



MAINE MUNICIPAL ASSOCIATION SINCE 1936

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Testimony of the Maine Municipal Association (MMA)

LD 2188, *An Act to Amend Certain State Tax Laws*
February 18, 2026

Senator Grohoski, Representative Sayre and distinguished members of the Joint Standing Committee on Taxation, my name is Amanda Campbell, and I am submitting testimony Neither for Nor Against LD 2188 on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC).

Municipal officials support the amendment proposed in LD 2188 to clarify that the property tax year is April 1 to March 31.

The amendments in Section C-2, which would further amend 36 MRSA §943 after changes made pursuant to PL 2025, c. 351, are also appreciated by municipal officials. Tax collectors and treasurers are not made privy to the arrangements for payment of taxes made during the sale of property. Property tax payment arrangements made in a sale agreement, and the ramifications for not making agreed upon payments on time, should be outlined and fully understood by both seller and buyer. Providing tax information at the time of a sale is not the responsibility of the local officials, nor is the failure of a party to pay on time.

The changes proposed in Part C, Section 2 begin to address the unintended consequences of the language change enacted in PL 2025, c.351. However, MMA's legal department has provided additional suggestions for the committee's consideration, which are attached to this testimony. These suggestions were drafted because of the numerous interactions with members who have called with questions related to the implementation of the new process resulting from last session's changes.

Thank you for your consideration of the municipal perspective on this important topic. Please feel free to contact me or any member of the MMA Advocacy team with questions relating to municipal operations.

MMA Legal suggestions on LD 2188, section C-2

If the party named on the tax lien mortgage has sold or otherwise conveyed the property to another person before the lien certificate was recorded and provides proof of payment of that party's own pro rata share of taxes due assessed for the tax year subject to the lien pursuant to a written property tax proration agreement, the municipal treasurer or the treasurer's designee ~~of record~~ shall prepare and record, upon request from the party named on the tax lien mortgage, a discharge of the tax lien mortgage against that party in the same manner as is now provided for the discharge of real estate mortgages, except that a facsimile signature of the treasurer or treasurer's assignee may be used. The discharge under this paragraph is only for the seller certificate that names that party and states that the party has paid that party's own pro rata share of the taxes owed under a proration agreement and does not owe property taxes in connection with the tax lien mortgage. If the payment documentation described above is presented to the tax collector before the lien certificate is recorded, the collector may refrain from filing the lien certificate. The discharge of the tax lien must include a statement that the assignee, following the release of the property, did not owe property taxes as to the released property. The assignee of the discharge party requesting the certificate is responsible for the cost of recording the discharge certificate. The assignee of the discharge must be limited to the seller Only a party named on the tax lien mortgage who has sold or otherwise disposed of the property that is the subject of the tax lien mortgage may request a certificate prepared and recorded under this paragraph. This section does not limit the municipality's remedies to collect unpaid real estate taxes through other means.