:** Support staff who are certified will be required to complete their annual continuing education requirements to satisfy this audit requirement. Proof of completion and the required Form 5730 should be attached to the Assessor's Certification of the Assessment Roll and maintained with local unit records.
2. **Uncertified Support Staff:** Beginning in 2022, uncertified support staff will be required to complete training at least once every two years on key updates to assessing to meet this audit requirement. Proof of completion and the required Form 5730 should be attached to the Assessor's Certification of the Assessment Roll and maintained with local unit records.

Required Training: Board of Review members

PA 660 requires that local units **must require** all board of review members to complete board of review training and updates approved by the State Tax Commission. Verifying that board of review members have received this training is a required component of the audit beginning in 2023.

The State Tax Commission has determined that 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.

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, along with the required Form 5731, must be attached to the Board of Review's Certification of the Assessment Roll and maintained with the local unit's records. Board of Review members are responsible for ensuring they receive proof of completion and submit it to the local unit for proper recordkeeping and audit purposes.

F. Tax Tribunal Reminders

The Tax Tribunal Rules were updated on March 28, 2025.

The Tax Tribunal's July 2, 2025, and September 24, 2025, newsletters contain additional information and procedural changes.

Please note: If a letter is filed to initiate an appeal in either the Small Claims Division or the Entire Tribunal, the Tribunal will issue a Notice of No Action that will provide, in pertinent part: ". . . your letter is insufficient to initiate an appeal and the Tribunal will not consider your appeal (i.e., take no action) unless a petition is filed by the statutory deadline for the filing of such appeals. Small Claims petition forms are available on our website at www.michigan.gov/taxtrib."

The Tribunal will now accept refund requests via email. This will facilitate the efficient processing of the request and timely refund of funds. However, any other emailed submissions, other than those outlined below, will be rejected and the filer reminded to formally file (i.e., e-filing or hard copy) the document. 1. Appearances/Stipulated Substitutions of Representatives 2. Same-day Emergency Requests regarding a scheduled prehearing or hearing 3. Stipulated (joint) Withdrawals 4. Stipulation Notifications 5. Updates to Contact Information 6. Valuation Disclosures if filed with Motion to Withhold 7. Entire Tribunal hearing and post-hearing exhibits and exhibit lists 8. Rebuttal Evidence 9. Mediator Applications 10. Mediation Status Reports 11. Refund Requests.

In *Sixarp LLC v Byron Twp*, the Michigan Supreme Court held that: The Legislature has clearly mandated that the requirement for appeal in the MTT under MCL 205.735a(3) is jurisdictional. The statute plainly states that "the assessment must be protested before the board of review before the tribunal acquires jurisdiction of the dispute." MCL 205.735a(3) (emphasis added). As a result, MCL 205.735a(3) "is not a notice statute, but is a jurisdictional statute that governs when and how a petitioner invokes the Tax Tribunal's jurisdiction." *Id.* at 8. As a result, certain petitions may no longer be accepted as timely filed or will no longer proceed to hearing with questions of fact. For example, a petition filed 34 days after a July or December Board of Review denial of a poverty exemption wherein the Board's decision informs the parties that an appeal may be filed within 35 days of the decision under MCL 205.735a, when in fact the statutory deadline is 30 days per MCL 211.53c.

Assessors representing their local unit in Tax Tribunal hearings must submit evidence to support the value of the property under appeal. If the assessor is relying on the property record card as evidence of value, the card must correspond to the year(s) being appealed.

The complete property record card, including all calculations, should be provided. Do not submit a property record card stating, “calculations too long” and then fail to include the additional calculations. Additionally, assessors should submit any studies prepared that support the economic condition factor and land value shown on the record card.

Assessors must also be prepared to explain at the hearing how the value shown on the property record card was determined.

The Tax Tribunal requests that assessors include copies of the adopted local unit poverty guidelines/resolutions, Economic Condition Factor studies, and land values studies (when applicable) when submitting documents for Small Claims hearings.

