

# MAINE STATE LEGISLATURE

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1 (New Draft of S.P.486. L.D. 1479)

2 FIRST REGULAR SESSION  
3

4 ONE HUNDRED AND ELEVENTH LEGISLATURE  
5

6 Legislative Document

No. 1719

7  
8 S.P. 597

In Senate, May 31, 1983

9 Reported by Minority Report from the Committee on Judiciary and  
10 printed under Joint Rule 2.

11 Original bill presented by Senator Najarian of Cumberland. Cosponsored  
by Senator Trafton of Androscoggin, Senator Conley of Cumberland and  
Representative Manning of Portland.

JOY J. O'BRIEN, Secretary of the Senate

12  
13 STATE OF MAINE  
14

15 IN THE YEAR OF OUR LORD  
16 NINETEEN HUNDRED AND EIGHTY-THREE  
17

18 AN ACT to Prevent Unjust Enrichment by  
19 Retention of Surplus Upon Foreclosure of  
20 Municipalities and Sewer Districts.  
21

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

24 Sec. 1. 36 MRSA §949 is enacted to read:

25 §949. Disposition of surplus

26 1. Disposition of surplus upon sale of prop-  
27 erty. Any municipality having acquired title to real  
28 estate by failure to redeem a tax collector's deed or  
29 by foreclosure of a tax lien mortgage, whether for  
30 real estate taxes or for a special tax authorized by  
31 law to be assessed and collected in the same manner  
32 as other state, county and municipal taxes are col-  
33 lected, shall, upon sale of the property, remit any  
34 surplus remaining after the taxes, interest and any

1 cost, including, but not limited to, reasonable  
2 expenses of sale, have been deducted from the pro-  
3 ceeds, together with a written account thereof to the  
4 record owner at the time the municipality acquired  
5 title.

6 2. Determination of damages when property  
7 retained. If any municipality, having acquired title  
8 to real estate by failure to redeem a tax collector's  
9 deed or by foreclosure of a tax lien mortgage,  
10 whether for real estate taxes or for a special tax  
11 authorized by law to be assessed and collected in the  
12 same manner as other state, county and municipal  
13 taxes are collected, retains that real estate or  
14 intends to retain that real estate, the municipality  
15 shall remit any damages, less the amount of delin-  
16 quent taxes, interest and any cost, including, but  
17 not limited to, the cost of estimating damages, to  
18 the record owner at the time the municipality ac-  
19 quired title. Damages shall be estimated in the same  
20 manner as provided by statute for land taken by  
21 municipal officers under Title 30, chapter 229, sub-  
22 chapter V, sections 4001 to 4003. It is prima facie  
23 evidence that a municipality intends to retain the  
24 real estate if it has not made a bona fide effort to  
25 sell the real estate within any 18-month period after  
26 foreclosure.

27 3. Applicability. This section shall apply only  
28 to foreclosures of tax liens or redemption of a tax  
29 collector's deed placed on record after the effective  
30 date of this section.

31 **Sec. 2. 38 MRS-A §1208-A is enacted to read:**

32 §1208-A. Disposition of proceeds of foreclosure by  
33 sewer districts or sanitary districts

34 1. Disposition of surplus upon sale of real  
35 property. Any sewer district or sanitary district  
36 having foreclosed on any property pursuant to this  
37 subchapter shall be required to remit any surplus  
38 remaining after the amount of delinquent rates,  
39 tolls, rents or other charges and any costs associ-  
40 ated with the foreclosure of the property have been  
41 deducted from the proceeds of the foreclosure sale to  
42 the record owner at the time the district acquired  
43 title.

