



TOWN OF GORHAM
SENIOR PROPERTY TAX
ASSISTANCE ORDINANCE

Adopted January 2, 2018

Amended June 4, 2019

ARTICLE I

Property Tax Assistance

Purpose

The purpose of this article is to establish a program to provide property tax assistance to persons 65 years of age and over who reside in the Town of Gorham. Under this program, the Town of Gorham will provide refund payments to those individuals who maintain a homestead in the Town of Gorham and meet the criteria established by this article.

ARTICLE II

Definitions.

As used in this article, the following terms shall have the meanings indicated:

A. BENEFIT BASE — Property taxes paid by a qualifying applicant during the tax

year on the qualifying applicant's homestead or rent constituting property taxes paid by the resident individual during the tax year on a homestead.

B. HOMESTEAD — For purposes of this article, "homestead" shall have the same meaning as defined in 36 M.R.S.A. § 5219-KK(1)(C). Generally, a homestead is

a dwelling owned or rented by the person seeking tax assistance under this article

or held in a revocable living trust for the benefit of that person. The person must reside in the homestead at least 9 months of the calendar year.

C. INCOME — Total household income is determined by all income reported on the applicant's most recent federal income tax return plus the total income reported on the most recent federal income tax return of each additional member of the household if filing separately. If the applicant and/or any member of the household do not file a federal income tax return, income shall be the cumulative amount of all income received by the applicant and each additional member of the household from whatever source derived, including, but not limited to the following:

- i. Compensation for services, including wages, salaries, tips, fees, commissions, fringe benefits and similar items;
- ii. Income derived from business;
- iii. Gains derived from dealings in property (capital or other);
- iv. Interest;
- v. Rents from real estate;
- vi. Royalties;
- vii. Dividends;
- viii. Alimony and separate maintenance payments received;
- ix. Annuities;
- x. Pensions;
- xi. Income from discharge of indebtedness;
- xii. Distributive share of partnership gross income;
- xiii. Income from an interest in an estate or trust;
- xiv. IRA distributions;
- xv. Unemployment compensation; and
- xvi. Social security benefits.

D. QUALIFYING APPLICANT — A person who is determined by the Town Clerk or her designee, after review of a complete application under Article 2 of this ordinance, to be eligible for a refund payment under the terms of this article.

E. RENT CONSTITUTING PROPERTY TAX — Fifteen percent of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead. For the purposes of this article, "gross rent" means rent paid at arm's length solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the rental agreement, whether or not expressly set out in the rental agreement.

In order to participate in the property tax assistance program, an applicant shall demonstrate all of the following:

- i. The applicant shall be 65 years of age or more at the time of application.
- ii. The applicant shall have a homestead in the Town of Gorham at the time of the application and for the entire year prior to the date of application.
- iii. The applicant has been a resident of the Town of Gorham for at least five years immediately preceding the date of application for participation in the program.
- iv. The applicant shall meet the application and eligibility criteria set forth in Section A and Section B of this article.

ARTICLE III

Application and payment procedures.

Persons seeking to participate in the property tax assistance program shall submit an application to the Town Clerk no later than August 1 of the year for which the refund is requested. Applications are required for every year the applicant seeks to participate in this program. The application form for the program shall be made available upon request in the Town Clerk's office and shall include, at a minimum, the applicant's name, homestead address and contact information. Attached to all applications shall be proof of household income.

Applicants shall also submit proof of property taxes paid or rent constituting property taxes paid during the tax year on the individual's homestead in the Town of Gorham.

The Town Clerk or a designee shall review and determine if the application is complete and accurate and if the applicant is otherwise eligible to participate in the program. The Town Clerk or the designee shall notify an applicant if an

application is determined to be incomplete within 2 weeks of the application being submitted. The Town Clerk's or the designee's decision on eligibility to participate and benefit base amount in the program shall be final. Appeals to the Town Clerk's or the designee's determinations are to be submitted in writing to the Town Council within 14 days of Town Clerk's or the designee's determinations. The Town Council will then review and make a determination within 30 days of receipt of an appeal.

Determination of eligibility and amount.

A. Eligibility under this article is designed to provide greater benefits proportionally to applicants with lower income in relation to their benefit base. Applicants with income greater than an amount equal to 90% of the current United States Department of Housing and Urban Development metropolitan area median family income shall not be eligible for benefits under this article. Eligible applicants will receive a benefit totaling the amounts set forth in Subsection A(1) and (2) as follows, provided that the cumulative maximum benefit allowed shall be \$500:

The total amount of any increase to the applicant's benefit base from the most recent tax year to the current tax year; and

Benefits based on a calculation of the applicant's benefit base as a percentage of their income $[(\text{Benefit}/\text{Income}) \times 100 = \text{Benefit base as percent of income.}]$

If the benefit base as a percent of income is greater than 10%, the applicant will receive \$500;

If the benefit base as a percent of income is 8% to 10% of income, the applicant will receive \$350;

If the benefit base as a percent of income is 5% to 7% of income, the applicant will receive \$200;

ARTICLE IV

Limitations on payments.

The Town Manager shall report to the Town Council for its approval at its September meeting each year the projected payments and number of eligible applicants requesting assistance from the program fund.

Payments under this article shall be conditioned upon the existence of sufficient monies in the program fund for the year in which participation is sought. If there are not sufficient monies in the program fund to pay all qualifying applicants under this article per the calculations set forth in Section II (E), payments shall be limited to the amounts available in the fund and may be prorated accordingly. In the event that a lack of funding results in no payment or less than the full payment to a qualifying applicant, the request and/or unpaid balance will not carry over to the next year.

ARTICLE V

Creation of program fund.

The program fund from which payments shall be made under the terms of this article shall be created as follows:

As funds are available, the Town Council shall annually appropriate monies from the general fund or other sources to support this program.

Any surplus monies available after all payments have been made shall be carried forward within the fund to the next fiscal year.

ARTICLE VI

Timing of payments.

A person who qualifies for payment under this program shall be mailed a check for the benefit amount for which he/she is eligible under Section II (E) no later than 30 days from the date of Council approval of the applications for the year in which participation is sought.

ARTICLE VII

One applicant per household.

Only one qualifying applicant per household shall be entitled to payment under this program each year. Eligibility shall be determined based on total household income. The right to file an application under this article is personal to the applicant and does not survive the applicant's death, but the right may be exercised on behalf of an applicant by the applicant's legal guardian or attorney in fact. If an applicant dies after having filed a timely complete application that results in a determination of qualification, the amount determined by the Assessor shall be disbursed to another member of the household as determined by the Assessor. If the applicant was the only member of a household, then no payment shall be made under this article.

