

§593. Taxation of time-share estates

Notwithstanding the provisions of sections 579 and 580, taxation of time-share estates shall be determined according to this section. [PL 1983, c. 407, §1 (NEW).]

1. Creation of estates. Notwithstanding any contrary rule of common law, a grant of an estate in a unit conferring the right of possession during a potentially infinite number of separated time periods creates an estate in fee simple having the character and incidents of such an estate at common law, and a grant of an estate in a unit conferring the right of possession during 3 or more separated time periods over a finite number of years equal to 3 or more, including renewal options, creates an estate for years having the character and incidents of such an estate at common law.

[PL 1983, c. 407, §1 (NEW).]

2. Time-share estates as separate estates. Each time-share estate constitutes for all purposes a separate estate in real property. Each time-share estate must be separately assessed and taxed. In addition to other factors relevant to the valuation of a time-share estate considered by the assessor, the assessor may consider the real property value of the time-share estate declared in the declaration of value, if any, submitted under Title 36, section 4641-D. The filing and discharge of tax liens on more than one time-share estate owned by the same person are governed by Title 36, section 942-A.

[PL 2005, c. 607, §1 (AMD); PL 2005, c. 607, §3 (AFF).]

3. Recordation. A document transferring or encumbering a time-share estate may not be rejected for recordation because of the nature or duration of that estate.

[PL 1983, c. 407, §1 (NEW).]

4. Collection and receipt of money for taxes; tax bills. The managing entity may collect and receive money from time-share estate owners for the purpose of paying taxes assessed on time-share estates.

If required by an ordinance enacted by the municipal officers, the managing entity shall collect and receive money from time-share estate owners for the purpose of paying taxes assessed on time-share estates. The ordinance must also require that the municipality send the managing entity a tax bill and information necessary to identify the assessed value of each time-share unit. Nothing in this subsection prevents a municipality from sending separate tax bills to each time-share owner.

Any managing entity that collects taxes shall maintain an escrow account and pay the taxes as provided in subsection 5.

[PL 1991, c. 197, §1 (AMD).]

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

Prior to the delinquency date established by the municipality in which the time-share estates are located, the managing entity shall pay to the municipal tax collector all money deposited in the escrow account for the purpose of tax payment. If the amount paid from the escrow account is not sufficient to discharge all taxes and tax-related costs, due and owing, the managing entity shall place a lien on those time-share estates whose owners have not contributed to the escrow account as provided in section 594, and pay the outstanding amount no later than 30 days after the date it has collected the taxes and costs from the delinquent owner or has foreclosed the lien and sold the time-share estate to a new owner or 10 months from the date of commitment, whichever is earlier. If requested by the municipality, the managing entity shall provide a list identifying those owners and their interests, including the periods

of ownership, to the municipal tax collector, who may then proceed to collect the taxes on those interests as allowed by law.

If the tax collector and treasurer use the lien procedure described in Title 36, sections 942, 942-A and 943 to collect delinquent taxes on time-share estates, whenever a notice called for by Title 36, section 942, 942-A or 943 is sent to a time-share estate owner, the tax collector and treasurer shall give to the managing entity or leave at the managing entity's last and usual place of abode or send to the managing entity by certified mail, return receipt requested, either a copy of the notice sent to the time-share estate owner or a notice that lists all time-share estate owners to whom notices have been delivered. For sending the notice or notices to the managing entity, the tax collector or treasurer is entitled to receive \$5 plus all certified mail, return receipt requested fees, plus the cost of any photocopying. [PL 2005, c. 607, §2 (AMD); PL 2005, c. 607, §3 (AFF).]

6. Unorganized territory. Time-share estates in the unorganized territory must be taxed according to the provisions of this section, and the State Tax Assessor has all the rights and obligations applicable to a municipality or municipal officers. [RR 2011, c. 2, §36 (COR).]

7. Effect of foreclosure. A governmental entity that acquires ownership of a time-share estate for reasons of tax delinquency, including, but not limited to, the automatic foreclosure of a tax lien, may not be required to pay for the share of common expenses attributable to the time-share estate during the period the governmental entity owns the time-share estate if the governmental entity does not use the time-share estate. Use by a governmental entity includes, without limitation, leasing or renting the time-share estate. Any unpaid common expenses attributable to the time-share estate accruing during the period of ownership of the time-share estate by the governmental entity may be charged by the owners' association or managing entity to the purchaser of a foreclosed time-share estate when the purchaser acquires title to the unit from the governmental entity. The governmental entity shall disclose in writing to a prospective purchaser of the time-share estate that the purchaser may be charged for the common expenses attributable to the time-share estate accruing during the period of the governmental entity's ownership. [PL 2005, c. 275, §1 (NEW); PL 2005, c. 275, §2 (AFF).]

SECTION HISTORY

PL 1983, c. 407, §1 (NEW). PL 1987, c. 358, §§1,2 (AMD). PL 1991, c. 197, §§1,2 (AMD). PL 2003, c. 229, §1 (AMD). PL 2005, c. 275, §1 (AMD). PL 2005, c. 275, §2 (AFF). PL 2005, c. 607, §§1,2 (AMD). PL 2005, c. 607, §3 (AFF). RR 2011, c. 2, §36 (COR).

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