



MAINE MUNICIPAL ASSOCIATION LEGAL SERVICES

EXECUTIVE ORDERS 53, 53-A and 53-A-2: VEHICLE REGISTRATION, PROPERTY TAX DUE DATES AND INTEREST ACCRUAL DATES, AND PROPERTY TAX LIENS

On May 12, 2020 the Governor issued Executive Order No. 53 (EO No. 53) addressing several local tax issues in an effort to help municipalities operate more effectively at this time. On May 26, 2020 the Governor issued EO No. 53-A, amending EO No. 53 to address motor vehicle excise tax collection. The authorities provided in this Executive Order are listed and explained below.

Update 6/29/20. *On June 26, 2020, the Governor issued EO No. 53-A-2 to address registration of ATV's, watercraft and snowmobiles. The following summary reflects updates from Orders No. 53, 53-A and 53-A-2.*

Extending 2019 Property Tax Due Dates and Interest Accrual Dates

Municipal officers are now authorized to extend property tax due dates and interest accrual dates for 2019 property taxes. The Governor has extended this authority retroactively to March 15, 2020, effectively ratifying any actions taken by municipal officers to extend tax due dates prior to the effective date of this Executive Order.

Setting 2020 Property Tax Due Dates, Interest Rates and Accrual Dates

Emergency legislation enacted on March 17, 2020 (PL 2019, Ch. 617 § D-1), authorizes municipal officers to deem last year's budget as the operating budget for the ensuing year if the municipality is unable to approve its budget at annual town meeting. It also authorizes municipal officers to commit property taxes based on last year's budget if necessary. EO No. 53 clarifies that municipal officers exercising this authority to commit taxes may also set the due date, interest rate, and interest accrual date for such property taxes. Property tax due dates, interest rates, and interest accrual dates are normally required by law (36 M.R.S. § 505) to be approved by the legislative body of the municipality (either town meeting or city or town council), but EO No. 53 suspends this statutory requirement.

Note: Committing taxes pursuant to the emergency legislation should be viewed as a last resort. It is hoped that all municipalities will have the opportunity to adopt 2020 budgets and also allow their municipal legislative bodies to approve tax due date and interest rates for taxes committed this year.



Suspending Lien Notice and Filing Deadlines for Automatic Foreclosure (36 M.R.S. § 942)

Tax collectors now have the authority (but not the obligation) to delay initiating the property tax lien process for delinquent taxes committed in 2019, without risk of losing the opportunity to use the automatic foreclosure process in 36 M.R.S. § 942. According to EO No. 53, tax collectors may delay sending the 30-day demand notice, required prior to filing a lien certificate under 36 M.R.S. § 942, until 60 days after the end of the state of emergency. As a reminder, the 30-day demand notice ordinarily must be sent after the end of 8-months and within 1-year of tax commitment.

Under EO No. 53, if the 30-day demand notice has already been issued and the property taxes remain unpaid but the lien has not been filed, the tax collector can delay filing the lien certificate in the Registry of Deeds and reinstate the lien process by resending a 30-day demand notice 60 days after the end of the state of emergency.

Reinstating Vehicle Registration Requirements

EO 53-A provides that no later than 30 days after the end of the state of emergency, vehicles required to be registered in Maine, either after purchase or transfer, or for which a registration is expiring or has expired, must be registered. This Order authorizes municipal officers to set a sooner deadline for municipal residents to register their vehicles, but only if the municipality is accepting excise tax payments online, by mail, by telephone, or in-person through their municipal offices, and has the ability to complete vehicle registrations. Per EO 53-A-2, issued June 26, 2020, the definition of "vehicle" for purposes of this section now only includes "without limitation a motor vehicle and trailer," and "registration" includes temporary registrations.

With this Order, municipalities now have 2 options:

- 1) Take no action and allow the registration deadline to remain 30 days after the end of the state of emergency. The excise tax provision of EO No. 53-A is intended to facilitate the reopening of revenue channels to municipalities. It does not obligate municipalities to start collecting excise tax or allowing registrations if they are not capable of doing so.
- 2) Municipal officers can choose to act on the authority in the Order to set a sooner deadline. If municipal officers choose to set a sooner deadline for vehicle registration, they must provide reasonable notice of the start date of the municipality's ability to collect tax and process registrations, the methods by which tax collection and registrations may be processed, and the deadline for compliance by vehicle owners.



Previous actions by the Governor suspending vehicle registration requirements during the state of emergency have been rescinded in part by this Order.

Municipalities that are already collecting excise tax may begin to see increased excise tax collections, and may open municipal offices if necessary for excise tax collection, provided social distancing and sanitary requirements are followed. However, municipalities and the Maine Bureau of Motor Vehicles must continue to encourage and publicize online registration renewal through the Rapid Renewal Program.

Update 6/29/20:

EO 53-A-2, issued June 26, 2020, amends the definition of “vehicle” in Order 53-A to remove ATV’s, snowmobiles and watercraft from the definition of vehicle for purposes of the waiver of registration deadlines. It also suspends a provision in emergency legislation enacted in March (PL 2019, c. 617 § F-1) that waives registration requirements for ATV’s, snowmobiles and watercraft until 30 days after the end of the COVID-19 state of emergency. As a result, ATV’s, snowmobiles and watercraft registrations are no longer extended.

Additional Information?

Additional guidance is located on MMA’s “Coronavirus Updates and Resources” page at www.memun.org.

Municipal members are also invited to contact MMA Legal Services for specific advice on these topics at 800-452-8786 or legal@memun.org.

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