



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1440
TTY: (207) 287-4469

Rachel Henderson

87 Holyoke Avenue
Rumford, ME 04276
Office: (207) 287-1440
Cell: (207) 381-4237

Rachel.Henderson@legislature.maine.gov

Good afternoon Senator Grohoski, Representative Cloutier, and distinguished members of the joint standing committee on Taxation. I am Rachel Henderson, I have the distinction honor of representing the people of Bethel, Byron, Hanover, Milton TWP, Roxbury, and my hometown of Rumford here in the Maine House.

I am here to introduce my bill, **An Act to Reduce the Time Period for Challenging the Validity of a Property Tax Lien on Commercial Real Estate**. This issue is not simply a matter of legal procedure; it has profound implications for economic stability, community development, and the vitality of Maine's local businesses.

Last year I was approached by my town Manager - George O'Keefe, asking me to consider putting this bill in. The town of Rumford currently has multiple commercial buildings sitting empty, one particularly large property the town has a tax lien against, with investors interested and ready to move forward. After multiple attempts to make meaningful contact with the commercial property owners, the Town of Rumford is now left assuming the cost of maintaining the property while they wait out the challenge period time-line.

Current Process: Currently, after a tax lien has been placed on a property, the property owner can challenge the validity of that tax liens for up to 5 years after they are recorded, as long as the lien was recorded after the redemption period (which is 18 months). For example, if a tax lien was recorded on October 13, 2024, currently the property owner has until 2029 to contest it.

To back track, before a lien is even recorded, a property can be delinquent for 8 to 12 months, adding to that 5 year timeline. After the redemption period, the property can still be subject to tax foreclosure, but you have an additional 60 months (5 years) to challenge the lien. This means that the total time a property can be in limbo is approx 7 to 7.5 years.

During this time, banks are hesitant to provide financing because the property's status is uncertain. Our community is facing challenges with properties that are delinquent and cannot be redeveloped due to these legal complexities.

My Proposal: Reduce the redemption timeline for Commercial Property owners from 5 years, to two years.

As many of you know, vacant properties are a blight on our communities. They attract crime, decrease property values, and deter potential investment. When property owners have prolonged periods to challenge tax liens, it often leads to prolonged vacancies, further diminishing the attractiveness of our towns and cities. By reducing the time frame for challenging these liens, we can expedite the process of reclaiming these properties and returning them to productive use. This is not just about efficiency; it's about revitalization.

Rural Community Impact: Consider the impact on our rural communities, where every vacant property represents lost opportunity. Our communities often rely on a few key businesses to drive the local economies. When commercial real estate sits idle, it stifles growth and discourages new investments. Reducing the challenge period for tax liens means that we can quickly address these vacant properties, bring in new businesses and create jobs, which is exactly what we need.

Housing: As stated earlier, one of the ways vacant commercial properties can be repurposed is for housing, providing security and building our communities. The value of housing in rural areas cannot be overstated.

Our communities need affordable, quality housing to attract families and workers. When we revitalize these spaces, we not only improve the aesthetic appeal of our towns but also enhance the quality of life for our residents.

Economic Stability: Moreover, creating economic stability in our rural communities is vital. When businesses thrive, jobs are created, and families can support themselves. A stable economy creates an environment where young people want to stay, rather than seek opportunities elsewhere. By streamlining the process for dealing with tax liens, we can encourage investment, boost local economies, and ultimately ensure our communities are strong and vibrant.

In short, reducing the time period for challenging property tax liens is a practical step toward revitalizing our towns and boosting our local economies. It's about creating opportunities and building the future we all want to see.

Thank you,

Rep. Rachel Henderson