

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 305

H.P. 248

House of Representatives, January 28, 2003

An Act To Amend the Lien Procedures for Time-share Estates

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative COLLINS of Wells.
Cosponsored by Senator STANLEY of Penobscot and
Representatives: CLOUGH of Scarborough, COURTNEY of Sanford, McCORMICK of West
Gardiner, McGOWAN of Pittsfield, McNEIL of Rockland, TARDY of Newport, WHEELER
of Kittery, Senator: NASS of York.

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

2
3 **Sec. 1. 33 MRSA §593, sub-§2,** as amended by PL 1987, c. 358,
4 §1, is further amended to read:

6 **2. Time-share estates as separate estates.** Each time-share
7 estate constitutes for all purposes a separate estate in real
8 property. Each time-share estate shall must be separately
9 assessed and taxed. The filing and discharge of tax liens on
10 more than one time-share estate owned by the same person are
11 governed by Title 36, section 942-A.

12 If the tax collector and treasurer use the lien procedure
13 described in Title 36, sections 942, 942-A and 943 to collect
14 delinquent taxes on time-share estates, whenever a notice called
15 for by Title 36, section 942, 942-A or 943 is sent to a
16 time-share estate owner, the tax collector and treasurer shall
17 give to the managing entity, leave at the managing entity's last
18 and usual place of abode or send to the managing entity by
19 certified mail, return receipt requested, either a copy of the
20 notice sent to the time-share estate owner or a notice that lists
21 all time-share estate owners to whom notices have been
22 delivered. For sending the notice to the managing entity, the
23 tax collector or treasurer is entitled to receive \$5 plus all
24 certified mail, return receipt requested fees, plus the cost of
25 any photocopying.

26
27 **Sec. 2. 33 MRSA §593, sub-§5,** as amended by PL 1991, c. 197,
28 §2, is further amended to read:

29
30 **5. Escrow account.** If the managing entity collects money
31 for taxes, it shall maintain an escrow account with a financial
32 institution licensed by the State, and deposit any money
33 collected or received for taxes in the escrow account within 10
34 days after collection or receipt. The escrow account must be
35 established in the names of both the managing entity and the
36 municipality in which the time-share estates are located. No
37 withdrawal may be made from the escrow account without the
38 written agreement of the municipality.

39
40 Prior to the delinquency date established by the municipality in
41 which the time-share estates are located, the managing entity
42 shall pay to the municipal tax collector all money deposited in
43 the escrow account for the purpose of tax payment. If the amount
44 paid from the escrow account is not sufficient to discharge all
45 taxes and tax-related costs, due and owing, the managing entity
46 shall either pay the difference and place a lien on those
47 time-share estates whose owners have not contributed to the
48 escrow account as provided in section 594, ~~or provide a list~~
49 ~~identifying these owners and their interests, including the~~
50 ~~periods of ownership, to the municipal tax collector who may then~~
51 ~~proceed to collect the taxes on these interests as allowed by law.~~
52

2 If--the--tax--collector--and--treasurer--use--the--lien--precedure
described--in--Title--36,--sections--942,--942-A--and--943--to--collect
4 delinquent--taxes--on--time--share--estates,--whenever--a--notice--called
for--by--Title--36,--section--942,--942-A--or--943--is--sent--to--a
6 time--share--estate--owner,--the--tax--collector--and--treasurer--shall
give--to--the--managing--entity--or--leave--at--the--managing--entity's
8 last--and--usual--place--of--abode--or--send--to--the--managing--entity--by
certified--mail,--return--receipt--requested,--either--a--copy--of--the
10 notice--sent--to--the--time--share--estate--owner--or--a--notice--that--lists
all--time--share--estate--owners--to--whom--notices--have--been
12 delivered.--For--sending--the--notice--or--notices--to--the--managing
entity,--the--tax--collector--or--treasurer--is--entitled--to--receive--\$5
14 plus--all--certified--mail,--return--receipt--requested--fees,--plus--the
cost--of--any--photocopying.

16 If the managing entity does not discharge all taxes and
18 tax-related costs due and owing prior to the delinquency date
20 established by the municipality, the municipality may use the
22 lien procedure described in Title 36, sections 942, 942-A and 943
24 to collect the delinquent taxes, as long as any notice called for
26 by the lien procedure is sent to the managing entity or left at
the managing entity's last and usual place of abode or sent to
the managing entity by certified mail, return receipt requested,
and the lien describes and applies to all property owned by the
association of unit owners.

30 SUMMARY

32 This bill clarifies the responsibilities of the tax
collector and treasurer when filing a lien to collect delinquent
34 taxes on a time-share estate.

36 The bill also amends the current law to provide that any
entity managing time-share estates that escrows taxes for the
38 time-share owners is required to pay any deficiency between the
escrowed amount and the aggregate taxes due from all the
40 time-share estates. The managing entity must also place a lien
on those estates for which the time-share owners did not
contribute to the escrow account.