Assessors are also reminded that any changes in contact information, including email addresses, must be submitted to the Tax Tribunal to ensure that all case notifications are received.

More information regarding the Michigan Tax Tribunal, including Tribunal Rules, forms and instructions is available at www.michigan.gov/taxtrib.

G. Disabled Veterans Exemption Changes

Public Acts 150, 151, and 152 of 2023 were signed by the Governor on October 19, 2023. The Acts remove the authority of the Boards of Review to review and approve disabled veteran’s exemptions. All applications for a disabled veteran’s exemption are to be reviewed and approved or denied by the assessor. **Assessors should not take 2026 disabled veterans exemption applications to the Board of Review.**

A disabled veteran or an unremarried surviving spouse, filing for the first time in the local unit, must file the application to claim the exemption for 2026 after January 1 and before December 31. Assessors should timely review the applications and approve the exemption or issue a written denial.

Under MCL 211.7c, a disabled veterans exemption granted as to taxes levied on or after January 1, 2025, remains in effect, without subsequent reapplication, until rescinded by the disabled veteran or unremarried surviving spouse or denied by the assessor.

See Bulletin 19 of 2023 and the Disabled Veterans Exemption Q&A for more information.

H. Qualified Heavy Equipment Rental Personal Property Exemption –

MCL 211.9p provides an exemption for qualified heavy equipment rental personal property beginning December 31, 2022. This exemption is not mandatory and may be claimed at the option of the qualified renter. Once qualified for the QHERPP exemption under MCL 211.9p, qualifying personal property will be exempt from ad valorem taxes and instead pay the specific tax as provided by Public Act 35 of 2022 (MCL 211.1121 - 211.1133).

Qualified heavy equipment rental personal property (QHERPP) is defined in MCL 211.9p(8)(f) as any construction, earthmoving, or industrial equipment that is mobile and rented to customers by a qualified renter, including attachments or other ancillary equipment for that equipment. Qualified heavy equipment rental personal property does not include handheld tools or equipment solely designed for industry-specific uses in oil and gas exploration, mining, or forestry.

The exemption must be claimed annually with the assessor by February 20 (postmark is acceptable) by filing Form 5819 *Qualified Heavy Equipment Rental Personal Property Exemption Claim* and a statement prescribed by the Department of Treasury of all QHERPP located at and/or rented from the qualified renter business location. If the statement is not delivered to the assessor by February 20, a late application can be filed directly with the March Board of Review where the qualified renter business is located.

Assessors are statutorily required to transmit a copy of the claim form, indicating whether the claim was approved or denied, and any other required parcel information to the Department of Treasury no later than April 1 each year. The information must be submitted electronically by emailing to Treas-QHERPP@michigan.gov

More information is available in Bulletin 18 of 2022.

I. Small Business Taxpayer Personal Property Tax Exemption

Public Act 150 of 2021 was signed by the Governor on December 23, 2021. The Act amended the Small Business Taxpayer Personal Property Tax Exemption (MCL 211.9o) to increase the combined true cash value limit for “eligible personal property” in a local unit from \$80,000 to \$180,000 beginning in 2023. The exemption is required to be claimed with the local unit (city or township where the property is located) by February 20, 2025 (postmark is acceptable) by submitting the completed Form 5076 *Small Business Property Tax Exemption Claim Under MCL 211.9o*. Late filed forms may be filed directly with the 2024 March Board of Review prior to the closure of the March Board.

Personal Property Valued Less Than \$80,000

To claim an exemption for personal property valued less than \$80,000, Form 5076 must be filed with the local unit (City or Township) where the personal property is located no later than February 20, 2025 (postmark is acceptable).

Late filed forms may be submitted directly to the local unit March Board of Review prior to the close of the March Board of Review. Taxpayers must contact the local unit directly to confirm the specific dates for the March Board of Review.

Once granted, the exemption for personal property valued under \$80,000 will continue automatically until the taxpayer no longer qualifies. If a taxpayer no longer qualifies, they are required to file a rescission form and a personal property statement no later than February 20 of the year that the property become ineligible.

