

**TOWN OF CAPE ELIZABETH
PROPERTY TAX ASSISTANCE ORDINANCE – (DRAFT)**

Sec. 1. Purpose

The purpose of this Ordinance is to establish a program to provide property tax assistance to persons 65 years of age and over who reside in the Town of Cape Elizabeth.

Sec. 2. Definitions

Homestead: A homestead is a dwelling owned or rented by the person seeking tax assistance under this Ordinance or held in a revocable living trust for the benefit of that person. The dwelling must be occupied by that person as a home.

Qualifying applicant: A qualifying applicant is a person who is determined by the Tax Assessor or her/his designee, after review of a complete application submitted under Section 54 of this Ordinance, to be eligible for a payment under the terms of this Ordinance.

Sec. 3. Creation of the Program Fund

The Town Council may annually appropriate funds for the Senior Tax Relief Program. The Assessor shall determine the total amount of property tax relief sought by qualified applicants. The Tax Assessor shall then align the total funds appropriated with the total amount of qualified applications as follows:~~The Program Fund from which payments shall be made under the terms of this Ordinance shall be managed as follows:~~

1. Fund Surplus

In the event that funds appropriated by the Town Council are more than the amount for which applicants are eligible under the terms of this ordinance, then~~As funds are available, the Town Council shall annually appropriate monies from the general fund or other sources to support this program.~~ surplus monies available, after all payments have been made, shall revert to the Property Tax Assistance Reserve Account. Funds will be used the following fiscal year if approved by the Town Council.

2. Fund Deficit

In the event that funds appropriated by the Town Council are less than the amount for which applicants are eligible under the terms of this ordinance, then funds shall be proportionally disbursed.~~The Assessor shall determine the total amount of property tax relief sought by qualified applicants. The Tax Assessor shall calculate a difference ratio between the fund appropriation and the total amount of tax relief sought of qualified applications. This ratio shall be used to adjust each individual benefit for qualified applicants. In the event that a lack of funding results in no payment or less than the full payment to a qualifying applicant, the difference in partial payment will not carry over to the next year~~

Sec. 43. Criteria for Participation

In order to participate in the Property Tax Assistance Program, an applicant shall demonstrate all of the following:

a. The applicant shall be 65 years of age or more by last day on which an application may be filed under Section 4 of this Ordinance.

b. The applicant shall have been a resident of the Town of Cape Elizabeth with a Homestead therein for the ten years immediately preceding the last day on which an application may be filed under Section 4 of this Ordinance.

c. The applicant shall have a **HOMESTEAD EXEMPTION** benefit, in accordance with Title 36 M. R.S. Sec. 681-689, already established on the property.

d. The federal adjusted gross income of the applicant and any other adult members of the applicant's household combined (total household income) does not exceed \$60,000.

e. Payment of the immediately preceding fiscal year property taxes have been paid in full for the subject property.

Sec. 54. Application and Payment Procedures

Persons seeking to participate in the Property Tax Assistance Program shall submit an application due to the Tax Assessor no later than February 15, 2019. Starting July 1, 2019, all applications are due by November 15th of that year. The Tax Assessor shall provide an application form for the program, which shall include the applicant's name, homestead address and contact information.

At the time of application, applicants must provide adequate evidence of eligibility. The Assessor may accept a statement under oath. No confidential income records, including tax returns, will be kept by the Town. The Tax Assessor shall review and determine if the application is complete and accurate and if the applicant is eligible to participate in the Program. The Tax Assessor shall notify an applicant if an application is determined to be incomplete. The Tax Assessor's decision on eligibility to participate in the Program shall be final.

Sec. 65. Determination of eligibility and amount of eligibility

1. Eligibility for Homeowners

If the Tax Assessor determines that the applicant is eligible to participate in the Program, he/she shall determine the amount of the benefit paid. The amount shall be the least of the following:

1. Eligibility for Homeowners

a. The amount, if any, by which the taxes assessed for fiscal year of the Town beginning on July 1 of the preceding calendar year exceeds 5% of the federal adjusted gross income of the applicant and any other adult members of the applicant's household combined (total household income); or

b. A pro-rata share of the available monies in the Program Fund, including any amount in the Property Tax Assistance Reserve Account, allocated based on the amount of the refunds determined under sub-section a for all eligible applicants; or

c. \$500.00.

In the case of applicants who did not file federal income tax returns, the Tax Assessor, upon presentation of adequate information returns and other information, shall calculate the federal adjusted gross income.

2. Eligibility for Renters

a. The amount, if any, by which the taxes assessed for fiscal year of the Town beginning on July 1 of the preceding calendar year exceeds 18% of the federal adjusted gross income of the applicant and any other adult members of the applicant's household combined (total household income). In the case of renters, the tax assessed for purposes of Section 5.1.a shall be deemed to be 18% of the rent payable from own funds by applicant, and any other adult members of applicant's household combined (total household income, in the preceding calendar year). The Tax Assessor, upon presentation of adequate documents and other information,

shall determine the amount of rent, which shall include rent paid from own funds by the applicant, and any other adult members of the applicant's household combined (total household income) in the preceding calendar year.

b. A pro-rata share of the available monies in the Program Fund, including any amount in the Property Tax Assistance Reserve Account, allocated based on the amount of the refunds determined under sub-section a for all eligible applicants; or

c. \$500.00.

Sec. 6. Annual Report to the Town Council

~~The Tax Assessor shall report in writing to the Town Council no later than December 31st of each year the projected payments, number of eligible applicants requesting assistance for the program fund, and any surplus or shortage of program funds as describe in Sec. 8.~~

Sec. 7. Reserved

Sec. 8. Creation of the Program Fund

~~The Town Council may annually appropriate funds for the Senior Tax Relief Program. The Program Fund from which payments shall be made under the terms of this Ordinance shall be created as follows:~~

~~1. Fund Surplus~~

~~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 revert to the Property Tax Assistance Reserve Account.~~

~~2. Fund Deficit~~

~~In the event that funds appropriated by the Town Council are less than the amount for which applicants are eligible under the terms of this ordinance, then funds shall be proportionally disbursed as follows: The Assessor shall determine the total amount of property tax relief sought by qualified applicants. If this amount exceeds the Town Council appropriation, then a difference ratio shall be determined. This ratio shall be used to adjust each individual benefit for qualified applicants. In the event that a lack of funding results in no payment or less than the full payment to a qualifying applicant, the difference in partial payment will not carry over to the next year~~

Sec. 79. Timing of Payments

A person who qualifies for payment under this Program shall be mailed a check for the full amount no later than March 15th for the year in which participation is sought.

Sec. 810. Limitations upon payments

Only one qualifying applicant per household shall be entitled to payment under this Program each year. The right to file an application under this Ordinance 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 Tax Assessor shall be disbursed to another member of the household as determined by the Town Assessor in consultation with the Town Manager. If the applicant was the only member of a household, then no payment shall be made under this Ordinance.

Sec. 9. Annual Report to the Town Council

The Tax Assessor shall report in writing to the Town Council no later than December 31st of each year the projected payments, number of eligible applicants requesting assistance for the program fund, and any surplus or shortage of program funds as described in Sec. 3.