

# FY25 Budget Considerations

**Please Note: For Illustrative Purposes ONLY**

*Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)*

## **Town Council Finance Committee Meeting**

Thursday, February 8, 2024

Materials Include Information &/or Estimated Modeling Illustrations on the following:

- ~ Net Budget Change References
- ~ Tax Rate Computation Considerations
- ~ Potential Commercial to Residential "Shift" Modeling
- ~ State Senior Property Tax Stabilization Program: Impact Modeling
- ~ Local Senior Property Tax Assistance Program Information

# **FY25 Budget Considerations**

**Town Council Finance Committee Meeting**

Thursday, February 8, 2024

## **Net Budget Change References**

*Section 1 of 5*

FY25 Budget Goal Data

**Net Budget Increase if Following Town Policy**

(Est. Valuation Growth at 90% of Prior Year's Growth)

- AND -

**Tax Rate Change = 3% Increase**

Fiscal Year	Total Town Valuation	Total Net Budget	Tax Rate	Rate/\$1,000	Tax Rate Change	Tax Rate % Change
2023	\$4,988,176,876	\$76,768,042	0.01539	\$15.39		
2024	\$5,142,583,176	\$82,127,053	0.01597	\$15.97	\$0.58	3.77%

Prior Year Growth ->	\$154,406,300
X .90 ->	\$138,965,670

<b>Council Policy Est.</b> <i>Prior Year Total, plus 90% of Prior Year Growth</i>	2025	\$5,281,548,846	\$86,881,479	0.01645	\$16.45	\$0.48	<b>3.00%</b>
--	------	-----------------	--------------	---------	---------	--------	--------------

Amount of Net Budget Increase to equal 3% Tax Rate Increase	<b>\$4,754,426</b>
--	--------------------

Net Budget % Increase	<b>5.47%</b>
-----------------------	--------------

Note: if 5% Net Budget Increase, Total = \$86,233,406 and Increase = \$4,106,353

*FY25 Budget Goal Data*

**Average Net Budget Increase in the Past 5 Years**

<b>Fiscal Year</b>	<b>Taxable Valuation</b>	<b>% Change in Valuation</b>	<b>Tax Rate/1000</b>	<b>% Change in Tax Rate</b>	<b>Total Tax Levy</b>	<b>% Change in Annual Net Budget</b>
2020	\$4,696,461,376	17.05%	14.70	-10.86%	\$69,037,982	4.35%
2021	\$4,727,230,976	0.66%	14.86	1.09%	\$70,246,652	1.75%
2022	\$4,845,682,776	2.51%	15.02	1.08%	\$72,782,155	3.61%
2023	\$4,988,176,876	2.94%	15.39	2.46%	\$76,768,042	5.48%
2024	\$5,142,583,176	3.10%	15.97	3.77%	\$82,127,053	6.98%