Failure to file the rescission form will result in significant penalties and interest as prescribed in MCL 211.9o.

Personal Property Valued Greater than or Equal to \$80,000 but Less than \$180,000

To claim an exemption for personal property valued at \$80,000 or more but less than \$180,000, Form 5076 **along with** Form 632 *Personal Property Statement*, must be filed **ANNUALLY** with the local unit (City or Township) where the personal property is located no later than February 20, 2025 (postmarks are acceptable).

Late filed forms may be filed directly to the local unit March Board of Review prior to the close of the March Board of Review.

Assessors are statutorily required to transmit the information contained in both Form 5076 and Form 632 *Personal Property Statement*, along with any other required parcel information, to the Department of Treasury no later than April 1 each year.

J. EMPP and ESA Reminders

Beginning in 2024, parcels that received the EMPP exemption in the immediately preceding year carry forward the exemption in each subsequent year until the property becomes ineligible for the exemption.

A Combined Document (Form 5278) must be filed to claim the EMPP exemption in 2026 only for parcels that did not receive the EMPP exemption in 2025.

Taxpayers will not report the addition or removal of exempt property on Form 5278, but rather on their ESA Statement which is filed electronically with the Department of Treasury through the Michigan Treasury Online (MTO) system.

Taxpayers may request the removal of the EMPP exemption on a parcel for the current year, by filing Form 5277 with the assessor in which the parcel is reported by February 20, 2026. Assessors should report receipt of any Form 5277 in their CAMA software. Assessors may wish to forward copies of Form 5277 to ESAREporting@michigan.gov to ensure that the parcel information is received by the Department of Treasury.

If a parcel receiving the EMPP exemption is sold, Form 5277 must be filed and reported to Treasury. Failure to do so will result in the parcel being added to new ESA Statements.

If a parcel is transferred to a new taxpayer, the previous owner must file Form 5277 to rescind the parcel under their FEIN, and the new owner will have to file Form 5278 to claim the EMPP under their FEIN. Treasury cannot transfer a parcel between accounts (based on FEIN) after ESA Statements are generated May 1st.

The ESA Section has received consent judgments entered by the Michigan Tax Tribunal for stipulated agreements between EMPP claimants and the local units in which they have personal property.

It is extremely important that any stipulated agreement filed with the Michigan Tax Tribunal:

1. Confirms that the personal property reported on the parcel meets the definition of “eligible manufacturing personal property,”
2. Clearly identify which eligible manufacturing personal property qualifies for the exemption under MCL 211.9m and MCL 211.9n
3. Directs the Department of Treasury to generate an ESA statement so that the taxpayer may pay ESA on the exempt personal property.

Assessors are advised to contact the ESA Section for a list of previous dockets that contained the appropriate requirements.

More information is available in the Assessors Guide to EMPP and ESA available online at www.michigan.gov/propertytaxexemptions.

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.

K. Omitted or Incorrectly Reported Property (MCL 211.154)

The State Tax Commission updated all 154 Petition forms at the November 18, 2025, meeting. The following forms have been revised to include the year(s) of notice:

- Form 627 (L-4154) *Assessors or Equalization Director’s Notice of Property Incorrectly Reported or Omitted from the Assessment Roll*
- Form 628 (L-4155) *Notice by Owner of Property Incorrectly Reported or Omitted from the Assessment Roll*
- Form 629 (L-4156) *Notice of Property Incorrectly Reported or Omitted from the Assessment Roll Filed by a Person Other than the Owner, Assessor or Equalization Director*

These updates will present information uniformly, reducing errors, and clearly state the years of eligible jurisdiction by the State Tax Commission as current year and the two preceding years. Forms will be updated annually. Current forms will be required for all filings.

At the same meeting, the Michigan State Tax Commission approved a revised [MCL 211.154 Omitted and Incorrectly Reported Property Frequently Asked Questions Guide](#).

