

STATE OF MAINE

—
 IN THE YEAR OF OUR LORD
 TWO THOUSAND AND FIFTEEN

—
 S.P. 51 - L.D. 118

**An Act To Authorize Municipalities To Refund Amounts Collected in Excess
 of Tax Liens**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the property tax year begins April 1st; and

Whereas, in order to allow municipalities sufficient time to determine whether to refund any excess funds to a former owner of property foreclosed on by a municipality, this legislation needs to take effect as soon as possible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 36 MRSA §949 is enacted to read:

§949. Disbursement of excess funds

1. Authorization to adopt ordinance. A municipality that obtains title to property acquired under the operation of this article may, by ordinance, disburse to the former owner the excess of any funds received from the disposition of that property. The ordinance must contain standards governing the disbursement of the excess of any funds and the procedures that protect the interests of the taxpayers of the municipality.

2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Excess of any funds" means the amount obtained by the municipality for the disposition of the property less:

(1) All taxes and interest owed on the property and the amount of taxes and interest that would have been assessed had the property not been acquired by the municipality;

(2) The municipality's cost of the lien and foreclosure process;

(3) The municipality's cost of maintaining and disposing of the property; and

(4) Unpaid sewer, water or other charges and fees imposed by the municipality or a quasi-governmental authority.

B. "Former owner" means a party named on a tax lien mortgage at the time of the levy of a tax lien or that party's successors, heirs or assigns.

3. Unorganized territory. The obligations of a municipality under this section apply to the State with regard to property in the unorganized territory. The State Tax Assessor may adopt routine technical rules providing for the disbursement of the excess of any funds received from the disposition of property in the unorganized territory for nonpayment of taxes under chapter 115.

4. Application. An ordinance or rule adopted under this section may apply to sales of property acquired through the tax lien and foreclosure process occurring on or after January 1, 2015.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.