

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

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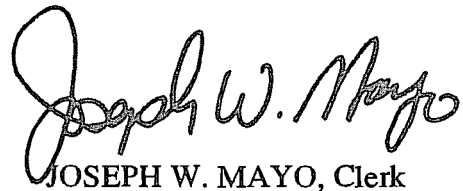
H.P. 876

House of Representatives, April 6, 1993

**An Act to Improve the Administration of the Poverty Abatement Process  
for Payment of Real Property Taxes.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative MURPHY of Berwick.  
Cosponsored by Representatives: FARNUM of South Berwick, LOOK of Jonesboro, NADEAU of Saco, REED of Dexter, SPEAR of Nobleboro, TARDY of Palmyra, Senators: BERUBE of Androscoggin, CARPENTER of York, CLEVELAND of Androscoggin, SUMMERS of Cumberland.

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

2  
4       Sec. 1. 36 MRSA §841, sub-§2, as repealed and replaced by PL  
6       1987, c. 772, §15, is repealed and the following enacted in its  
8       place:

10       2. Poverty; deferral of tax; waiver of foreclosure. The  
12       municipal officers, or the State Tax Assessor for the unorganized  
14       territory, may defer payment of real property taxes owed by  
16       persons whom they determine unable to pay taxes because of  
18       poverty, according to the following standards and procedures.

20       A. To be eligible for a deferral of taxes under this  
22       section, the following conditions must be met.

24       (1) The taxpayer must be a natural person and a  
26       resident of the State.

28       (2) The property for which a deferral of taxes is  
30       sought must consist of a dwelling occupied by the  
32       taxpayer as the taxpayer's primary residence and up to  
34       10 acres of land upon which it is situated.

36       (3) The taxpayer applying for the deferral must own  
38       the property in fee simple. Co-owners, whether joint  
40       tenants or tenants in common or whether or not they  
42       reside on the property, must also meet the income  
44       standards of subparagraph (4) in order for a deferral  
46       to be granted.

48       (4) The taxpayer's household income was not sufficient  
50       to pay for the basic necessities essential to maintain  
      the household, including the amount assessed for  
      property taxes, during the period for which the taxes  
      sought to be deferred were assessed and the taxpayer's  
      financial situation has not improved materially since  
      that time.

(5) A tax lien certificate pursuant to section 942 for  
      the property in question must have been recorded in the  
      registry of deeds of the county or registry district  
      where the property is situated for not more than 17 nor  
      less than 12 months.

B. A taxpayer seeking a deferral of taxes may apply to the  
      municipal officers or, in the case of unorganized  
      territories, the State Tax Assessor. The municipal officers  
      and the State Tax Assessor must have forms available for  
      this purpose. The forms must show clearly the requirements  
      for eligibility for a tax deferral, describe the waiver of

2 foreclosure and state that the decision must be made within  
4 30 days of the receipt by the municipal officers or the  
6 State Tax Assessor of a completed application. The taxpayer  
8 must provide all the information necessary to determine  
10 eligibility under paragraph A, including the amount of taxes  
12 and the tax year for which deferral is sought, and must sign  
14 a statement verifying that the information is true.

16 C. If the State Tax Assessor or the municipal officers find  
18 that the taxpayer has satisfied the requirements of  
20 paragraph B and is unable because of poverty to pay taxes,  
22 they may defer payment of the real property taxes for the  
24 year in question by recording a waiver of automatic  
26 foreclosure in the registry of deeds for the county or  
28 registry district where the real estate is situated. A  
30 decision to defer payment and waive automatic foreclosure  
32 applies only to the tax year for which deferral is requested.

34 The municipal officers or the State Tax Assessor must issue  
36 a written notice of the decision to the taxpayer within 30  
38 days of receiving a completed application. The notice must  
40 state the decision and the reasons for it, include findings  
42 of fact on each of the conditions for eligibility listed in  
44 paragraph A and inform the taxpayer of the right to appeal  
46 the decision.

48 D. When a waiver of foreclosure is recorded under this  
section, the lien provided for in sections 942 and 943  
continues in effect and is deemed to have foreclosed 60 days  
after the first of the following occurs, unless full payment  
of the deferred amount, including interest and fees, if any,  
is made within that time:

34 (1) The taxpayer dies;

36 (2) Ownership of the property passes from the taxpayer  
38 who received the deferral to another person;

40 (3) The dwelling on which foreclosure has been waived  
42 consists of manufactured housing and is moved off the  
44 land on which it was located when the deferral was  
46 granted;

48 (4) The property is no longer the principal residence  
of the taxpayer who was granted the deferral; or

(5) The taxpayer becomes capable of paying the  
deferred taxes in full.

2 E. All applications submitted under this section; any  
3 information, communications, files or other material  
4 relating to the applications; and the decision made by the  
5 municipal officers or the State Tax Assessor are  
6 confidential. Proceedings related to an application are not  
7 public proceedings under Title 1, chapter 13, unless so  
8 requested by the applicant.

9 F. For taxes assessed after April 1, 1993, each notice  
10 under section 942 or 1282 that is sent by a municipal  
11 official or the State Tax Assessor must contain a statement  
12 that the taxpayer may apply for a deferral of the taxes if  
13 the taxpayer is unable to pay them because of poverty.

14 **Sec. 2. 36 MRSA §943-A**, as enacted by PL 1985, c. 364, §2, is  
15 amended to read:

16  
17 **§943-A. Application for deferral**

18  
19 Beginning with taxes that are assessed after April 1, 1985,  
20 each notice under ~~section~~ sections 942 and 1281 which that is  
21 sent by a municipality or the State Tax Assessor to a person  
22 against whom taxes have been assessed, ~~--shall~~ must contain a  
23 statement that that person may apply for an ~~abatement~~ a deferral  
24 of taxes if the person ~~cannot~~ can not pay the taxes that have  
25 been assessed because of poverty ~~or infirmity~~.

26  
27  
28  
29 **STATEMENT OF FACT**

30  
31 This bill revises the poverty abatement process for payment  
32 of real property taxes. It sets standards for eligibility and  
33 provides for deferring the taxes, instead of abating them.  
34 Municipalities are secured in the meantime by the standard tax  
35 lien. The bill provides for a waiver of automatic foreclosure of  
36 the lien until the property changes hands.  
37  
38