



TOWN OF THOMASTON
TOWN MANAGER
13 VALLEY STREET
THOMASTON, MAINE 04861
TEL: (207) 354-6107

March 4, 2025

Dear Members of the Taxation Committee,

On behalf of the Town of Thomaston, I urge your support for LD 399, which seeks to allow municipalities to retain proceeds from municipal foreclosures.

Our town recently navigated the new tax foreclosure procedures, and the responsibility of managing tax-foreclosed properties has fallen entirely on municipalities. Over the past two years, Thomaston, under legal counsel's guidance, dealt with a particularly challenging case involving a derelict property owned by a deceased individual with no apparent heirs.

To facilitate the sale of this property, the town incurred nearly \$70,000 in expenses, including legal and realtor fees, advertising costs for public notices, securing the abandoned building, and hiring contractors to clean out and mitigate severe property damage. The house required extensive cleanup, including pumping five feet of standing water from the basement and eliminating pervasive odors. Additionally, we took on the unexpected duty of respectfully laying to rest an abandoned urn of cremains discovered within the home at Mount Hope Cemetery in Bangor.

While this case may seem extreme, it underscores the significant financial and administrative burden imposed on municipalities, particularly small towns with limited staff and resources. Although Thomaston was fortunate to absorb these costs, many smaller communities may struggle to do so. The process of reimbursement is equally cumbersome. After selling a foreclosed property, municipalities must publicly advertise the availability of excess sale proceeds for potential heirs. In our case, although no heirs were identified during the foreclosure and sale process, distant relatives later came forward, requiring them to go through probate court to claim any funds. If they did not do so within 30 days, the funds were transferred to the State of Maine Unclaimed Property Fund, further complicating their retrieval.

The issue here is clear: while municipalities undertake the substantial work and financial risk of managing foreclosed properties, any excess proceeds ultimately benefit the state rather than the community. These funds should remain in the town where the foreclosed property is located. Retaining these proceeds would allow municipalities to establish reserves for handling future foreclosures, a crucial benefit for smaller communities without the financial flexibility to front these costs. Alternatively, these funds could be allocated toward local affordable housing initiatives—an especially urgent need in our state.

Ultimately, the property in question was successfully sold, and the new owners have significantly improved its condition, enhancing the entire neighborhood. This outcome demonstrates the broader community benefits of proactive municipal involvement in foreclosure management. Rather than allowing these sale proceeds to be held by the State of Maine, we strongly advocate for keeping these funds in the communities that invest in restoring and revitalizing foreclosed properties.

I respectfully urge you to support LD 399. Retaining excess sale proceeds at the municipal level ensures that the funds are reinvested directly into the communities that bear the burden of managing these properties. It is only fair that municipalities have the financial means to continue fulfilling their obligations effectively.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kara George".

Kara George
Town Manager