**4.43%**

5 Year Average



# **FY25 Budget Considerations**

**Town Council Finance Committee Meeting**

Thursday, February 8, 2024

## **Tax Rate Computation Considerations**

*Section 2 of 5*

## Final FY24 Tax Rate Computation

### Tax Commitment 8-16-2023

	2023 Budget	2024 Budget	
<b>Municipal Gross</b>	41,592,968	42,987,850	3.4%
Less: Debt Revenues	(932,164)	(708,503)	-24.0%
Less: TIF Revenues	(1,567,998)	(928,491)	-40.8%
Less: TIF Revenues for Operating	(297,914)	(284,512)	-4.5%
Less: Revenues	(17,199,803)	(18,255,592)	6.1%
Total Municipal - Revenues	<b>(19,997,879)</b>	<b>(20,177,098)</b>	0.9%
<b>Municipal (Net Appropriation)</b>	<b>21,595,089</b>	<b>22,810,752</b>	5.6%
<b>Education Gross</b>	58,801,486	62,052,141	5.5%
Less: Revenues	<b>(6,851,528)</b>	<b>(7,792,838)</b>	13.7%
<b>Education (Net)</b>	<b>51,949,958</b>	<b>54,259,303</b>	4.4%
<b>Adult Learning</b>	184,370	183,149	-0.7%
Less: Revenues	<b>(104,370)</b>	<b>(120,738)</b>	15.7%
<b>Adult Learning (Net)</b>	<b>80,000</b>	<b>62,411</b>	-22.0%
<b>Food Services</b>	2,041,000	2,313,735	13.4%
Less: Revenues	<b>(2,041,000)</b>	<b>(2,313,735)</b>	13.4%
<b>Food Service (Net)</b>	-	-	0.0%
Municipal Capital Program	8,264,872	6,904,300	-16.5%
School Capital Program	2,313,283	140,456,583	5971.7%
Total Capital Projects - Gross	<b>10,578,155</b>	<b>147,360,883</b>	1293.1%
Less: Revenues			
Municipal Capital Program Revenues	(440,319)	(965,000)	119.2%
Recreation Reserve	-	(300,000)	100.0%
Working Waterfront Reserve	-	(50,000)	
Town Bond Revenues	(5,288,010)	(3,479,800)	-34.2%
ARPA Revenues	(1,755,608)	-	-100.0%
Downtown TIF	(130,000)	(885,000)	580.8%
Municipal Capital Reserve Use	(17,435)	-	-100.0%
School Capital Reserve Use	(199,000)	(405,783)	103.9%
School Bond Revenues	(1,489,283)	(139,047,700)	9236.6%
Total C.I.P. - Revenues	<b>(9,319,655)</b>	<b>(145,133,283)</b>	1457.3%
<b>Capital (Net Appropriation)</b>	<b>1,258,500</b>	<b>2,227,600</b>	77.0%
<b>Total Townwide Operating Budgets</b>	<b>74,883,547</b>	<b>79,360,066</b>	6.0%
County Assessment	3,119,411	3,193,206	2.4%
6 month County Assessment transition (Year 1 of 5)	-	287,875	100.0%
Overlay	333,958	256,425	-23.2%
Tax Increment Financing Districts	2,019,728	3,347,632	65.7%
Credit Enhancement Agreements	1,525,197	1,411,477	-7.5%
Resident Senior Property Tax Relief Fund	340,000	320,000	-5.9%
Capital Equipment Reserve	-	-	0.0%
Homestead Exemption Reimbursement	(1,490,804)	(1,554,641)	4.3%
Business Equipment Tax Exemption (BETE)	(827,989)	(866,808)	4.7%
State Municipal Revenue Sharing (Estimate)	(3,135,000)	(3,628,179)	15.7%
<b>Total Net Budget</b>	<b>76,768,048</b>	<b>82,127,053</b>	7.0%

	<u>Fiscal Year</u>	<u>Taxable Value</u>	<u>Net Budget</u>	<u>Tax Rate</u>	<u>Rate/\$1,000</u>	<u>Change</u>	<u>% Change</u>
<b>Actual</b>	2024	\$5,142,583,176	\$82,127,053	\$0.01597	\$15.97	\$0.58	3.77%
	2023	\$4,988,176,876	\$76,768,042	\$0.01539	\$15.39		

## FY25 Budget Considerations

~ Tax Rate Computation Outlook ~

**For Illustrative Purposes ONLY**

Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)

## OVERLAY

Budget Consideration	FY 24 Actual	FY 25 <i>Est. If No Reval</i>	FY 25 <i>Est. With Reval</i>	Details
Overlay	\$256,425	Same or Reduce: ≤ \$256 k	Increase: > \$256 k	<p>More abatements expected 1-2 years directly following Revaluations.</p> <p>Via careful review and pre-Commitment hearings with owners, the Assessor will aim to minimize exposure/issues requiring abatements, but they are still likely to occur significantly more than in a non-reval year.</p> <p>Totals of Abatements &amp; Mediated Settlements from Prior Reval:</p> <p>2018: \$658,000 2019: \$738,000 Total: \$1,396,000</p>

