

Michael Lemelin, Representative for House District 53

Before the Joint Standing Committee on Taxation

Hearing Date: *March 12, 2025*

**LD 745 ‘An Act to Allow a Municipality to Sell Tax-acquired Property in Any Manner
Authorized by the Municipality’s Legislative Body’**

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee:

In May 2023, the United States Supreme Court issued a decision in the case of *Tyler v. Hennepin* in which it found that retaining excess proceeds of a tax sale following a lien foreclosure violated the Takings Clause of the 5th Amendment of the United States Constitution. With that decision, the State of Maine, having a similar law to Minnesota, changed law to amend the process of tax lien sales that benefit the former owner.

For two years now, Maine municipalities have abided by the new statute and worked through the details as appropriate on making sure that the previous owners get the amount due to them as required. Now throw into play the tax acquired properties that municipalities have owned prior to this law and in most cases over the five (5) year relevant period of commencement of title action. How can they dispose of them when unknown heirs are concerned, are derelict in nature, not enough staff to cover each step of the process, etc.

This is where the proposed amendment to this statute comes in. Municipalities are asking for a change to allow the legislative body to sell properties in the manner authorized, with excess proceeds going to the previous owner. It is my understanding that, at the very least the municipalities of Caribou and Biddeford, have submitted testimony in favor of this amendment due to their own municipal needs and you have the town of Chelsea (and others if they show up) here to explain the local needs.