

MAINE STATE LEGISLATURE

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Date: 7/9/18

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
SECOND SPECIAL SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1124, L.D. 1629, Bill, "An Act To Protect the Elderly from Tax Lien Foreclosures"

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

'Sec. 1. 36 MRSA §942, as amended by PL 2009, c. 489, §§2 and 3, is further amended by inserting after the 2nd paragraph a new paragraph to read:

For property that constitutes a homestead for which a property tax exemption is claimed under subchapter 4-B, the tax collector shall include with the written notice authorized under this section written notice to the person named on the tax lien mortgage that that person may be eligible to file an application for tax abatement under section 841, subsection 2, indicating that the municipality, upon request, will assist the person in requesting an abatement and provide information regarding the procedures for making such a request. The notice must also indicate that the person may seek assistance from the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection regarding options for finding an advisor who can help the person work with the municipality to avoid tax lien foreclosure and provide information regarding ways to contact the bureau. The Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection, by July 15th annually, shall provide to a statewide organization representing municipalities information regarding assistance in avoiding tax lien foreclosure to assist municipalities in providing the information required in the notice.'

Amend the amendment in section 2 in §943-C in subsection 1 in paragraph B in subparagraph (1) in the 2nd line (page 2, line 12 in amendment) by inserting after the following: "\$40,000" the following: ', after medical expenses have been deducted.'

Amend the amendment in section 2 in §943-C in subsection 3 in paragraph B in the 2nd line (page 2, line 41 in amendment) by striking out the following: "6 months" and inserting the following: '90 days'

Amend the amendment in section 2 in §943-C in subsection 4 in the last line (page 3, line 11 in amendment) by striking out the following: "treat the property in the same manner as other property acquired through foreclosure" and inserting the following: 'contract with a licensed auctioneer to conduct a real estate auction on a date and at a location set by the municipality'

A. of S.

1 Amend the amendment by striking out all of sections 3 and 4 and inserting the
2 following:

3 'Sec. 3. 36 MRSA §1281, as amended by PL 1991, c. 846, §12, is further amended
4 to read:

5 **§1281. Payment of taxes; delinquent taxes; publication; certificate filed in registry**

6 Taxes on real estate mentioned in section 1602, including supplementary taxes
7 assessed under section 1331, are delinquent on the 15th day of January next following the
8 date of assessment. Annually, on or before February 1st, the State Tax Assessor shall
9 send by mail to the last known address of each owner of such real estate upon which
10 taxes remain unpaid a notice in writing, containing a description of the real estate
11 assessed and the amount of unpaid taxes and interest, and alleging that a lien is claimed
12 on that real estate for payment of those taxes, interests and costs, with a demand that
13 payment be made by the next February 21st. For property that constitutes a homestead
14 for which a property tax exemption is claimed under chapter 105, subchapter 4-B, the
15 State Tax Assessor shall include in the written notice written notice to the owner named
16 on the tax lien mortgage that that owner may be eligible to file an application for tax
17 abatement under section 841, subsection 2, indicating that the State Tax Assessor, upon
18 request, will assist the owner in requesting an abatement and provide information
19 regarding the procedures for making such a request. The notice must also indicate that
20 the owner may seek assistance from the Department of Professional and Financial
21 Regulation, Bureau of Consumer Credit Protection regarding options for finding an
22 advisor who can help the owner work with the State Tax Assessor to avoid tax lien
23 foreclosure and provide information regarding ways to contact the bureau. The
24 Department of Professional and Financial Regulation, Bureau of Consumer Credit
25 Protection, by July 15th annually, shall provide to a statewide organization representing
26 municipalities and to the State Tax Assessor information regarding assistance in avoiding
27 tax lien foreclosure to assist municipalities and the State Tax Assessor in providing the
28 information required in the notice. If the owners of any such real estate are unknown,
29 instead of sending the notices by mail, the assessor shall cause the information required in
30 this section on that real estate to be advertised in the state paper and in a newspaper, if
31 any, of general circulation in the county in which the real estate lies. Such a statement or
32 advertisement is sufficient legal notice of delinquent taxes. If those taxes and interest to
33 date of payment and costs are not paid by February 21st, the State Tax Assessor shall
34 record by March 15th, in the registry of deeds of the county or registry district where the
35 real estate lies, a certificate signed by the assessor, setting forth the name or names of the
36 owners according to the last state valuation, or the valuation established in accordance
37 with section 1331; the description of the real estate assessed as contained in the last state
38 valuation, or the valuation established in accordance with section 1331; the amount of
39 unpaid taxes and interest; the amount of costs; and a statement that demand for payment
40 of those taxes has been made, and that those taxes, interest and costs remain unpaid. The
41 costs charged by the register of deeds for the filing may not exceed the fees established
42 by Title 33, section 751.

43 **Sec. 4. Appropriations and allocations.** The following appropriations and
44 allocations are made.

45 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

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Revenue Services, Bureau of 0002

Initiative: Provides funding to reimburse municipalities for 90% of the cost of selling property that has been acquired through tax lien foreclosure.

GENERAL FUND	2017-18	2018-19
All Other	\$0	\$600
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$600</u>

SUMMARY

This amendment changes the timing of the notice required in Committee Amendment "A" regarding a property owner's right to apply for an abatement and the availability of assistance so that the notice need not be issued separately and instead must be included with other notice to that property owner. It specifies that the income conditions established in Committee Amendment "A" apply after medical expenses have been deducted. In addition, it authorizes the municipality to contract with a licensed auctioneer to conduct a real estate auction if the property doesn't sell within 6 months after listing. Finally, under the process established in Committee Amendment "A," a municipality must sell property for fair market value or the price at which an independent broker thinks the property would sell within 6 months; this amendment reduces that length of time from 6 months to 90 days.

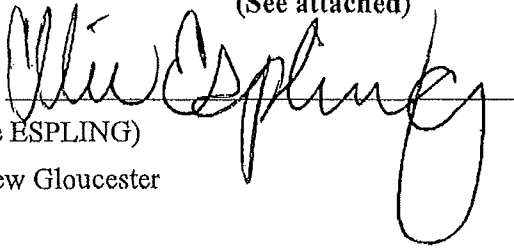
FISCAL NOTE REQUIRED

(See attached)

SPONSORED BY:

(Representative ESPLING)

TOWN: New Gloucester





128th MAINE LEGISLATURE

LD 1629

LR 2290(11)

An Act To Protect the Elderly from Tax Lien Foreclosures

Fiscal Note for House Amendment "A" to Committee Amendment "A"

Sponsor: Rep. Espling of New Gloucester

Fiscal Note Required: Yes

Fiscal Note

Reduces State Mandate Costs
Still a Funded State Mandate

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$0	(\$824,655)	(\$824,655)	(\$824,655)
Appropriations/Allocations				
General Fund	\$0	(\$824,655)	(\$824,655)	(\$824,655)

Fiscal Detail and Notes

This amendment removes the requirement for a separate notice to the taxpayer of potential eligibility to file for tax abatement. As the mandate for a separate notice is removed, the costs anticipated from increased abatement activity originating from the notification would not be considered mandated costs and the General Fund appropriation is reduced by \$824,655 beginning in fiscal year 2018-19. The mandated requirements to engage a real estate broker, sell the property at fair market value or the price anticipated by the broker and remit excess proceeds to the taxpayer remain in the bill. As amended, the bill still contains an ongoing General Fund appropriation of \$600 beginning in fiscal year 2018-19 to cover these costs. This amount represents 90% of the estimated net cost to municipalities not recovered through the sale of the property.