## FY25 Budget Considerations

~ Tax Rate Computation Outlook ~

**For Illustrative Purposes ONLY**

Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)

## TIFs & CEAs

Budget Consideration	FY 24 Actual	FY 25 <i>Est. If No Reval</i>	FY 25 <i>Est. With Reval</i>	Details
TIFs	\$3,347,632	Increase: No Reval Impact	Increase: No Reval Impact	<p>TIFs = Revenue from Captured New Value <u>Retained by the Town</u></p> <p>There is new development &amp; value created in TIF districts YoY, so the amount of captured TIF funds is projected to increase each year.</p> <p>The Reval is not expected to impact this number. Although values will increase the Tax Rate will decrease, so TIF funds would be approx. the same whether or not there was a Reval.</p> <p><b>Net Neutral:</b></p> <p>If all captured Town TIF revenues can be used to pay for allowable budget expenditures, it is possible for TIFs to have no Net effect on the budget</p>
CEAs	\$1,411,477	Increase: No Reval Impact	Increase: No Reval Impact	<p>CEAs = Revenue from Captured New Value in TIFs <u>to Developer(s)</u></p> <p>There is new development &amp; value created in TIF districts YoY, so the amount of captured TIF funds (and thus CEA funds) is projected to increase each year.</p> <p>The Reval is not expected to impact this number. Although values will increase the Tax Rate will decrease, so CEA funds would be approx. the same whether or not there was a Reval.</p>

## FY25 Budget Considerations

~ Tax Rate Computation Outlook ~

**For Illustrative Purposes ONLY**

*Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)*

## Homestead & BETE Reimbursements

Budget Consideration	FY 24 Actual	FY 25 <i>Est. If No Reval</i>	FY 25 <i>Est. With Reval</i>	Details
Homestead Reimbursement	\$1,554,641	Decrease: \$1,340,024	Decrease: \$1,125,465	FY24: $(23,500 \times 5,456) \times 0.01597 \times .76^* = 1,556,183$ (but 33 accts < 23,500) FY25-No Reval Rough Est: $(19,500 \times 5,500) \times 0.01644^{**} \times .76 = \$1,340,024$ FY25-w/ Reval Rough Est: $(25,000 \times 5,500) \times 0.01077^{***} \times .76 = \$1,125,465$
BETE Reimbursement	\$866,808	Decrease: \$740,435	Increase: \$888,525	FY24: $(115,483,700 \times .94) \times 0.01597 \times 0.50^* = \$866,808$ FY25-No Reval Rough Est: $(115,483,700 \times .78^{****}) \times 0.01644^{**} \times 0.50 = \$740,435$ FY25-w/ Reval Rough Est: $(165,500,000^{****} \times 100\%) \times 0.01077^{***} \times 0.50 = \$888,525$

### Notes:

- \* State's Fixed Reimbursement Rates (not reval-related): Homestead = .76 & BETE = .50
- \*\* 0.01644 = Est. Tax Rate if No Reval and 3% Tax Rate Increase YoY
- \*\*\* 0.01077 = Rough Est. of Possible Reval Outcome Tax Rate = See "Shift" Modeling Scenario B
- \*\*\*\* 165.5 M = Rough Est. of Possible Reval Outcome for BETE Value
- \*\*\*\*\* .78 = Estimated Certified Ratio if No Reval, which Reimbursements must be adjusted by

