WRITTEN TESTIMONY OF

CHRISTINE M. LANDES, TOWN MANAGER FOR THE TOWN OF CHELSEA, MAINE

Before the Joint Standing Committee on Taxation

Hearing Date: *March 12, 2025*

Testimony in Support of:

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:

Good afternoon, I am Christine Landes, the town manager for the Town of Chelsea Maine.
I am here today to testify in favor of amending Title 36 MRSA § 943-C, sub-§4-B regarding the sale of tax foreclosed property for Maine municipalities.

My testimony today is primarily to favor the residents of Chelsea, but in reality, would favor all taxpayers of Maine municipalities when a property sits dormant (i.e. not collecting tax revenue) from tax foreclosure for over five years.

As a municipal manager for over ten years, and working in municipal government for almost thirty years, municipalities have always told taxpayers that 'they don't want to own their property' or 'we are not in the real estate business'. With that saying, municipalities have, in my experience, worked with taxpayers to avoid foreclosure with various alternatives to get their taxes paid. This could mean a poverty abatement, general abatement for excessive value (if applicable), reassessment, payment plans, using time on their side by not initiating sale of property for some time after foreclosure, etc. There always seems to be a way that would work for this predicament.

The situation that brings me to testify before the committee today is one that I have not encountered in my municipal career. In 2016, the town of Chelsea foreclosed on a 79 acre property that was owned by two siblings. The lot had a small home (since removed from the land) and was a viable wood harvesting area. The town of Chelsea decided to keep the property for a few years, harvest it at least twice to supplement the budget for the future building of a new town office, and then send it out to bid with the previous version of tax foreclosure law whereas it would most likely go to a sealed bid process.

Then in 2023, along came Tyler v. Hennepin County whereas law changed to benefit the previous homeowner by securing their equity in a tax foreclosed situation with sale

processes changing to benefit their investment. This certainly was welcomed and for the most part a simple process for a municipality to adhere to. The taxpayer should get what they deserve.

Now, back to the property in Chelsea. As part of the current law, the previous owners must be notified. Current law states that the town of Chelsea will now be trying to locate numerous heirs of the brother and sister and get all of them to agree to sell it as appropriate. This is certainly going to be an egregious task that could take years. The town is ready to sell now!

Because of the statute detailing the expiration of the relevant period for commencement of a title action (my understanding is five (5) years), the town of Chelsea is asking for an amendment to notification of the 'previous owners' (estates or heirs in our case) to sell the property as directed by the legislative body with excess proceeds going to the former owner, stressing again that municipalities are not in the real estate business and only want to get properties back on the tax rolls. (Excess proceeds in this case would most likely go to the probate court or Maine Unclaimed Property.)

In summary, tax foreclosed properties in Maine are a rarity as municipalities attempt to protect a taxpayer from losing their 'investment'. However, in some cases the process is interrupted and after many years municipalities are burdened with properties that won't sell due to deed issues, unknown heirs or have derelict issues that would result in no sale. This amendment would help facilitate the sale of properties containing these issues and make it easier to sell properties that have been owned by municipalities for years.

Thank you for your attention. I am happy to answer your questions.