Assessors are reminded that when submitting 154 petitions it is necessary to include complete copies of the property record cards for every year a change is being requested on the petition. For example, if a petition requests a change for 2023 and 2024, the property record cards for both 2023 and 2024 must be submitted.

In addition, assessors must submit all calculations and supporting documentation to explain the reasons for the requested change and the resulting adjustments to the assessed and taxable values.

For 154 petitions involving the removal of personal property, staff may request verification that the assessor inspected the personal property location or otherwise confirmed that the personal property was disposed of and was not located in the local unit on the applicable tax day. Additionally, staff may inquire as to the extent of the assessor's communication with the taxpayer to confirm that personal property was reported in the new location.

Questions can be directed to the staff at Treas-154petitions@michigan.gov. Additional information, including Bulletin 2 of 2018 and copies of the approved forms can be accessed at www.michigan.gov/154petitions.

L. Authority of July and December Boards of Review

Assessors are reminded that the July and December Boards of Review may only act on matters described in MCL 211.53b or expressly permitted by other statutes. This includes:

- Qualified errors as listed in MCL 211.53b(6)
- Appeals related to poverty exemptions, qualified agricultural property exemptions, and qualified forest property exemptions.

In addition, other statutes, such as MCL 211.7ss related to the eligible development property exemption, provide authority for the July and December Board of Review to take action.

Assessors should carefully review the Board of Review Q&A and Bulletins 21 of 2023 and 24 of 2023 to ensure their Boards of Review are acting within their statutory authorities.

Assessors should not request that the July or December Boards of Review take action beyond the limited authority provided in MCL 211.53b.

Beginning July 11, 2022, **the July and December Board of Review have no authority to grant a Principal Residence Exemption (PREs)**. Assessors are asked to ensure that the July and December Boards of Review do not take action related to PRE claims.

Beginning October 19, 2023, assessors were granted the authority to approve timely filed Disabled Veterans Exemptions, eliminating the need to submit Disabled Veteran Exemption applications to the Board of Review.

PA 152 of 2023 clarified the definition of "qualified errors" as it relates to the July and December Board of Review's authority for granting Disabled Veteran Exemptions as a "qualified error".

M. 2026 State Tax Commission Updates Class

At the August 19, 2025, meeting, the State Tax Commission approved the recommendations of the Education and Certification Committee.

To recertify for 2027 MCAT (Michigan Certified Assessing Technicians) must complete four (4) hours of continuing education (November 1, 2025 – October 31, 2026). To meet the required four (4) hours of continuing education, Technicians have the option to complete the 2026 STC Updates course, any continuing education course approved by the STC, or an STC online continuing education course of their choice (**excluding** the *Learning the HP12C Calculator* course) offered through the STC Online Education Portal. Any individual certified at the MCAT level who wishes to expand their knowledge of assessment may take additional approved assessment administration courses during the same renewal period. However, courses taken beyond the four (4) hours will not be entered into the Commission's online MiSuite System and will not count toward education credit for recertification purposes.

To recertify for 2027, MCAO, MAAO and MMAO assessors must complete the 2026 State Tax Commission Updates Course ***in addition to the 16 hours of continuing education***. The 2026 State Tax Commission Updates Course can be completed in-person or through the STC Online Education Portal.

This class will be available both in-person at various locations across the state and online through the State Tax Commission Online Education Portal at <https://coned.mi-stc.org>. The dates and locations for the in-person classes will be posted to the State Tax Commission website.

N. 2027 Online Education Portal and MiSUITE Login

STC Online Education Portal

The State Tax Commission offers a variety of online classes, available free of charge, that provide continuing education credit. The online classes can be accessed at <https://coned.mi-stc.org>. This site is only available to Michigan certified assessors and technicians. If you have an issue with your log in credentials, especially password resets, email Treas-MiSuitehelp@michigan.gov. If you require a password reset, **do not use the Forgotten Your Username or Password link on the page**. Instead, send an email to the State Tax Commission and staff will manually reset your password.