# **FY25 Budget Considerations**

**Town Council Finance Committee Meeting**

Thursday, February 8, 2024

## **Modeling of Potential Commercial to Residential "Shift"**

*Section 3 of 5*

	A	B	C	D	E	F	G	H
1	<b>Modeling Exercise Example Template</b>							
2	<i>Actual/Future Results Will Be Dependant Upon Several Currently Unknown Factors (TBD August 2024)</i>							
3								
4	Taxable Assessed Value					Total	Total	
5		Residential	Commercial	Industrial	Personal Prop	Total Taxable	Residential	Non-Residential
7	<b>Actual FY24</b> (4/1/2023)	3,847,211,900	937,189,576	247,722,500	110,459,200	5,142,583,176	3,847,211,900	1,295,371,276
8	% of Total	74.8%	18.2%	4.8%	2.1%		74.8%	25.2%
10	<b>Est. FY25</b> (4/1/2024)	B7 x <b>B15</b>	C7 x <b>C15</b>	D7 x <b>D15</b>	E7 x <b>E15</b>	B10+C10+D10+E10	B10	C10+D10+E10
11	% of Total	B10 / F10	C10 / F10	D10 / F10	E10 / F10			
12								
13								
14						Resulting % of Town Valuation		
15	Avg. % Increase (Assessed Value)	#	#	#	#			
16		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial	
18	Avg % Tax Bill Change, If Net Budget Change equals ____*					G10 / F10	H10 / F10	
19		_____ %	_____ %	_____ %	_____ %			
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								

Figures Needed to Produce Modeling Outcomes

\* \_\_\_\_\_ : Est % Change of Tax Levy (Net Budget: FY24 to FY25)

Avg % Change in Assessed Value for:

Residential : #                      Industrial : #

Commercial : #                      Pers. Prop. : #

**Potential "Shift" - Modeling Exercise Examples**  
**If YoY Net Budget Change in FY25 = 0% or No Change**

**\* For Illustrative Purposes ONLY \***

*Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)*

					Resulting % of Town Valuation	Resulting Mill Rate	Total Town Value	Townwide Assess Change
A	Avg. % Increase (Assessed Value)	60%	50%	50%	20%			
		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial	
	Avg % Tax Bill Change * If 0 % Net Budget Increase	2.0%	-4.4%	-4.4%	-23.5%	76.3%	23.7%	10.18    8.07 B    57%
B	Avg. % Increase (Assessed Value)	60%	45%	45%	20%			
		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial	
	Avg % Tax Bill Change * If 0 % Net Budget Increase	2.8%	-6.9%	-6.9%	-22.9%	76.9%	23.1%	10.26    8.00 B    56%
C	Avg. % Increase (Assessed Value)	60%	40%	40%	20%			
		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial	
	Avg % Tax Bill Change * If 0 % Net Budget Increase	3.5%	-9.4%	-9.4%	-22.3%	77.5%	22.5%	10.33    7.95    55%



**Potential "Shift" - Modeling Exercise Examples**  
*If YoY Net Budget Change in FY25 = 5% Increase*

**\* For Illustrative Purposes ONLY \***

Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)

A	Avg. % Increase (Assessed Value)	60%	50%	50%	20%	Resulting % of Town Valuation		Resulting Mill Rate	Total Town Value	Townwide Assess Change
		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial			
	Avg % Tax Bill Change <i>If 5% Net Budget Increase</i>	7.1%	0.4%	0.4%	-19.7%	76.3%	23.7%	10.69	8.07 B	57%
B	Avg. % Increase (Assessed Value)	60%	45%	45%	20%					
		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial			
	Avg % Tax Bill Change <i>If 5% Net Budget Increase</i>	7.9%	-2.2%	-2.2%	-19.1%	76.9%	23.1%	10.77	8.00 B	56%
C	Avg. % Increase (Assessed Value)	60%	40%	40%	20%					
		Residential	Commercial	Industrial	Personal Prop	Residential	Commercial			
	Avg % Tax Bill Change <i>If 5% Net Budget Increase</i>	8.7%	-4.9%	-4.9%	-18.5%	77.5%	22.5%	10.85	7.95	55%

# **FY25 Budget Considerations**

**Town Council Finance Committee Meeting**

Thursday, February 8, 2024

## **Modeling of State Senior Property Tax Stabilization Program Impact**

*Section 4 of 5*

## FY25 Budget Considerations

~ Other / Misc. ~

### State's Senior Property Tax Stabilization Program

(1-Year Program Only)

