

Town of Bridgton

Senior Tax Assistance Ordinance

Senior Property Tax Assistance

1.1 Purpose.

The purpose of this ordinance is to establish a program to provide property tax assistance to persons 70 years of age and over who have resided in the Town of Bridgton for at least twenty (20) continuous years. Under this program, the Town of Bridgton will provide refund payments to those individuals who maintain a homestead in the Town of Bridgton and meet the criteria established by this ordinance.

1.2 Definitions.

As used in this ordinance, 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.

HOMESTEAD

For purposes of this ordinance, "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 ordinance 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.

INCOME

Total household income as determined by the total (gross) income reported on the applicant's most recent federal income tax return (line 22 of Form 1040; line 15 of Form 1040A; line four of Form 1040EZ), plus the total (gross) 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 items:

- A. Compensation for services, including wages, salaries, tips, fees, commissions, fringe benefits and similar items;
- B. Gross income derived from business;
- C. Gains derived from dealings in property (capital or other);
- D. Interest;

- E. Rents from real estate;
- F. Royalties;
- G. Dividends;
- H. Alimony and separate maintenance payments received;
- I. Annuities;
- J. Pensions;
- K. Income from discharge of indebtedness;
- L. Distributive share of partnership gross income;
- M. Income from an interest in an estate or trust;
- N. IRA distributions;
- O. Unemployment compensation; and
- P. Social security benefits.

QUALIFYING APPLICANT

A person who is determined by the Town Manager or his designee, after review of a complete application under § 1.4 of this ordinance, to be eligible for a refund payment under the terms of this ordinance.

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 ordinance, "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.

1.3 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 70 years of age or more at the time of application.
- B. The applicant shall have a homestead in the Town of Bridgton at the time of the application and for the entire year prior to the date of application.
- C. The applicant has been a resident of the Town of Bridgton for at least twenty (20) continuous 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 §§1.4 and 1.5 of this ordinance.

1.4 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 Bridgton.
- C. The Town Manager, or his 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 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.

1.5 Determination of eligibility and amount.

- A. Eligibility under this ordinance 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 80% of the current United States Department of Housing and Urban Development metropolitan area median family income shall not be eligible for benefits under this ordinance. 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 \$750:
 - (1) The total amount of any increase to the applicant's benefit base from the most recent tax year to the current tax year; and
 - (2) Benefits based on a calculation of the applicant's benefit base as a percentage of their income [(Benefit/Income) x 100 = Benefit base as percent of income.]
 - (a) If the benefit base as a percent of income is greater than 10%, the applicant will receive \$350;
 - (b) If the benefit base as a percent of income is 8% to 10% of income, the applicant will receive \$250;
 - (c) If the benefit base as a percent of income is 6% to 7% of income, the applicant will receive \$150;
 - (d) If the benefit base as a percent of income is 5% or less, the applicant will receive \$50.

1.6 Limitations on payments.

- A. The Town Manager shall report to the Board of Selectmen for its approval at its first meeting in September each year the projected payments and number of eligible applicants requesting assistance from the program fund.
- B. Payments under this ordinance 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 ordinance per the calculations set forth in § 1.5, 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.

1.7 Creation of program fund.

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

- A. The Board of Selectmen, pursuant to the Town of Bridgton's Reserve Accounts Policy (approved 04/15/15 as amended), shall establish the Senior Property Tax Assistance Reserve.
- B. An appropriation for funding the program shall appear as a Warrant Ordinance for approval at the Annual Town Meeting.

1.8 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 § 1.5 no later than 14 days from the date of Board of Selectmen approval of the applications for the year in which participation is sought.

1.9 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 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 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 ordinance.