

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

Date: 4/24/15

(Filing No. S- 55 )

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

127TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 51, L.D. 118, Bill, "An Act To Authorize Municipalities To Refund Amounts Collected in Excess of Tax Liens"

Amend the bill by striking out all of section 1 and inserting the following:

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

§949. Disbursement of excess funds

1. Authorization to adopt ordinance. A municipality that obtains title to property acquired under the operation of this article may, by ordinance, disburse to the former owner the excess of any funds received from the disposition of that property. The ordinance must contain standards governing the disbursement of the excess of any funds and the procedures that protect the interests of the taxpayers of the municipality.

2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Excess of any funds" means the amount obtained by the municipality for the disposition of the property less:

(1) All taxes and interest owed on the property and the amount of taxes and interest that would have been assessed had the property not been acquired by the municipality;

(2) The municipality's cost of the lien and foreclosure process;

(3) The municipality's cost of maintaining and disposing of the property; and

(4) Unpaid sewer, water or other charges and fees imposed by the municipality or a quasi-governmental authority.

B. "Former owner" means a party named on a tax lien mortgage at the time of the levy of a tax lien or that party's successors, heirs or assigns.

3. Unorganized territory. The obligations of a municipality under this section apply to the State with regard to property in the unorganized territory. The State Tax

COMMITTEE AMENDMENT

Handwritten initials: S.M.S. R. of S.

1 Assessor may adopt routine technical rules providing for the disbursement of the excess  
2 of any funds received from the disposition of property in the unorganized territory for  
3 nonpayment of taxes under chapter 115.

4 **4. Application.** An ordinance or rule adopted under this section may apply to sales  
5 of property acquired through the tax lien and foreclosure process occurring on or after  
6 January 1, 2015.'

7 **SUMMARY**

8 This amendment provides that disbursement of the excess of any funds acquired for  
9 nonpayment of property taxes must be authorized by municipal ordinance or, with regard  
10 to the unorganized territory, by rulemaking by the State Tax Assessor. The amendment  
11 clarifies the taxes, interest, fees and other costs connected with the disposal of property  
12 acquired through the tax lien and foreclosure process that may be retained by the  
13 municipality. The amendment also provides that an authorizing ordinance may apply to  
14 sales of property acquired through the tax lien and foreclosure process on or after January  
15 1, 2015.

16 **FISCAL NOTE REQUIRED**

17 (See attached)



# 127th MAINE LEGISLATURE

LD 118

LR 787(02)

## An Act To Authorize Municipalities To Refund Amounts Collected in Excess of Tax Liens

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-55)

Committee: Taxation

Fiscal Note Required: Yes

---

### Fiscal Note

Potential current biennium revenue decrease - Unorganized Territory Educational and Services Fund

#### Fiscal Detail and Notes

This legislation provides that the State Tax Assessor may adopt a rule providing for the disbursement to the former owner of the excess of any funds from the sale of property in the unorganized territory acquired by the State for nonpayment of property taxes and could result in a loss of revenue to the Unorganized Territory Educational and Services Fund.