

**CHAPTER 305**  
**SENIOR PROPERTY TAX ASSISTANCE**  
**TOWN OF GRAY MAINE**

*Adopted January 21, 2020, Effective February 20, 2020*

*Amended March 15, 2022, Effective April 15, 2022*

**SECTION 305.1 —PURPOSE**

This chapter is adopted pursuant to the authority vested in the legislative body of a municipality by 36 M.R.S. § 6232. The purpose of this chapter is to establish a program to provide property tax assistance to persons sixty-five (65) years of age and over who reside in the Town of Gray. Under this program, the Town of Gray will provide assistance payments to those individuals who maintain a homestead in the Town of Gray and meet the criteria established by this chapter.

**SECTION 305.2 —DEFINITIONS**

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

**ASSISTANCE PAYMENT:** The benefit amount to which a program participant is entitled, as determined pursuant to Section 5 of this chapter.

**BENEFIT BASE:** The Town Assessor will establish each applicant's benefit base for the program year, which shall be equal to either the, 1) property taxes paid by the applicant during the tax year on the applicant's homestead, or 2) rent constituting property taxes paid by the applicant during the tax year on his/her homestead.

**HOMESTEAD:** For purposes of this chapter, "homestead" shall have the same meaning as defined in 36 M.R.S.A. § 5219-KK(1)(C), as amended. Generally, and without limiting the foregoing, a homestead is a dwelling owned or rented by the person seeking tax assistance under this chapter 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.

**HOUSEHOLD INCOME:** Total household income shall have the same meaning as defined in 26 M.R.S. § 5219-KK(1)(D), as amended. Generally, and without limiting the foregoing, total household income is determined by the total adjusted gross income reported on the applicant's most recent federal income tax return, plus the total adjusted gross income of each additional adult member of the household if filing separately. If the applicant and/or any family member of the household does not file a federal income tax return, household income shall be the cumulative amount of income received by the applicant and each additional family member of the household from whatever source derived, including but not limited to those sources of income listed in 26 U.S.C. § 61, as amended, and as adjusted by 26 M.R.S. § 5219-KK(1)(D).

**QUALIFYING APPLICANT:** A person who is determined by the Town Manager or his designee, after review of the criteria for participation under § 3 and a complete application under § 4 of this chapter, to be eligible for an assistance payment under the terms of this chapter.

**RENT CONSTITUTING PROPERTY TAX:** Fifteen percent (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. For the purposes of this chapter, "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.

### **SECTION 305.3 — 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 older at the time of application.
- B. If the applicant is the property owner, they shall have a homestead in the Town of Gray at the time of the application and for the entire year prior to the date of application.
- C. Rental applicants shall provide a copy of their lease or rental agreement.
- D. The applicant has been a resident of the Town of Gray for at least 10 years immediately preceding the date of application for participation in the Program.
- E. A property owner applicant shall own no more than one residential property at the time of application. A rental applicant shall own no real residential property at the time of application.
- F. The applicant shall meet the application and eligibility criteria set forth in §§ 4 and 5 of this chapter.

### **SECTION 305.4 — APPLICATION AND PAYMENT PROCEDURES**

- A. The Town will accept applications to the program from January 1 to February 15 each year for participation in the program for the upcoming tax year.
- B. Persons seeking to participate in the property tax assistance program shall submit an application to the Town Manager no later than February 15 of the year for which the assistance payment 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.
- C. 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 Gray.
- D. The Town Manager or his/her 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 or designee 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.

### **SECTION 305.5 — DETERMINATION OF ELIGIBILITY AND AMOUNT**

- A. If the Town Manager or designee determines that the applicant has met all of the criteria for participation set forth in Section 3 and the application procedures set forth in Section 4, he/she shall determine the total amount of the assistance payment to be awarded to the applicant in accordance with the formula set forth in subsection E of this Section 5 and subject to the limitations of subsections B, C and D of this Section 5.

- B. An assistance payment under this chapter shall be proportional to the applicant's income in relation to the applicant's benefit base according to the formula set forth in subsection E of this Section 5.
- C. For purposes of calculating an assistance payment under this chapter, the applicant's income shall include total household income. Applicants with household income greater than an amount equal to 50% of the current U.S. Department of Housing and Urban Development Portland, Maine Metropolitan Area median family income shall not be eligible for an assistance payment under this chapter. (For example, the 2020 HUD median family income (MFI) for the Portland Metropolitan Area for a household with two residents is \$80,720, which would make the maximum income limit for eligibility \$40,360.)
- D. If the applicant's benefit base exceeds the amount of property taxes that would be assessed against a home in the Town of Gray at the median home price reported by the Maine State Housing Authority for the prior calendar year, based on the current mil rate of the Town of Gray, the applicant is not eligible for an assistance payment under this chapter.
- E. Notwithstanding the following formulas, the maximum assistance payment allowed under this chapter shall be \$500. The assistance payment shall be the lesser of the following amounts:
  - 1. Fifty percent (50%) of the amount by which the applicant's benefit base exceeds 5% of the applicant's household income.  $(\text{Benefit Base} - 5\% \text{ of Household Income}) / 2 = \text{assistance payment}$
  - 2. An amount proportional to the available monies as approved by the Town Council in the Town's annual budget and the assistance payments calculated for each application received for that tax year, calculated as a percentage of the assistance payment for which the applicant is eligible in § 5(E)(1).

#### **SECTION 305.6 — LIMITATIONS ON PAYMENTS**

- A. The Town Manager shall report to the Town Council for its approval each year the projected payments and number of eligible applicants requesting assistance from the program fund. This report shall be no later than at its second meeting following the February 15 application deadline.
- B. Payments under this chapter 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 chapter, 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 the full payment to a qualifying applicant, the request will not carry over to the next year.

#### **SECTION 305.7 — CREATION OF PROGRAM FUND**

The program fund from which payments shall be made under the terms of this chapter 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.
- C. Any additional funds that may be received by dedication, gift, donation, or by supplemental appropriation as may be approved.

## **SECTION 305.8 — TIMING OF PAYMENTS**

Property owners who qualify for payment under this program shall receive a credit on their real estate taxes. Renters shall be mailed a check for the benefit amount for which they are eligible under § 5 no later than fourteen (14) days from the date of Council approval of the applications for the year in which participation is sought.

## **SECTION 305.9 — ONE APPLICANT PER HOUSEHOLD**

Only one application per household shall be entitled to payment under this program each year. Credits will be given to the property owners on record, or checks will be drafted to the order of the tenants on the lease. The right to file an application under this chapter 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 chapter.