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No. 1132

H.P. 810

House of Representatives, March 22, 2021

An Act To Encourage the Renovation of Available Housing Stock

Received by the Clerk of the House on March 18, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

ROBERT B. HUNT Clerk

R(+ B. Hunt

Presented by Representative MORALES of South Portland.

Be it enacted by the People of the State of Maine as follows:

- **Sec. 1. 36 MRSA §946-B, sub-§1,** as enacted by PL 2013, c. 521, Pt. D, §2, is amended to read:
- 1. Tax liens recorded after October 13, 2014. A Except as provided in section 946-C, a person may not commence an action against the validity of a governmental taking of real estate for nonpayment of property taxes upon the expiration of a 5-year period immediately following the expiration of the period of redemption. This subsection applies to a tax lien recorded after October 13, 2014.

Sec. 2. 36 MRSA §946-C is enacted to read:

§946-C. Abandoned tax-acquired property

- 1. Evidence of abandonment. For the purposes of this section, evidence of abandonment showing that the property taken for nonpayment of property taxes is vacant and the occupant has no intent to return may include, but is not limited to, the following:
 - A. Doors and windows on the property are continuously boarded up, broken or left unlocked;
 - B. Rubbish, trash or debris has observably accumulated on the property;
- C. Furnishings and personal property are absent from the property;
- D. The property is deteriorating so as to constitute a threat to public health or safety;
- E. Reports of trespassers, vandalism or other illegal acts being committed on the property have been made to local law enforcement authorities;
 - F. A code enforcement officer or other public official has made a determination or finding that the property is abandoned or unfit for occupancy; and
 - G. Other reasonable indicia of abandonment.
 - 2. Court determination of abandonment; vacation of order. The municipality may at any time after at least 6 months have elapsed since the right of redemption expired file with the Superior Court in the county in which the property is located a motion to determine that the property has been abandoned.
 - A. If the court finds by clear and convincing evidence, based on testimony or reliable hearsay, including affidavits by neutral public officials, including the sheriff, and other neutral nonparties, that the property has been abandoned, the court may issue an order granting the motion and determining that the property is abandoned.
 - B. The court may not grant the motion if the former owner or a lawful occupant of the property appears and objects to the motion.
 - C. The court shall vacate the order under paragraph A if the former owner or a lawful occupant of the property appears in the action and objects to the order prior to the entry of judgment.
 - 3. Tax liens for abandoned property recorded after September 1, 2021. Notwithstanding section 946-B, a person may not commence an action against the validity of a governmental taking of real estate for nonpayment of property taxes upon the expiration of a 6-month period immediately following a judgment under subsection 2 that

the property is abandoned. This subsection applies to a tax lien recorded after September 1, 2021.

Sec. 3. Program to purchase renovated housing. In order to increase the available stock of affordable housing, the Maine State Housing Authority shall develop a program authorizing the purchase by the Maine State Housing Authority of renovated single-family and multifamily housing that was acquired by municipalities through the foreclosure of property tax liens. The Maine State Housing Authority shall make such housing available for rent or for sale to first-time home buyers.

9 SUMMARY

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The purpose of this bill is to make available more affordable housing by allowing the clearing of title of tax-acquired abandoned property within a year of the acquisition rather than the existing wait of 5 years. This bill also directs the Maine State Housing Authority to develop a program to purchase tax-acquired properties that have been renovated and make them available for rent or for sale to first-time home buyers.