

## ARTICLE I

**Property Tax Assistance**

**[Adopted 10-10-2017 by Order 17-173 (Ch. 121 of the 1991 Code); amended 8-10-2021; 4-26-2022 by Order 22-070]**

**§ 209-1. 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 Windham. Under this program, the Town of Windham will provide refund payments to those individuals who maintain a homestead in the Town of Windham and meet the criteria established by this article.

**§ 209-2. Definitions.**

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

**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 not exceeding \$3,225.<sup>1</sup>

**HOMESTEAD** — For purposes of this article, "homestead" shall have the same meaning as defined in 36 M.R.S.A. § 5219-KK, Subdivision 1C. 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 dwelling must be occupied by that person and that person's dependents as a home.

**QUALIFYING APPLICANT** — A person who is determined by the Town Manager or his designee, after review of a complete application under § 209-4 of this chapter, to be eligible for a refund payment under the terms of this article.

**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.

**§ 209-3. 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 at the time of application.
- B. The applicant shall have a homestead in the Town of Windham at the time of the application and for the entire year prior to the date of application.

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1. The benefit base not-to-exceed amount is calculated annually and is based on the Windham median single-family home assessed value at the annual tax mil rate for the prior tax year. The stated not-to-exceed amount is based on tax year 2017-2018, which had a median single-family home assessed value of \$196,100 and tax rate of \$16.43 per \$1,000 of assessed value.

- C. The applicant has been a resident of the Town of Windham for at least 10 years immediately preceding the date of application for participation in the program.
- D. The applicant shall meet the application and eligibility criteria set forth in §§ 209-4 and 209-5 of this chapter.
- E. Applicants that are 100% disabled, with Social Security Administration verification, who meet the property tax assistance requirements excluding age, shall be eligible.

#### **§ 209-4. Application and payment procedures.**

- A. Persons seeking to participate in the property tax assistance program shall submit an application to the Town Manager 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 Manager'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.
- B. 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 Windham.
- C. The Town Manager 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 Manager shall notify an applicant if an application is determined to be incomplete. The Town Manager's decision on eligibility to participate in the program shall be final.

#### **§ 209-5. Determination of eligibility and amount.**

- A. If the Town Manager determines that the applicant is eligible to participate in the program, he shall determine the total amount of such eligibility in accordance with the following formula. Eligibility under this article shall be proportional to the applicant's income in relation to the applicant's benefit base. For purposes of calculating eligibility under this article, the applicant's income shall include total household income, and the benefit base shall not exceed \$3,225,<sup>2</sup> regardless of actual property taxes accrued or rent constituting property taxes accrued. Applicants with household income greater than an amount equal to 50% of the current U.S. Department of Housing and Urban Development metropolitan area median family income shall not be eligible for benefits under this article. Notwithstanding the following formulas, the maximum benefit allowed under this article shall be \$700.
- B. Eligibility shall be the lesser of the following amounts:
  - (1) Fifty percent of the amount by which the benefit base (taxes paid not to exceed \$3,225<sup>3</sup>) exceeds 4% of the applicant's household income (not to exceed 50% of the current HUD MFI for the Portland metropolitan area).<sup>4</sup>

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2. This amount is calculated annually. See § 209-2, Definitions.

3. This amount is calculated annually. See § 209-2, Definitions.

4. To demonstrate, the fiscal year 2017-2018 HUD median family income (MFI) for the Portland, Maine, HUD Metro FMR area was \$90,100, which would make the maximum income limit for eligibility \$45,050.

- (2) (Benefit base - 4% of Income)/2 = Benefit Amount.
- (3) An amount proportional to the available monies as approved by the Town Council in the Town's annual budget and the applications received for that application year, calculated as a percentage of the benefit amount for which the applicant is eligible in § 209-5A.

#### **§ 209-6. Limitations on payments.**

- A. The Town Manager shall report to the Town Council for its approval at its second meeting in August each year the projected payments and number of eligible applicants requesting assistance from the program fund.
- B. Payments under this article shall be conditioned upon the existence of sufficient monies in the program fund 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, payments shall be limited to the amounts available in the fund. In the event that a lack of funding results in no payment or less than the full payment to a qualifying applicant, the request will not carry over to the next year.

#### **§ 209-7. Creation of program fund.**

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

- A. As funds are available, the Town Council shall annually appropriate monies from the general fund or other sources to support this program.
- B. Any surplus monies available after all payments have been made shall be carried forward within the fund to the next fiscal year.

#### **§ 209-8. 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 § 209-5 no later than 14 days from the date of Council approval of the applications for the year in which participation is sought.

#### **§ 209-9. 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 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.