

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

Before the Joint Standing Committee on Taxation
Hearing Date: *March 4, 2025*

LD 526 – “*An Act to Reduce the Time Period for Challenging the Validity of a
Property Tax Lien on Commercial Real Estate*”

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 526, “*An Act to Reduce the Time Period for Challenging the Validity of a Property Tax Lien on Commercial Real Estate.*”

On the technical side, we would recommend amending the definition of “commercial real estate” in the bill language to refer to property used or held for use to help reduce the possibility of future legal challenges. Commercial properties that end up being tax-acquired are often vacant, which could create questions and possible disputes between municipalities and taxpayers around what constitutes “use.” From a policy perspective, I would add that subjecting commercial property owners to a more stringent statute of limitations may be considered unfair by affected taxpayers.

Any fiscal costs associated with this bill can be absorbed within current budgetary allotments.

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