

**CITY OF TAWAS CITY
2026 RESOLUTION FOR POVERTY EXEMPTION**

WHEREAS the adoption of guidelines for poverty exemptions is required of the City Council of the City of Tawas City; and

WHEREAS the principal residence of individuals whom 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 from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS pursuant to Michigan PA 390 of 1994, the City of Tawas City, Iosco County adopts the following guidelines for the Board of Review to implement. The guidelines include but are not 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, an applicant 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 Assessor or Board of Review, accompanied by federal and state income tax returns for all individuals 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 individuals do not exceed the overall asset limit of \$20,000. Assets include but are not limited to real estate other than the principal residence, personal property (such as jewelry, antiques, artwork and other items of value), 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 valid identification.
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 1st each year, but one day prior to the last day of the Board of Review for the year. 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 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 individuals residing in the principal residence. (Bulletin 15 of 2025, pages 1 and 2.)

Federal Poverty Guidelines for the 2026 Assessment Year

Individuals Residing in the Principal Residence	Total Annual Allowable Income
1 Person	\$15,650
2 Persons	\$21,150
3 Persons	\$26,650
4 Persons	\$32,150
5 Persons	\$37,650
6 Persons	\$43,150
7 Persons	\$48,650
8 Persons	\$54,150
each additional person, add	\$5,500

The following is a limit on the assets an applicant can have:

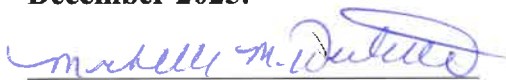
- \$2,500 limit on cash balances in checking or savings; all bank statements must be submitted with the application
- one (1) personal vehicle is exempt from overall asset value limit
- the primary residence is excluded, however, excess land over five (5) acres will count toward the overall asset limit
- \$1,000 limit on annual dividend income (taxable and non-taxable)
- \$20,000 limit on overall asset value

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review of the City of Tawas City shall follow the above stated policy and federal guidelines in granting or denying an exemption. As this policy and resolution do not establish specific guidelines for granting a 25% or 50% reduction in taxable value as allowed by MCL 211.7u, and the Board of Review shall be limited to a 0% reduction (denial) or 100% reduction (approval).

The foregoing resolution moved by Nagy and seconded by Malone.

Council Members Ayes: Lesinski, Malone, Nagy, Russo, Timreck, Klenow and Masich
Council Members Nays: None
Council Members Absent: None
Council Members Abstaining: None

WHEREUPON said Resolution was declared passed and adopted on this 15th day of December 2025.



Michelle M. Westcott, City Clerk

(SBM 1859)