

§943-C. Sale of foreclosed properties

Notwithstanding any provision of law to the contrary, after the foreclosure process under sections 942 and 943 or sections 1281 and 1282 is completed and the right of redemption has expired, if a municipality chooses to sell to someone other than the former owner, the municipal officers or their designee shall use the sale process under subsection 3. For the purpose of this section, "former owner" means the owner or owners of record at the time of foreclosure or, if deceased, the former owner's heirs, devisees or personal representatives and "tax-acquired property" means real property taken by a municipality for nonpayment of property taxes. If the municipality agrees to sell the property back to the former owner, the alternative sale process under this section does not apply. If the sale to the former owner is not completed, the requirements of this section are reinstated. [PL 2023, c. 640, §3 (AMD).]

1. Subject property.

[PL 2023, c. 358, §1 (RP).]

1-A. Subject property. This section governs the sale of all tax-acquired property through the tax lien mortgage foreclosure process under sections 942 and 943 or sections 1281 and 1282.

[PL 2023, c. 640, §3 (NEW).]

2. Notification; appeal. At least 90 days prior to listing property for sale, the municipal officers or their designee shall send a written notice to the last known address of the former owner, by United States Postal Service certified mail, return receipt requested, and first-class mail, of the sale process described in subsection 3. The State Tax Assessor shall prepare notices that must be used by municipalities to inform former owners of the sale process provided under subsection 3.

[PL 2023, c. 640, §3 (AMD).]

3. Sale process requirements. When selling a tax-acquired property, the municipal officers or their designee shall:

A. List the property for sale at the highest reasonable price at which the property is anticipated to sell with a real estate broker or agent licensed under Title 32, chapter 114 who does not hold an elected or appointed office in the municipality and is not employed by the municipality; [PL 2023, c. 640, §3 (AMD).]

B. Convey the property via quitclaim deed to the successful buyer at the highest price at which the property is able to sell within 12 months after listing; [PL 2023, c. 640, §3 (AMD).]

C. Pay to the former owner any sale proceeds in excess of:

(1) The sum of all taxes owed on the property;

(2) The sum of all taxes that would have been assessed on the property during the period following foreclosure when the property is owned by the municipality;

(3) All accrued interest;

(4) Fees, including advertising, mailing, recording, property listing and real estate broker's or agent's fees, to the extent that those fees are not included in the broker or agent fee agreement;

(5) Any other expenses incurred by the municipality in selling, maintaining or improving the property, including, but not limited to, documented administrative costs and reasonable attorney's fees;

(6) The cost to the municipality of the lien and foreclosure process, including, but not limited to, reasonable attorney's fees; and

(7) Unpaid sewer, water or other utility charges and reasonable fees imposed by the municipality; and [PL 2023, c. 640, §3 (AMD).]

D. Provide to the former owner a written accounting of the amount of excess sale proceeds itemizing any deductions made pursuant to paragraph C, subparagraphs (1) to (7) at the former owner's request. [PL 2023, c. 640, §3 (NEW).]
[PL 2023, c. 640, §3 (AMD).]

4. Effect of inability to contract or sell property.
[PL 2023, c. 358, §1 (RP).]

4-A. Effect of inability to contract or sell property. If, after 3 attempts, a municipality is unable to contract with a real estate broker or agent for the sale of the property as described in subsection 3 or the broker or agent is unable to sell the property within 12 months after listing, the municipal officers may sell the property in any manner authorized by the municipality's legislative body, as long as the municipality pays the former owner any excess sale proceeds as calculated in subsection 3, paragraph C.
[PL 2023, c. 640, §3 (NEW).]

5. Property in the unorganized territory. With regard to the sale of property acquired by the State through tax lien foreclosure in the unorganized territory, the State Tax Assessor has the obligations of a municipality under this section.
[PL 2017, c. 478, §3 (NEW).]

6. Waiver of former owner. Receipt of excess sale proceeds by the former owner pursuant to this section is deemed to be a waiver of any right of the former owner to commence any action pursuant to section 946-B. Failure of a municipality to file the notice required by subsection 11 does not nullify or otherwise affect the validity of the waiver under this subsection. This subsection may not be construed to prevent the former owner from commencing an action for damages relating to the effective conveyance of excess sale proceeds or the amount of excess sale proceeds.
[PL 2023, c. 640, §3 (AMD).]

7. Retention of tax-acquired property. If a municipality chooses to retain a tax-acquired property for municipal use, the municipality shall procure an appraisal report from an appraiser licensed to provide real estate appraisals in this State showing the value of the tax-acquired property being retained. The appraiser may not hold an elected or appointed office in the municipality or be otherwise employed by the municipality. The municipal officers, after providing the notice required by subsection 8, shall pay the former owner any excess sale proceeds as calculated in subsection 3, paragraph C, substituting the value of the tax-acquired property as shown in the appraisal report, which must be prepared within 120 days before the time the excess sale proceeds are paid, for the selling price of the tax-acquired property.
[PL 2023, c. 640, §3 (NEW).]

8. Notice of intent to pay excess sale proceeds. If after the sale of a tax-acquired property there exist any excess sale proceeds as described in subsection 3, paragraph C, at least 30 days prior to disbursement of those excess sale proceeds to the former owner the municipal officers shall send written notice of the municipality's intent to pay the former owner the excess sale proceeds. The notice must be sent by first-class mail and certified mail, return receipt requested, to the last known address of the former owner and the last known address of each record holder of an interest in the tax-acquired property. This notice does not limit the right of a lienholder to pursue any claims to the excess sale proceeds against the former owner otherwise available by law.
[PL 2023, c. 640, §3 (NEW).]

9. Notice by publication. If the municipality is unable, after reasonable diligence, to locate the former owner of a tax-acquired property in order to send the notice required in subsection 8, the municipality, once a week for 3 consecutive weeks, shall place a notice in a newspaper of general circulation in the county in which the tax-acquired property is located. The notice must include the

name of the former owner, a description of the tax-acquired property that was sold, the amount of the excess sale proceeds and the date by which the excess sale proceeds must be claimed.

[PL 2023, c. 640, §3 (NEW).]

10. Transfer of proceeds. If, after provision of notice under subsection 9, a former owner fails to claim the excess sale proceeds within 30 days of the final published notice, the municipality shall transfer the excess sale proceeds to the Unclaimed Property Fund under Title 33, section 2141.

[PL 2023, c. 640, §3 (NEW).]

11. Notice of payment of proceeds. A municipality, within 10 days of payment of any excess sale proceeds to the former owner under this section, shall record in the registry of deeds of the county or registry district where the tax-acquired property is located a notice signed by the municipal officers. The notice must include the name of the former owner to whom the excess sale proceeds were paid, the amount of the excess sale proceeds, the date on which the excess sale proceeds were paid to the former owner, a description of the tax-acquired property that was sold and a statement that receipt of the excess sale proceeds by the former owner is deemed to be a waiver of the former owner's right to commence any action challenging the taking pursuant to section 946-B.

The State Tax Assessor shall prescribe the form of the notice to be used by municipalities under this subsection.

[PL 2023, c. 640, §3 (NEW).]

SECTION HISTORY

PL 2017, c. 478, §3 (NEW). PL 2019, c. 401, Pt. A, §10 (AMD). PL 2023, c. 358, §1 (AMD). PL 2023, c. 523, Pt. A, §8 (AMD). PL 2023, c. 640, §3 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Special Session of the 132nd Maine Legislature and is current through October 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.