

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 844

H.P. 593

House of Representatives, February 26, 1991

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative CARLETON of Wells.

Cosponsored by Representative MURPHY of Berwick and Representative MARSANO of Belfast.

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STATE OF MAINE

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

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**An Act Concerning Taxation of Time-share Condominiums.**

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

2           Sec. 1. 33 MRSA §593, sub-§4, as enacted by PL 1983, c. 407,  
4 §1, is amended to read:

6           4. Collection and receipt of money for taxes; tax bills.  
The managing entity may shall collect and receive money from  
8 time-share estate owners for the purpose of paying taxes assessed  
on time-share estates. The managing entity shall:

10           A. Maintain an escrow account and pay the taxes as provided  
12 in subsection 5; or

14           B. Forward the tax bills to the time-share estate owners.

16 The managing entity may retain a service fee of 5% of money  
18 received or collected pursuant to this subsection.

20           Sec. 2. 33 MRSA §593, sub-§5, as amended by PL 1987, c. 358,  
§2, is further amended to read:

22           5. Escrow account. If the managing entity collects money  
for taxes, it shall maintain an escrow account with a financial  
24 institution licensed by the State, and deposit any ~~moneys~~ money  
collected or received for taxes in the escrow account within 10  
26 days after collection or receipt. The escrow account shall must  
be established in the names of both the managing entity and the  
28 municipality in which the time-share estates are located. No  
withdrawal may be made from the escrow account without the  
30 written agreement of the municipality.

32 Prior to the delinquency date established by the municipality in  
which the time-share estates are located, the managing entity  
34 shall pay to the municipal tax collector all money deposited in  
the escrow account for the purpose of tax payment. If the amount  
36 paid from the escrow account is not sufficient to discharge all  
taxes and tax-related costs, due and owing, the managing entity  
38 may shall either pay the difference and place a lien on those  
time-share estates whose owners have not contributed to the  
40 escrow account as provided in section 594, or ~~the managing entity~~  
may provide a list identifying those owners and their interests,  
42 including the periods of ownership, to the municipal tax  
collector who may then proceed to collect the taxes on those  
44 interests as allowed by law.

46 If the tax collector and treasurer use the lien procedure,  
described in Title 36, sections 942, 942-A and 943, to collect  
48 delinquent taxes on time-share estates, whenever a notice called  
for by Title 36, section 942, 942-A or 943 is sent to a  
50 time-share estate owner, the tax collector and treasurer shall  
give to the managing entity or leave at the managing entity's  
52 last and usual place of abode or send to the managing entity by

2 certified mail, return receipt requested, either a copy of the  
notice sent to the time-share estate owner or a notice which that  
4 lists all time-share estate owners to whom notices have been  
delivered. For sending the notice or notices to the managing  
6 entity, the tax collector or treasurer shall-be is entitled to  
receive \$5 plus all certified mail, return receipt requested  
fees, plus the cost of any photocopying.

8  
9  
10 **Sec. 3. 33 MRSa §594, sub-§7 is enacted to read:**

11 **7. Lien on time-share unit only.** Unpaid assessments levied  
12 against a time-share estate do not create a lien or other  
13 encumbrance on any other time-share estate or group of time-share  
14 estates. The managing entity is liable for assessments levied  
15 against that time-share estate only if the managing entity has  
16 collected money for taxes from the time-share estate owner under  
17 section 593, subsection 5.

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20 **STATEMENT OF FACT**

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23 This bill allows a municipality to send the tax bills of all  
24 time-share units to the managing entity of the time-share  
project, rather than to individual owners. The managing entity  
26 must either forward the bills to the individual time-share estate  
owners or set up an escrow account, collect the taxes from the  
28 owners and pay the taxes to the municipality from the account.  
The managing entity is authorized to retain a service fee of 5%  
30 of money collected.

31  
32 If the money collected by the managing entity is not  
sufficient to pay the full tax bill, the managing entity can  
34 follow either of 2 courses. It can pay the difference between  
what is collected and what is owed and then place a lien on the  
36 time-share estates that owe more money. In the alternative, it  
can pay what has been collected and furnish the municipality with  
38 the names and ownership interest of each time-share estate owner,  
along with the amount still owed.

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41  
42 Unpaid assessments do not create liens on any estate other  
than the time-share interest for which the taxes have not been  
44 paid. The managing entity is responsible for payment of the  
assessment only if the managing entity has collected money from  
the owner to pay taxes, as is currently provided in law.  
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