You must complete all requirements of the online course before you receive your certificate of completion. If you do not receive a certificate by email, it is likely to mean that one or more of the course requirements remains incomplete.

The requirements for the course are listed at the top of each module. As you complete each requirement it will automatically be removed from the list.

Once you have received your certificate, you are responsible for uploading it into the MiSUIITE platform to receive the continuing education credit for the course.

MiSUIITE

Passwords expire after 90 days. If your password is expired, you will automatically be redirected to an Update Password page upon attempting to log in. Simply create a new password, confirm that password, and click "update."

You can access MiSUIITE by going to <https://sso.misuite.app>

Assessors can check continuing education hours by logging into the MiSUIITE system and checking your profile page. Total hours remaining to be completed are listed on the profile page in MiSUIITE as well as the completed classes that have been properly logged into the system.

Assessors are responsible for logging their own continuing education hours in MiSUIITE. When logging credit, be sure to pick the correct course, date, location, and upload proof of attendance.

If you have any questions, concerns, or need further assistance, please email Treas-MiSUIITEHelp@michigan.gov.

O. Assessor of Record

Form 4689 State Tax Commission Request for Changes in Personal or Employment Information for a Certified Assessor is now available in MiSuite. All certified assessing officers are required to inform the State Tax Commission of any changes to their personal or employment contact information within 30 days of assumption of duty or departure from duty. This ensures the State Tax Commission maintains accurate records and accessibility to MEG and MiSuite software.

CITY OF CLARE

POVERTY EXEMPTION POLICY & GUIDELINES

(Revised December 16, 2025 for Calendar Year 2026)

This policy was written in accordance with and governed by MCL 211.7u, as amended.

In order to be eligible for the poverty exemption, the claimant **MUST** do all of the following *on an annual basis*:

1. Own and occupy as your principal residence, as defined in Section 7dd of the General Property Tax Act, the property for which the exemption is requested;
2. File a claim with the Board of Review after January 1st, but before the day prior to the last day of the Board of Review, on a form approved by the State Tax Commission (STC);
3. Provide federal and state income tax returns for all persons residing in the principal residence (also referred to as "household" or "homestead") as well as all owners of the property, whether they reside there or not. These income tax returns are those filed in the current year or in the immediately preceding year. If you did not file a Tax Return, then you **MUST** provide verification of income (get a statement of benefits paid from the Social Security Administration or Michigan Department of Social Services) and file an affidavit to affirm you were not required to file a Federal or State Tax Return.
4. Produce a valid driver's license or other form of identification if requested.
5. Produce a deed, land contract, or other evidence of ownership of the property for which the exemption is being requested, if requested;
6. Meet the federal poverty income guidelines for the household, which are updated annually in the federal register by the United States Department of Health and Human Services; and
7. Meet the **claimant and total household asset** levels set by the City of Clare.

INCOME & ASSET GUIDELINES FOR POVERTY EXEMPTIONS

Income Eligibility Updated Annually by the State Tax Commission

(Income levels are updated annually)

Size of Family Unit	Poverty Guidelines for 2026 BOR
1	\$15,650
2	\$21,150
3	\$26,250
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
For Each Additional Person	\$5,500

For a 100% Exemption, the income level may not exceed the Federal Poverty Guidelines.
For a 50% Exemption the income level may not exceed 105% of the Federal Guidelines.
For a 25% Exemption the income level may not exceed 110% of the Federal Guidelines.

Asset Eligibility

Applicants shall not have more than \$15,650 in assets to be eligible for consideration and no more cash than an amount equal to one month's gross household income. Assets do not include the primary residence. Income information is required from all owners and all occupants over the age of 18. Assets do not include 1 automobile per licensed driver residing in the primary residence.

GUIDELINES BY WHICH POVERTY EXEMPTIONS ARE DETERMINED

Completed application form and all required documents and attachments MUST be filed with the City Assessor's Office after January first and before the final meeting of the Board of Review in December.

March 1, for action by the March Board of Review; or

July 1, for action by the July Board of Review; or

December 1, for action by the December Board of Review.

