

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 17

S. P. 19

Office of the Secretary of the Senate

Reference to the Committee on Local & County Government suggested.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Violette of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Reduce the Tax Lien Redemption Period from 18 Months to 12 Months.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. ~~36~~ **MRSA § 943** as last amended by PL 1977, c. 630, § 9, is further amended to read:

§ 943. Tax lien mortgage; redemption; discharge; foreclosure

The filing of the tax lien certificate in the registry of deeds ~~shall create~~ **creates** a tax lien mortgage on ~~said the~~ real estate to the municipality in which the real estate is situated having priority over all other mortgages, liens, attachments and encumbrances of any nature, and ~~shall give~~ **gives** to ~~said the~~ municipality all the rights usually incident to a mortgagee, except that the municipality shall not have any right of possession of ~~said the~~ real estate until the right of redemption ~~shall have~~ **has** expired.

The filing of the tax lien certificate in the registry of deeds ~~shall be~~ **is** sufficient notice of the existence of the tax lien mortgage.

In the event that ~~said the~~ tax, interest and costs ~~shall be~~ **is** paid within the period of redemption, the municipal treasurer or assignee of record shall prepare and record a discharge of the tax lien mortgage in the same manner as is now provided for the discharge of real estate mortgages.

If the tax lien mortgage, together with interest and costs, ~~shall is not be~~ **is not** paid within ~~18~~ **12** months after the date of the filing of the tax lien certificate in the

registry of deeds, the ~~said~~ tax lien mortgage shall be deemed to have been foreclosed and the right of redemption to have expired.

The municipal treasurer shall notify the party named on ~~said~~ the tax lien mortgage not more than 45 days nor less than 30 days previous to the foreclosing date of the ~~said~~ tax lien mortgage, in a writing left at his last and usual place of abode or sent by certified mail, return receipt requested, to his last known address of the impending automatic foreclosure, indicating within the notice the exact date of foreclosure. In the event the notice provided in this section has not been given, the party named on ~~said~~ the tax lien mortgage ~~shall have~~ has the right to redeem ~~said~~ the real estate mortgage within 30 days after the ~~said~~ notice.

After the expiration of the ~~18-month~~ 12-month period for redemption, the mortgagee of record of ~~said~~ the real estate or his assignee and the owner of record if the ~~said~~ real estate has not been assessed to him or the person claiming under him shall, in the event the notice provided for ~~said~~ the mortgagee and ~~said~~ the owner has not been given as provided in section 942, have the right to redeem the ~~said~~ real estate within 3 months after receiving actual knowledge of the recording of the tax lien certificate by payment or tender of the amount of the tax lien mortgage, together with interest and costs, and the tax lien mortgage shall then be discharged by the owner thereof in the manner provided.

The tax lien mortgage shall be prima facie evidence in all courts in all proceedings by and against the municipality, its successors and assigns, of the truth of the statements therein and after the period of redemption has expired, of the title of the municipality to the real estate therein described, and of the regularity and validity of all proceedings with reference to the acquisition of title by such tax lien mortgage and the foreclosure thereof.

Whenever the person against whom the tax is assessed ~~shall have~~ has died after the tax has been committed and prior to the expiration of the ~~18-months~~ 12-month period of foreclosure and such person ~~shall have~~ has left a will offered for probate, the probate judge of the county wherein ~~said~~ the will is offered upon petition of any devisee of the real estate on which ~~said~~ the tax is unpaid may grant a period of redemption not to exceed 60 days following the final allowance or disallowance of ~~said~~ the will. Notice of ~~said~~ the petition shall be given to the tax collector of the town wherein ~~said~~ the property is located and a certified copy of the court order shall be filed in the registry of deeds of the county wherein the property is located.

A discharge of a municipal tax lien mortgage given after the right of redemption has expired, which discharge has been recorded in the registry of deeds more than one year, shall terminate all title of the municipality derived from such tax lien mortgage.

Sec. 2. 36 MRS § 944, sub-§ 4 is amended to read:

4. **Right of redemption.** In such action the court shall provide a period for the exercise of the right of redemption from the tax lien mortgage which shall expire in not less than 90 days from the decree of the court and in no event before the

expiration of ~~18~~ 12 months from the date of filing of the tax lien certificate in the registry of deeds as provided in section 942.

STATEMENT OF FACT

The purpose of this bill is to reduce, from 18 months to 12 months, the redemption period during which a delinquent taxpayer may pay the taxes owed and avoid foreclosure of the taxed property.