

**TESTIMONY OF  
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Judiciary  
Hearing Date: *March 4, 2024*

LD 2240 – *“An Act to Implement Protections Against Deed Fraud”*

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Senator Carney, Representative Moonen, and members of the Judiciary Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am submitting this testimony at the request of the Administration Neither For Nor Against LD 2240 – *“An Act to Implement Protections Against Deed Fraud.”* This testimony is limited to only the ways in which the bill impacts Maine Revenue Services and administration of the property tax.

Among other changes, the bill requires the State Tax Assessor to direct municipalities to include in their property tax bills “a standard notice regarding the risks of deed fraud and resources available to assist victims of deed fraud.” It is unclear why the bill requires the State Tax Assessor to direct municipalities to include this required notice, rather than simply requiring the municipalities to include the notices directly. For example, 36 M.R.S. § 507 already lists several specific items that municipalities are required to include when issuing property tax bills, and we would suggest including the bill’s provision requiring a deed fraud notice in that section of law instead.

We have two additional items to note for the committee. First, while most municipalities issue property tax bills, they are not technically required to by law. Thus, adding a deed fraud notice to property tax bills may not actually reach all property owners. In addition, requiring municipalities to make changes to property

tax bills may trigger required State reimbursement for 90% of any associated municipal expenditures under the Maine Constitution, article IX, section 21.

The Administration looks forward to working with the Committee on the bill; representatives from MRS can be available for the Work Session if requested to provide additional information and respond in detail to the Committee's questions.