Sign the form when you return it to the Assessor's Office.

NOTE: The filing of a claim constitutes an appearance before the Board of Review. Also, the dates for filing will be updated annually in accordance with the State of Michigan Property Tax Calendar.

1. The Board of Review determines if Income Standards have been met.
2. The Board of Review determines if Asset limits have been met.
3. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner and all members of the household. Any attempt to hide and/or shift assets to another person, business or corporation shall be grounds for denial.
4. Applications must be filed every year. If granted, the exemption is for one year only and shall be rescinded if the person becomes ineligible for the exemption per the requirements of MCL 211.7u(6)(a), (6)(b), and (9).
5. Applications will be reviewed by the Board of Review. The Board may ask applicants, or their authorized agents, to be physically present to answer questions. Teleconferencing for the purpose of asking questions of the applicant is allowable if the applicant is not able to attend.
6. Applicants, or their authorized agents, may have to answer questions regarding such subject as financial affairs, health and/or the status of people living in the principal residence at a meeting that is open to the public.
7. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board may also use information gathered from any other source.
8. The Board of Review shall follow the policy and guidelines established herein when granting or denying an exemption.
9. Household income limits are adjusted annually to comply with the Federal Poverty Guidelines.
10. Applicants will be sent a written notice of the Board of Review's final decision. An applicant may appeal the Board of Review's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board of Review's decision. Appeals must be filed with the Michigan Tax Tribunal by the following dates: March Board of Review: by July 31 of the current year. July or December Board of Review: within 35 days of decision.



City of Clare, Michigan

POLICY AND GUIDELINES FOR APPLICANTS

REQUESTING CONSIDERATION FOR POVERTY EXEMPTIONS

1. Applicant must obtain the proper application forms from the Assessor's office in person on Tuesday mornings, by email at assessor@cityofclare.gov, or by calling the office of the Assessor at (989) 424-4066. Handicapped or infirmed applicants may call the Assessor's office to make necessary arrangements for assistance.
2. Applicant must be an owner and occupy the property as his/her principal residence.
 - a. Must provide valid driver's license or other acceptable method of identification
 - b. Must produce a deed, land contract, or other evidence of ownership, as specified by the Assessor.
3. Applicant must fill out the Application for MCL 211.7u Poverty Exemption form 5737 and Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty form 5739, in their entirety accompanied by form a Poverty Exemption Affidavit form 4988 and return them, in person, to the Assessor's office, except as noted in Item 1 above.
 - a. The applicant must not sign the application until it is returned.
 - b. The applicant's signature must be witnessed by the Assessor, Board of Review member or Notary Public.
4. All applicants and any person over the age of 18 residing in the homestead shall submit last year's copies of the following:
 - a. Federal Income Tax Return – 1040 or 1040 A
 - b. State Income Tax Return – MI-1040
 - c. Homestead Property Tax Claim – MI-1040 CR
 - d. Statement of benefits paid from Michigan Department of Social Services and/or Social Security Administration
5. Applications must be filed with the Assessor's Office after January 1, but before the day prior to the last day of the December Board of Review. 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. The Board may review applications without applicant present. However, the Board may request that an applicant be physically present to respond to any questions the Board or Assessor may have.
6. An applicant may have to answer questions regarding his/her financial affairs, or status of the people living in his/her home at the meeting before the Board of Review, which is open to and may be attended by the public at large.
7. The Board of Review may vote to go into closed session pursuant to MCL 15.268(h) to review an applicant's state or federal tax return claim as exemption under state or federal law, if the applicant requests confidentiality. If the Board wishes to go into closed session, the Open Meeting Act requirement must be followed.
8. Applicants appearing before the Board will be administered an oath, as follows:

“Do you _____ swear (or affirm) that evidence and testimony you will give on your behalf before this Board of Review, is the truth, the whole truth, and nothing but the truth, so help you.”