~ No Reval Impact ~

Approved Applicants	Total Tax Savings	Average	Median	Range
1,835	\$412,523	\$225	\$207	\$0 - 2,613

*Notes:*

For the majority of Applicants, Savings equated to not experiencing the following:

a) FY24 Tax Rate Increase of 3.77% or 0.58 Mill Rate change (aka .00058 tax rate change)

b) 6% Exemption Reductions (i.e. Homestead from 25,000 to 23,500, or ~ \$23.50)

i.e. \$375,000 [taxable assessed, after Exemptions] x 0.00058 = \$217.50 + \$23.50 = \$241

## FY25 Budget Considerations

~ Other / Misc. ~

**For Illustrative Purposes ONLY**

*Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)*

# State's Senior Property Tax Stabilization Program

Modeling Example/Estimate of Potential FY25 Impact

FY 24 w/ "Freeze"	Assessed Value	Taxable Assessed if 23,500 Homestead	Total FY24 Taxes (0.01597 Rate)	Owner's Taxes Due	State's Portion	YoY % Change of Owner's Tax Bill
	400,000	376,500	\$6,013	\$5,771	\$241	0%

FY 25 If No Reval (Est. ONLY)	Assessed Value	Taxable Assessed if 19,500 Homestead	Tax Rate if 3% Rate Change	Owner's Taxes Due	Owner's Increase Vs. "Freeze" Year	% Change of Owner's Tax Bill
	400,000	380,500	0.01644	\$6,255	\$484	8.39%

FY 25 With Reval (Est. ONLY)	Assessed Value if 60% Increase	Taxable Assessed if 25,000 Homestead	Tax Rate if "B" from "Shift" Model	Owner's Taxes Due	Owner's Increase Vs. "Freeze" Year	% Change of Owner's Tax Bill
	640,000	615,000	0.01077	\$6,624	\$852	14.77%

Example 1 of 3: If 4/1/23 Assessed Value = 400,000

## FY25 Budget Considerations

~ Other / Misc. ~

**For Illustrative Purposes ONLY**

*Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)*

# State's Senior Property Tax Stabilization Program

Modeling Example/Estimate of Potential FY25 Impact

FY 24 w/ "Freeze"	Assessed Value	Taxable Assessed if 23,500 Homestead	Total FY24 Taxes (0.01597 Rate)	Owner's Taxes Due	State's Portion	YoY % Change of Owner's Tax Bill
	300,000	276,500	\$4,416	\$4,232	\$183	0%

FY 25 If No Reval (Est. ONLY)	Assessed Value	Taxable Assessed if 19,500 Homestead	Tax Rate if 3% Rate Change	Owner's Taxes Due	Owner's Increase Vs. "Freeze" Year	% Change of Owner's Tax Bill
	300,000	280,500	0.01644	\$4,611	\$379	8.96%

FY 25 With Reval (Est. ONLY)	Assessed Value if 60% Increase	Taxable Assessed if 25,000 Homestead	Tax Rate if "B" from "Shift" Model	Owner's Taxes Due	Owner's Increase Vs. "Freeze" Year	% Change of Owner's Tax Bill
	480,000	455,000	0.01077	\$4,900	\$668	15.79%

Example 2 of 3: If 4/1/23 Assessed Value = 300,000

## FY25 Budget Considerations

~ Other / Misc. ~

**For Illustrative Purposes ONLY**

*Actual/Future Results Will Be Dependant Upon Several Unknown Factors (TBD August 2024)*

# State's Senior Property Tax Stabilization Program

Modeling Example/Estimate of Potential FY25 Impact

FY 24 w/ "Freeze"	Assessed Value	Taxable Assessed if 23,500 Homestead	Total FY24 Taxes (0.01597 Rate)	Owner's Taxes Due	State's Portion	YoY % Change of Owner's Tax Bill
	600,000	576,500	\$9,207	\$8,849	\$357	0%

