Christine Bradbury
Raymond
LD 461

I am writing in support of LD 461 and in particular to support the provision that changes the current 18-month lien extension provision to a 6-year lien extension period.

I support the change to a 6-year lien extension period because the current 18-month period is:
-- excessively burdensome for volunteer road associations to administer
-- quite costly as the number of filings expands substantially with the passage of time
-- significantly complex to administer if second or third non-payers are added
-- unavoidably costly to the association that hires a law firm to handle expanding web of filings

Background:

I am a former road association board member and have personal experience helping to manage the administrative burden imposed by the 18-month lien extension provision added to Section 3104 effective 2018.

For a single non-paying resident – by year six after the new provision took effect – our association treasurer was maintaining six separate file folders tracking 16 lien/lien extension actions. In addition to projecting upcoming extensions, the files contain underlying data needed to recalculate the interest accruing in 18-month increments on the original unpaid dues amount, the filing fee(s), and certified mail cost(s) – rather tedious calculations required for a web of successive lien extension filings.

Please also note that this scenario assumes that an unpaid board member – not a law firm – does all of the administrative work to track/carryout the 18-month extension provision, including the filing of liens/lien extensions with the Country Registry of Deeds office. Bringing a law firm into the mix to carry the administrative burden would obviously increase the overall cost to the association, which pays all bills until some future point when the potentially significant lien/lien extension related costs and subsequent release costs can be recovered…one hopes.

Further, imagine having not one, but two or three non-paying residents. To say that the administrative burden would reach nightmarish proportions is no exaggeration. Placing the administrative weight of the 18-month extension requirement on volunteer boards forces them to weigh that burden against simply letting the non-paying parties off, prompting responsible residents to say, “Why should I pay when my neighbor isn’t made to pay?” It places statutory road associations in a very difficult position.

To summarize, last year one of our homeowners entered the 7th year of non-payment. In a scenario where that resident enters a 10th year of non-payment, our treasurer will be required to file a Notice of Claim (NOC) for year 10’s unpaid annual fee, plus seven (7) lien extensions associated older NOCs in that year alone. In total, we would expect to file 41 lien/lien extensions in that 10-year period. Please remember what will happen if one or more new non-payers come on the scene, each overlaying one complex web of extension filings with the next and the next.

To compare, over a 10-year period, if lien extensions were modified to six years rather than the current 18 months, the number of required filings with the Registry of Deeds would be reduced from over 40 to 14 and the filing costs (at $22 per filing) reduced from over $900 to $308.

Thank you for taking steps to ensure that the current 18-month lien extension provision is replaced with the proposed 6-year extension period. (As I understand it, this is the same extension provision that is presently in effect for Maine condominiums associations.)