9. Applicant will be evaluated based on the following:
 - a. Data submitted (social security number must be removed) to the Assessor or Board of Review.
 - b. Information taken from the applicant and information gathered from any source the Assessor or Board may wish to use. The Board will also consider all revenue and nonrevenue-producing assets owned by the applicant.
10. Exemptions are granted annually.
11. Applicant will not be eligible for consideration if he/she does not meet federal income guidelines determined annually by the United States Department of Health and Human Services.

Federal Poverty Income Guideline for Determination of 2026 Exemptions

Size of Family Unit	Poverty Guidelines
1	\$15,650
2	\$21,150
3	\$26,250
4	\$32,150
5	\$37,650
6	\$43,150
7	\$48,650
8	\$54,150
For Each Additional Person	\$5,500

12. Cash assets for the total household may not exceed an amount equal to one month's gross household income. Noncash assets for the total household may not exceed the annual household income established for the family size. The following assets are excluded from this limit:
 - Applicant's principal residence property
 - Applicant's household personal property
 - One vehicle for personal transportation and titled to a member of the household
 - Applicant's interest in Trust Lands
 - Assets not accessible by the applicant, co-owner or any member of the applicant's
13. An exemption shall not be granted if the applicant owns real property or holds a partial interest in any other real estate other than their principal residence. (A joint interest, life estate or remainder interest in property, which is the principal residence of another, will not be considered).
14. The filing of a claim with the Board of Review constitutes an appearance before the Board of Review for the purpose of preserving the right to appeal to the Michigan Tax Tribunal.
15. Any successful applicant may be subject to personal investigation by City of Clare to verify information submitted or statements made to the Assessor or Board of Review for this poverty exemption claim.
16. The Board of Review shall follow the Policy and Guidelines of the City of Clare in granting or denying an exemption. The Board of Review is not permitted to deviate from the city's adopted Policy and Guidelines. **(PA 253 amendment)**
17. Poverty exemptions may only be considered in open sessions.

Application and Affirmation 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 where the property is located in each year on or after January 1 but before the day prior to the last day of the board of review. Poverty Exemptions may be heard by the Board of Review during its March, July, and December sessions.

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
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 Identification Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: 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.				
PART 4: 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 5: EMPLOYMENT INFORMATION — List your current employment information.

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

PART 6: 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 7: 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 8: 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 9: 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 10: HOUSEHOLD OCCUPANTS — List all persons living in the household.				
First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 11: PERSONAL DEBT — List all personal debt for all household members.					
Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 12: 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 13: 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 14: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code

PART 15: 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 30 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
Email: 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

RESOLUTION 2025-098

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE POVERTY EXEMPTION POLICY & GUIDELINES AND INCOME LEVELS FOR 2026.

WHEREAS, Public Act 390 of 1994 requires each governing body to approve a Poverty Exemption Policy & Guidelines to be administered by the City's appointed Board of Review in their consideration of granting or denying requests from residential property owners for full or partial exemption of payment of their property taxes; and

WHEREAS, Public Act 390 of 1994 along with other applicable bulletins and regulations issued and administered by the State Tax Commission require municipalities to annually establish income levels to be followed by the Board of Review in their consideration of property tax poverty exemption applications from owners of residential property; and

WHEREAS, Public Act 390 of 1994 also establishes the requirement to include within the poverty exemption guidelines/procedures to be followed by the Board of Review an asset test of the entire household where the poverty exemption is being requested; and

NOW THEREFORE BE IT RESOLVED that the Clare City Commission hereby approves the Poverty Exemption Policy & Guidelines for 2026 which includes the appropriate federal poverty income levels.

BE IT FURTHER RESOLVED that the City Commission directs the City Assessor and Board of Review to administer the City of Clare's Property Tax Poverty Exemption Application process utilizing the Poverty Exemption Policy & Guidelines and income levels for 2026 as required by state law and statute.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

**The Resolution was introduced by Commissioner _____ and supported by Commissioner _____.
The Resolution declared adopted by the following roll call vote:**

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 1st day of December, 2025.

Diane M. Lyon, City Clerk