FY 25 If No Reval (Est. ONLY)	Assessed Value	Taxable Assessed if 19,500 Homestead	Tax Rate if 3% Rate Change	Owner's Taxes Due	Owner's Increase Vs. "Freeze" Year	% Change of Owner's Tax Bill
	600,000	580,500	0.01644	\$9,543	\$694	7.84%

FY 25 With Reval (Est. ONLY)	Assessed Value if 60% Increase	Taxable Assessed if 25,000 Homestead	Tax Rate if "B" from "Shift" Model	Owner's Taxes Due	Owner's Increase Vs. "Freeze" Year	% Change of Owner's Tax Bill
	960,000	935,000	0.01077	\$10,070	\$1,221	13.79%

Example 3 of 3: If 4/1/23 Assessed Value = 600,000

# **FY25 Budget Considerations**

## **Town Council Finance Committee Meeting**

Thursday, February 8, 2024

### **Local Senior Property Tax Assistance Program**

*Section 5 of 5*

## FY25 Budget Considerations

~ Tax Rate Computation Outlook ~

# Scarborough's Senior PTAP

~ No Reval Impact ~

### FY24 Actual Outcomes

	Eligible Applicants	Benefit Sum
Owner	395	\$ 290,896.23
Rental	28	\$ 20,327.65
<b>Total</b>	<b>423</b>	<b>\$ 311,223.88</b>

Full*	401	\$ 300,750.00
Partial	22	\$ 10,473.88

#### Notes

\* FY24 Max or Full Benefit Amount per Household = \$750

~ Increased from \$600 to \$750 in 2020

~ Household Income Limit = \$50,000 AGI

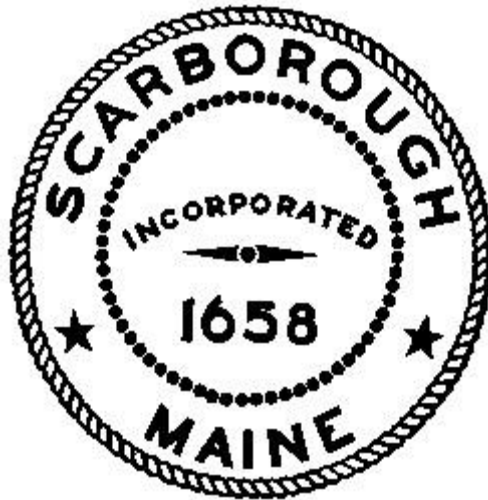


**CHAPTER 313-A**

**TOWN OF SCARBOROUGH**

**PROPERTY TAX ASSISTANCE**

**ORDINANCE**



**Adopted November 4, 2015**  
**Amended June 7, 2017**  
**Amended November 1, 2017**  
**Amended April 18, 2018**  
**Amended June 24, 2020**

## TABLE OF CONTENTS

Section 1. Purpose .....	1
Section 2. Definitions .....	1
Section 3. Criteria for Participation .....	1
Section 4. Application and Payment Procedures .....	1
Section 5. Determination of eligibility and amount of eligibility .....	1
Section 6. Annual Report to Town Council .....	2
Section 7. Program Fund – Limitations on Payments .....	2
Section 8. Creation of the Program Fund .....	2
Section 9. Timing of Payments .....	2
Section 10. Limitations Upon Payments .....	2
Section 11. Effective Date and Repeal of Prior Ordinance .....	3
Exhibit - Application .....	4

**CHAPTER 313-A**  
**TOWN OF SCARBOROUGH PROPERTY TAX ASSISTANCE ORDINANCE**

**Section 1. Purpose**

The purpose of this Ordinance is to establish a program to provide property tax assistance to persons 62 years of age and over who reside in the Town of Scarborough.

**Section 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 4 of this Ordinance, to be eligible for a payment under the terms of this Ordinance. [amended 11/01/17]

**Section 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 62 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 Scarborough 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 federal adjusted gross income of the applicant (plus that of any other adult members of the applicant's household) does not exceed \$50,000.

