

# DRAFT

## (March 14, 2025)

### Chapter 149

### Taxation

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#### Article II      Senior Property Tax Assistance

##### § 149-3      Purpose and Authority.

This Article is adopted pursuant to 36 M.R.S. § 6232. The purpose of this Article is to establish a program to provide property tax assistance to persons 70 years of age and over who reside in the town of Casco, and who otherwise qualify as set forth herein.

##### § 149-4      Definitions.

As used in this Article, the following terms shall be defined as follows:

**Assistance Payment:** The benefit amount to which an eligible participant is entitled, as determined in § 149-6 of this Article.

**Benefit Base:** The amount equal to each applicant's property taxes paid during the previous tax year on the applicant's homestead or rent constituting property taxes paid by the applicant during the previous tax year.

**Homestead:** "Homestead," as that term is defined in 36 M.R.S. § 681(2), as amended. Generally, and without limiting the foregoing, a homestead is a dwelling owned or rented by the applicant or held in a revocable trust for the benefit of the applicant. The applicant must reside in the homestead at least 9 months of each calendar year.

**Household Income:** "Income," as defined in 36 M.R.S. § 5219-KK(1)(D), as amended or recodified.

**Qualifying Applicant:** A person who is determined by the Town Manager or their designee, after review of the criteria for participation under § 149-4 of this Article and a complete application under § 149-5 of this Article, to be eligible for an assistance payment under the terms of this Article.

**Rent Constituting Property Tax:** "Rent constituting property taxes," as defined in 36 M.R.S. § 5219-KK(1)(E), as amended. Generally, and without limiting the foregoing, rent constituting property taxes is equal to 15% of the gross rent actually paid in cash or its equivalent during the tax year solely for the right of occupancy of a homestead in the State of Maine. For purposes of this definition, "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.

#### **§ 149-4            Criteria for Participation.**

In order to participate in the Senior Property Tax Assistance Program and be eligible to receive an assistance payment hereunder, an applicant must demonstrate all of the following:

- A.        The applicant shall be 70 years of age or older at the time of application.
- B.        If the applicant is a property owner (rather than a renter), they shall have a homestead in the town of Casco at the time of application, and shall have maintained that homestead for at least 10 consecutive tax years prior to the date of application.
- C.        If the applicant is a renter, the renter shall have been a resident of the Town of Casco for at least 10 consecutive tax years prior to the date of application.
- D.        A property owner applicant shall own no more than one residential property at the time of application and throughout their participation in the Senior Property Tax Assistance Program. A rental applicant shall not own any residential property at the time of application and throughout their participation in the Senior Property Tax Assistance Program.
- E.        The applicant must demonstrate that they have received a tax credit under the provisions of the State of Maine Property Tax Fairness Credit Program, in accordance with 36 M.R.S. § 5219-KK, as may be amended from time to time.

#### **§ 149-5            Application and Payment Procedures.**

- A.        Persons seeking to participate in the Senior Property Tax Assistance Program shall submit an application to the Town Manager no later than May 15 of each year. A new application must be submitted each year in order for the applicant to continue to participate. The application form shall be made available upon request in the Town Office and shall include, at a minimum, the applicant's name, address, and contact information. To the application form, applicants shall attach proof of household income and proof of property taxes paid or rent constituting property taxes paid during the preceding tax year. Applicants who do not file an income tax return but receive Social Security benefits must submit their SSA-1099 form with the application.
- B.        The Town Manager or their designee shall review the submitted application and determine if it is complete. If the application is deemed not to be complete then the applicant shall be alerted and given 10 business days to submit any additional required documentation. Failure to submit such documentation in a timely manner may lead to the application being denied.
- C.        The Town Manager or their designee shall review every complete application and determine whether the applicant have demonstrated compliance with all

requirements of this Article. The Town Manager's determination of eligibility under this Article is final.

**§ 149-6      Determination of Eligibility and Amount.**

**A.**      Upon determination of eligibility, the Town Manager shall determine the amount of the assistance payment available to the applicant. The amount of assistance is designed to provide greater benefits to applicants with lower income in relation to their benefit base. Eligible applicants will receive an assistance payment equal to the lesser of:

1.      The amount of benefit calculated under Subsection B, below;
2.      A pro rata share of available monies in the Program Fund established in § 149-8 of this Article, based on the calculated amount of benefit; and
3.      Property taxes paid or rent constituting property taxes paid, less the amount received by the applicant under the State of Maine Property Tax Fairness Program.

**B.**      Eligible applicants may qualify for an assistance payment based on a calculation of the applicant's benefit base as a percentage of their household income under the following formula:

[(benefit base/household income) x 100 = benefit base as percentage of household income.]

The table below lists the benefits that correspond with the benefit base a percentage of household income.

<b><u>Benefit Base as Percentage of Household Income</u></b>	<b><u>Assistance Payment Amount</u></b>
<u>8% - 12%</u>	<u>\$100.00</u>
<u>12.01% - 16%</u>	<u>\$200.00</u>
<u>16.01% - 20%</u>	<u>\$300.00</u>
<u>20.01% - 24%</u>	<u>\$400.00</u>
<u>24.01% and over</u>	<u>\$500.00</u>

**§ 149-7      Limitations on Payments**

**A.**      The Town Manager shall report to the Selectboard by August 1 of each year the projected payments and number of eligible applicants requesting assistance from the program fund.

**B.**      Disbursal of assistance 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 § 149-6, payments shall be limited to the amounts available in the fund and may be prorated accordingly. If a lack of funding results in no payment or less than full payment to the qualifying applicant, the request and/or unpaid balance will not carry over to the next year.

#### **§ 149-8            Creation of Program Fund**

A program fund from which payments shall be made under this Article shall be created as follows:

- A.        Town Meeting may annually raise and appropriate funds to the program fund, in order to provide benefits to eligible applicants under this Article.
- B.        The program fund shall be considered a reserve account, and any surplus monies existing at the end of each fiscal year shall remain in the program fund and shall not lapse into unassigned fund balance.

#### **§ 149-9            Timing of Payments**

A person who qualifies for an assistance payment under this Article shall have their benefit applied to their outstanding real estate taxes no later than October 1 for the year in which participation is sought.

#### **§ 149-10          One Applicant Per Household**

Only one qualifying applicant per household shall be entitled to payment under this Article 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 Town Manager shall be disbursed to another member of the household as determined by the Town Manager. If the applicant was the only member of a household, then no payment shall be made under this Article.