129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document	No. 448
S.P. 126	In Senate, January 29, 2019

An Act Repealing Tax Lien Foreclosure Requirements

Reference to the Committee on Taxation suggested and ordered printed.

DAREK M. GRANT
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Secretary of the Senate

Presented by Senator GRATWICK of Penobscot.
Cosponsored by Representative HYMANSON of York and
Senator: CHIPMAN of Cumberland, Representatives: PERRY of Calais, SCHNECK of
Bangor, TALBOT ROSS of Portland.

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

2   **Sec. 1. 36 MRSA §683, sub-§1,** as amended by PL 2017, c. 478, §1, is further
3   amended to read:

4   **1. Exemption amount.** Except for assessments for special benefits, the just value of
5    $10,000 of the homestead of a permanent resident of this State who has owned a
6   homestead in this State for the preceding 12 months is exempt from taxation.
7   ~~Notwithstanding this subsection, a permanent resident of this State who loses ownership~~
8   ~~of a homestead in this State due to a tax lien foreclosure and subsequently regains~~
9   ~~ownership of the homestead from the municipality that foreclosed on the tax lien is~~
10   ~~deemed to have continuously owned the homestead and may not be determined ineligible~~
11   ~~for the exemption provided in this section due to the ownership of the homestead by the~~
12   ~~municipality.~~ In determining the local assessed value of the exemption, the assessor shall
13   multiply the amount of the exemption by the ratio of current just value upon which the
14   assessment is based as furnished in the assessor's annual return pursuant to section 383.
15   If the title to the homestead is held by the applicant jointly or in common with others, the
16   exemption may not exceed $10,000 of the just value of the homestead, but may be
17   apportioned among the owners who reside on the property to the extent of their respective
18   interests. A municipality responsible for administering the homestead exemption has no
19   obligation to create separate accounts for each partial interest in a homestead owned
20   jointly or in common.

21   **Sec. 2. 36 MRSA §942, 3rd ¶,** as enacted by PL 2017, c. 478, §2, is repealed.

22   **Sec. 3. 36 MRSA §943-C,** as enacted by PL 2017, c. 478, §3, is repealed.

23   **Sec. 4. 36 MRSA §1281,** as amended by PL 2017, c. 478, §4, is further amended
24   to read:

25   **§1281. Payment of taxes; delinquent taxes; publication; certificate filed in registry**

26   Taxes on real estate mentioned in section 1602, including supplementary taxes
27   assessed under section 1331, are delinquent on the 15th day of January next following the
28   date of assessment. Annually, on or before February 1st, the State Tax Assessor shall
29   send by mail to the last known address of each owner of such real estate upon which
30   taxes remain unpaid a notice in writing, containing a description of the real estate
31   assessed and the amount of unpaid taxes and interest, and alleging that a lien is claimed
32   on that real estate for payment of those taxes, interests and costs, with a demand that
33   payment be made by the next February 21st. ~~For property that constitutes a homestead~~
34   ~~for which a property tax exemption is claimed under chapter 105, subchapter 4-B, the~~
35   ~~State Tax Assessor shall include in the written notice written notice to the owner named~~
36   ~~on the tax lien mortgage that that owner may be eligible to file an application for tax~~
37   ~~abatement under section 841, subsection 2, indicating that the State Tax Assessor, upon~~
38   ~~request, will assist the owner in requesting an abatement and provide information~~
39   ~~regarding the procedures for making such a request. The notice must also indicate that~~
40   ~~the owner may seek assistance from the Department of Professional and Financial~~
41   ~~Regulation, Bureau of Consumer Credit Protection regarding options for finding an~~

1   advisor who can help the owner work with the State Tax Assessor to avoid tax lien
2   foreclosure and provide information regarding ways to contact the bureau. The
3   Department of Professional and Financial Regulation, Bureau of Consumer Credit
4   Protection, by July 15th annually, shall provide to a statewide organization representing
5   municipalities and to the State Tax Assessor information regarding assistance in avoiding
6   tax lien foreclosure to assist municipalities and the State Tax Assessor in providing the
7   information required in the notice. If the owners of any such real estate are unknown,
8   instead of sending the notices by mail, the assessor shall cause the information required in
9   this section on that real estate to be advertised in the state paper and in a newspaper, if
10 any, of general circulation in the county in which the real estate lies. Such a statement or
11 advertisement is sufficient legal notice of delinquent taxes. If those taxes and interest to
12 date of payment and costs are not paid by February 21st, the State Tax Assessor shall
13 record by March 15th, in the registry of deeds of the county or registry district where the
14 real estate lies, a certificate signed by the assessor, setting forth the name or names of the
15 owners according to the last state valuation, or the valuation established in accordance
16 with section 1331; the description of the real estate assessed as contained in the last state
17 valuation, or the valuation established in accordance with section 1331; the amount of
18 unpaid taxes and interest; the amount of costs; and a statement that demand for payment
19 of those taxes has been made, and that those taxes, interest and costs remain unpaid. The
20 costs charged by the register of deeds for the filing may not exceed the fees established
21 by Title 33, section 751.

SUMMARY

23 This bill removes the provisions enacted in Public Law 2017, chapter 478 that
24 established a preforeclosure process that municipalities must use in order to foreclose on
25 homestead property for nonpayment of property tax if the owner is 65 years of age or
26 older and has income and liquid assets below specified limits.