

Franklin Township, Clare County

Poverty Exemption Guidelines, Asset Level Test, and Eligibility Requirements

General Overview

The Franklin Township Board of Review (BOR) recognizes the need to have available a procedure by which residents in need of assistance under MCL 211.7u can make an application for property tax relief. The Board further recognizes that, pursuant to statute, as well as case law, they must adopt procedures and guidelines to be used as standards when considering appeals made based on financial hardship.

The Board understands these guidelines must be adhered to when reviewing hardship appeals. Any form submitted that is inaccurate, not fully completed, or missing the required documentation will result in a denial of the appeal. All of the submitted information is subject to the verification from the Board or Assessor's office.

Basic Filing Requirements

To be eligible to receive a hardship exemption, either full or partial, a person shall do all of the following on an annual basis:

- Own and occupy the property as a principal residence.
- 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**. 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 principal residence who were not required to file federal or state income tax returns in the current or immediately preceding year.
- Produce a valid driver's license or other acceptable form of identification for each person residing in the household.
- Produce a deed, land contract, or other evidence of ownership of the property for which a Poverty/Hardship exemption is requested.
- 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.
- Meet the asset level test adopted by the local assessing unit.
- Complete and submit Form 5737 Application and Affirmation for MCL 211.27u Poverty Exemption no earlier than February 1 but not later than the second Monday

in December.

- Attach all required documentation.

Income / Asset Requirements

To be eligible for the Poverty/Hardship Exemption in Franklin Township of Clare County, the following requirements must be met. Verification of income must be included with the application.

The following are the Federal Poverty Guidelines for use in setting Income limitations for the 2026 Poverty Exemption – for the Franklin Township Tax Assessments. These guidelines are updated annually by the Federal Government and found in Public Act 620.

Size of Family Unit	Income Limits
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	add \$5,500

MCL 211.27u requires that the poverty exemption guidelines established by the governing body of the local assessing unit **SHALL** also 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 for use in payment of property taxes. The asset test should establish a maximum amount and any assets exceeding that amount is considered available.

The total of all assets of all household members, excluding the value of the homestead property for which the exemption is being claimed shall not exceed **\$25,000**.

Examples of income and assets to list on the application are including but not limited to:

INCOME:

- 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.

ASSETS:

- A second home, land, vehicles
- Recreational vehicles (campers, motor homes, boats, ATV's, snowmobiles,etc.)
- Buildings other than the principal residence
- Jewelry, antiques, artwork
- Equipment, other personal property of value
- Bank accounts, stocks
- Money received from the sale of property such as stocks, bonds, a house & cars
- Withdrawals of banks deposits, including borrowed money
- Gifts, loans, lump-sum inheritances, one-time insurance payments
- Food or housing received in lieu of wages and the value of fool and fuel produced on farms
- Federal noncash benefits programs such as Medicare, Medicaid, food stamps, and school lunches.

Summary

In conclusion, the Franklin Township Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for Franklin Township takes this task seriously and attempts to provide relief to all deserving residents within the township. The Board of Review reserves the right to modify these guidelines as necessary.

Checklist of Documents Required for Poverty Exemption (please do not provide originals, you will not be receiving any documentation provided back)

- Driver's License or State ID
- Income verification
- Federal and State Tax Returns for Current and Prior Years
- Property Deed or Similar Document – which shows Property Size
- Title to Motor Vehicles (Cars, Trucks, RVs, Motorhomes, etc)
- Recent Bank Statements showing Account Balances
- Non-Cash Benefits (Medicare, Medicaid, Food Stamps, Bridge Cards)
- Copies of Utility Bills, Loans or Debts, etc
- Complete listing of all assets