**Section 4. Application and Payment Procedures**

Persons seeking to participate in the Property Tax Assistance Program shall submit a written request to the Tax Assessor no later than October 15th. Applications are required every year to participate in this program. 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.

**Section 5. Determination of eligibility and amount of eligibility [Amended 11/07/17 - 06/07/17 – 04/18/18]**

**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:

- a. The amount, if any, by which (i) the taxes assessed for fiscal year of the Town beginning on July 1 of the preceding calendar year exceeds (ii) 5% of the federal adjusted gross income of the applicant (plus that of any other adult members of the applicant's household); 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. \$750.00. [Amended 06/07/17, Amended 06/24/2020]

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

In the case of renters, the tax assessed for purposes of Section 5.1.a(i) shall be deemed to include 18% of the rent payable from own funds by applicant (and other adult members of applicant's household) in the preceding calendar year. The Tax Assessor, upon presentation of adequate documents and other information, shall determine the amount of rent. [Amended 04/18/18]

## **Section 6. Annual Report to the Town Council**

The Tax Assessor shall report in writing to the Town Council no later than their first regular meeting in December each year the projected payments and number of eligible applicants requesting assistance for the program fund.

## **Section 7. Program Fund - Limitations On Payments**

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.

## **Section 8. Creation of the Program Fund**

The Program Fund from which payments shall be made under the terms of this Ordinance shall be created as follows:

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.

## **Section 9. Timing of Payments**

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

## **Section 10. 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.

## **Section 11. Effective Date and Repeal of Prior Ordinance**

This ordinance repeals and replaces Chapter 313, the Town of Scarborough Property Tax Assistance Ordinance adopted on April 18, 2007 as amended such that this Chapter applies to applications for property tax assistance received after October 15, 2015 under this chapter for payments paid beginning in calendar year 2016 related to taxes assessed in fiscal year July 1, 2015 through June 30, 2016, and thereafter.

Town of Scarborough  
Property Tax Assistance Program  
Determination of Eligibility and Benefits

(This version for Tax Filing Owners)

- |  |   |
|--|---|
| 1. Name: _____   | Phone: _____  |
| 2. Address: _____  | E-Mail: _____   |
| 3. Date of Birth: _____<br>Applicants must be 62 on 10/15/2016<br>Born on/before 10/15/1954  | Document Seen: _____ ME Driver's License/ID<br>_____ US Passport<br>_____ Other _____ |
| 4. Resident of Scarborough<br>For at least 10 years on 10/15/2016  | Document Seen: _____ Assessing Record<br>_____ Other<br>_____ Oath                    |
| 5. Federal Adjusted Gross Income<br>From filed Form 1040, 1040-A, or 1040-EZ   | _____   |
| 6. Additional income of other adults in household  | _____   |
| 7. Total Income (Line 5 plus Line 6)   | _____   |
| 8. Income Limit  | \$50,000  |
| a. If line 7 exceeds line 8: STOP: No benefit paid   |   |
| 9. Benefit Threshold<br>5% of Line 7   | _____   |
| 10. Real Estate Tax Assessed<br>July 1, 2015 through June 30, 2016 (FY 2016)   | _____   |
| 11. Excess of Tax Assessed over Benefit Threshold<br>Line 10 minus Line 9. If line 10 does not exceed<br>Line 9: STOP: No benefit paid | _____   |
| 12. Benefit Cap  | \$500   |
| 13. Benefit Determined (Check Mailed by 12/15/2016)<br>Lesser of Excess Tax of Benefit Cap<br>(Lesser of Line 11 or Line 12)           | _____   |

Oath: I certify that the information contained herein is accurate to the best of my knowledge and belief, under penalties of perjury.

Signed: \_\_\_\_\_

Prepared / Approved by \_\_\_\_\_ Date: \_\_\_\_\_