

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 1233

S.P. 402

In Senate, April 12, 1993

**An Act to Facilitate the Assessment and Collection of Municipal
Property Taxes.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CAHILL of Sagadahoc.
Cosponsored by Senator: SUMMERS of Cumberland, Representatives: CHONKO of Topsham,
COLES of Harpswell, SMALL of Bath.

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

2 Sec. 1. 29 MRSA §354, sub-§5, as amended by PL 1977, c. 479,
4 §8, is further amended to read:

6 5. **Certificate for mobile homes.** No A mobile home, as
8 defined in Title 36, section 1481, shall may not be moved over
10 the highways of this State unless the operator of the vehicle
12 hauling such the mobile home ~~has-in-his-possession~~ possesses a
14 written certificate from the tax collector of the municipality in
16 which the mobile home is situated on the day of the move,
18 identifying the mobile home and stating that all property taxes
20 applicable to the mobile home, including those for the current
22 tax year, have been paid or that the mobile home is exempt from
24 such taxes. The tax year ~~shall-be-the-period~~ is from April 1st
 through March 31st. For purposes of this subsection, taxes for
 the current tax year must include taxes not yet committed. If
 the amount of these taxes can not then be determined, the amount
 must be presumed to be the same as the previous year's taxes
 until the current year's taxes are finally assessed.
 Notwithstanding Title 36, section 506, the tax collector may
 accept prepayment of these taxes, and shall repay any amount paid
 in excess of that finally assessed, with interest on that amount
 as provided in Title 36, section 506-A.

26 Sec. 2. 36 MRSA §506 is amended to read:

28 **§506. Prepayment of taxes**

30 Municipalities at any properly called meeting may authorize
32 their tax collectors or treasurers to accept prepayment of taxes
34 not yet ~~due-or-assessed~~ committed and to pay ~~thereon~~ interest on
 these prepayments, if any is authorized, at not-exceeding-the a
 rate of 8% per year; municipalities are not obligated to
 authorize the payment of interest on taxes prepaid under this
 section. Any excess paid in over the amount finally assessed
 shall committed must be repaid, with the interest due on the
 whole transaction, at the date that the tax finally assessed
 committed is due and payable.

40 Sec. 3. 36 MRSA §506-A, as enacted by PL 1985, c. 333, §§2
42 and 3, is amended to read:

44 **§506-A. Overpayment of taxes**

46 Except as provided in section 506, a taxpayer who pays an
48 amount in excess of that finally assessed shall must be repaid
 the amount of the overpayment plus interest from the date of
 overpayment at a rate to be established by the municipality. The
50 rate of interest may not exceed the interest rate established by

the municipality for delinquent taxes reduced by 4% but may not be less than 8% 4% nor greater than 12%. If a municipality fails to set a rate, it shall pay interest at the rate of--12% established by the municipality for delinquent taxes for the tax year in question.

Sec. 4. 36 MRSA §557-A, 2nd ¶, as enacted by PL 1987, c. 617, is amended to read:

Property of an unknown owner is to be assessed as other property, except that the owner shall must be indicated as "unknown." Additionally, the assessing shall must be advertised at least once per week for 3 consecutive weeks in a newspaper of general circulation in the county in which the property is located. The notice shall must describe the real estate which that is to be assessed so that a reasonable person may know, with probable certainty, what premises are to be subject to the tax, together with a statement that the property is to be assessed to an unknown owner as the result of the failure of a reasonable search to ascertain an owner of record. This newspaper publication shall--be is sufficient legal notice of that assessment. At the time of this publication, a copy of the same notice shall must be sent by certified mail, return receipt requested, to each abutting property owner.

Sec. 5. 36 MRSA §652, as amended by PL 1991, c. 420, is further amended by adding at the end a new paragraph to read:

An organization or institution that desires to secure exemption under this section shall make written application and file written proof of entitlement on or before the first day of April in the year in which the exemption is first requested with the assessors of the municipality in which the property would otherwise be taxable. If granted, the exemption continues in effect until the assessors determine that the organization or institution is no longer qualified.

