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THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

LD 1841, An Act to Modify the Process for Selling Tax-Acquired Properties

Senator Grohoski, Representative Cloutier, and distinguished members of the Taxation Committee. My name is Marianne Moore. I proudly represent Senate District 6, which includes all of Washington County along with 16 Communities in Eastern Hancock County as well.

I am here to introduce LD 1841, *"An Act to Modify the Process for Selling Tax-Acquired Properties."*

Last session, the 131st Maine Legislature passed LD 101, "An Act to Return to the Former Owner Any Excess Funds Remaining After the Sale of Foreclosed Property." This bill was submitted to prevent the sorts of abuses that brought to attention in the Supreme Court case *Tyler v. Hennepin County*, which was decided on May 25, 2023.

The case in question surrounded Geraldine Tyler, a Minnesota resident, who owed \$15,000 in property taxes and other fees on her condo. Hennepin County foreclosed on her property, sold it for \$40,000, and kept the profit for themselves. A unified US Supreme Court found the surplus value is protected by the Fifth Amendment's Takings Clause.

LD 101 was introduced before this opinion came down but enacted about a month later. This bill provided a process for returning excess proceeds to a property's former owner based on the process requirements for seniors with foreclosed homesteads. I brought forward LD 1841 at the request of one of my constituents to try and make some changes to this new process.

LD 1841 changes some of the notification, appeal, and sales process requirements that the municipality must follow in these situations. It also provides an option for towns to lower the minimum bid if that cannot be reached after three attempts and allows towns to subtract expenses spent to advertise or deal with a foreclosed property from the final value owed to the former homeowner.

Importantly, it also requires the municipality seal all bids on such a property. This

became an issue when a municipal employee placed a bid on a piece of foreclosed property. Other employees of the Town felt uncomfortable and were afraid of violating ethic rules due to their involvement in the sale.

After the injustice we saw that brought Tyler v. Hennepin County to the Supreme Court, it was time that Maine amend its foreclosure laws. However, this is a still a new process and we need to work out the kinks. On top of my constituent, I know there are several other towns struggling to deal with the recent changes.

Thank you for your time today. I ask for your support of this bill and will attempt to answer any questions. Thank you!