Sec. 6. 36 MRSA §760-A, sub-§1, as enacted by PL 1991, c. 231, is amended to read:

1. Not collected. After the date for perfection of collections, municipal officers may discharge collectors from any obligation to collect unpaid personal property taxes that the municipal officers determine are too small or too burdensome to collect economically and authorize the municipal treasurer to remove those taxes from the municipal books.

Sec. 7. 36 MRSA §942, 4th ¶, as amended by PL 1977, c. 630, §8, is further amended to read:

At the time of the recording of the tax lien certificate in the registry of deeds, in all cases the tax collector shall file with the municipal treasurer a true copy of the tax lien certificate and shall hand deliver or send by certified mail, return receipt requested, to each record holder of a mortgage on said that real estate, to his the holder's last known address, a true copy of the tax lien certificate. If the real estate has not been assessed to its record owner, the tax collector shall send by certified mail, return receipt requested, a true copy of the tax lien certificate to the record owner.

Sec. 8. 36 MRSA §943, 5th ¶, as amended by PL 1983, c. 407, §4, is further amended to read:

The municipal treasurer shall notify the party named on the tax lien mortgage and each record holder of a mortgage on the real estate not more than 45 days nor less than 30 days before the foreclosing date of the tax lien mortgage, in a writing signed by the treasurer or bearing the treasurer's facsimile signature and left at his the holder's last and usual place of abode or sent by certified mail, return receipt requested, to his the holder's last known address of the impending automatic foreclosure and indicating the exact date of foreclosure. For sending this notice, the municipality ~~shall--be~~ is entitled to receive \$3 plus all certified mail, return receipt requested, fees. These costs ~~shall~~ must be added to and become a part of the tax. If notice is not given in the time period specified in this section to the party named on the tax lien mortgage or to any record holder of a mortgage, the person not receiving timely notice ~~shall--have--the--right--to~~ may redeem the tax lien mortgage until 30 days after the treasurer does provide notice in the manner specified in this section.

STATEMENT OF FACT

This bill:

1. Clarifies the law regarding certificates for moving mobile homes over the public highways. The law presently requires a certificate from the municipal tax collector stating that all property taxes on the mobile home, including those for the current tax year, have been paid or that the mobile home is exempt. This bill specifies that taxes for the current tax year include taxes not yet committed and ensures that these taxes are paid before the mobile home is removed from the jurisdiction;

2. Clarifies that the authority to accept prepayment of taxes applies to any property tax that has not yet been committed for collection. It also is intended to clarify that a

- 2 municipality is not required to pay interest on prepaid taxes,
but if it chooses to do so, it may pay interest at any rate up to
4 8% per year;
- 6 3. Reduces the minimum rate of interest that a municipality
must pay taxpayers who have overpaid their taxes to a rate that
8 more accurately reflects prevailing interest rates;
- 10 4. Clarifies the notice requirement for assessing property
of an unknown owner by specifying that notice must be published
12 at least once per week for 3 consecutive weeks;
- 14 5. Requires that the organizations and institutions that
believe they are tax exempt must file a written request for
16 exemption with the municipal assessor by April 1st of the tax
year in which the exemption is first claimed. If the exemption
18 is approved, no application need be filed in subsequent years in
order to maintain exempt status. However, the assessor may
20 request whatever information is necessary to determine continued
eligibility;
- 22 6. Broadens the authority of municipal officers to
discharge minor or burdensome amounts of unpaid taxes to include
24 both personal and real property taxes;
- 26 7. Authorizes the municipal treasurer to hand deliver a
true copy of a lien certificate to a record holder of mortgage in
28 lieu of sending it by certified mail, return receipt requested;
and
30
- 32 8. Clarifies that a notice of impending foreclosure may
bear the municipal treasurer's facsimile signature.