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House of Representatives, April 4, 2017

An Act To Amend and Remove the Need for Periodic Update of the Laws Governing the Validation of Title Defects

Reference to the Committee on Judiciary suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative CARDONE of Bangor. Cosponsored by Representative: BAILEY of Saco. 1 Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 33 MRSA §352, as amended by PL 2015, c. 157, §1, is further amended to 3 read:

4 §352. Defective acknowledgments

5 A record of a deed or other instrument, including a power of attorney, made prior to 6 January 1, 2013 for the conveyance of real property, or of any interest in the <u>real</u> 7 property, and recorded <u>for at least 2 years</u> in the registry of deeds of the county <u>or district</u> 8 in which the real property is located is valid and enforceable even if:

- 9 1. Acknowledgment. The acknowledgment: was incomplete or defective in any
 10 respect, no acknowledgment appears in the record of the deed, other instrument or power
 11 of attorney or no acknowledgment was taken; or
- 12 A. Was not completed;
- 13 B. Was erroneously taken;
- C. Was taken by a person not having authority to take the acknowledgment or the
 authority of the person taking the acknowledgment was not completely stated or was
 erroneously stated;
- Dees not reveal whether the authority taking the acknowledgment acted as a
 notary public, a justice of the peace or other duly authorized authority for the taking
 of the acknowledgment;
- 20 E. Was not taken;
- F. Had not been signed by the authority taking the acknowledgment but the authority
 had attached, affixed or stamped the deed or instrument with a seal of authority;
- G. Was taken by the grantor or grantee or by the husband or wife of the grantor or grantee;
- H. Was taken by a magistrate who was a minor or an interested party or whose term
 of office had expired at the time of the acknowledgment;
- 27 I. Was taken by an officer authorized to take an acknowledgment but outside the
 28 territory in which the officer was authorized to act;
- 29J. Was taken by a person who, at the time of the acknowledgment, had received an30appointment, election or permission authorizing that person to take the31acknowledgment, but had not qualified and who has since qualified to take an32acknowledgment;
- K. Was authorized by the grantor who was acting as a duly authorized agent or
 officer of a corporation or in a fiduciary or representative capacity for a corporation;
- 35 L. Was taken in another state or country before a person authorized to take
 36 acknowledgments and was made on the form of acknowledgment prescribed by the
 37 laws of the state or country in which the deed or instrument was executed or the

 person taking the acknowledgment failed to affix a proper certificate to the deed or instrument, showing that person's authority to act as a magistrate;

M. Was not signed by a magistrate of this State or any other state or territory of the
 United States, or any foreign country, authorized to take an acknowledgment but was
 complete in every other respect and was signed by an ambassador, minister, charge
 d'affaires, consul, vice consul, deputy consul, consul general, vice-consul general,
 consular agent, vice-consular agent, commercial agent or vice-commercial agent of
 the United States who was not qualified to take an acknowledgment, but has since
 become qualified by law to do so;

- 10N. Was signed by a magistrate authorized to take an acknowledgment but the
magistrate's official seal, the names of the grantors, the date and place of
acknowledgment, the words "personally appeared before me" or a statement that it
was acknowledged as the grantor's "free act and deed" had been omitted; or
- 14O. Is in the form of an oath or states merely that the deed or instrument was15subscribed in the magistrate's presence, or is otherwise informal or incomplete, but16was signed by a magistrate authorized to take an acknowledgment; or
- **2. Records relating to title to real property.** The records in relating to the title to
 real property fail to disclose the date when received for record or the records have not
 been signed by the register of deeds or other duly authorized recording officer for the
 county or district.
- 21 Sec. 2. 33 MRSA §353-A, as amended by PL 2015, c. 157, §2, is further amended 22 to read:
- 23 §353-A. Miscellaneous defects

1. Omission of consideration; failure to seal. A deed or other instrument, including a power of attorney, <u>whenever</u> made prior to January 1, 2013 for the conveyance of real property, or any interest in real property, in this State and otherwise valid, except that the deed or instrument does not state any consideration for the real property or was not sealed by the grantors, is valid.

29 **2. Discharge or assignment of mortgage.** A duly recorded satisfaction piece or 30 instrument made prior to January 1, 2013 and recorded for at least 2 years in the registry 31 of deeds of the county or district in which the real property is located with the intent to 32 cancel and discharge or assign a mortgage of real estate, fully identifying the mortgage 33 intended to be canceled and discharged or assigned, but not drawn in accordance with 34 statutory requirements is considered valid.

35 3. Corporations and other entities organized or attempted to be organized; **36 validation of deeds and other instruments.** A corporation <u>or other legal entity</u> **37** organized or attempted to be organized under the laws of this State <u>for</u> more than 20 years **38** prior to January 1, 2013 and not <u>yet</u> declared to be invalid prior to January 1, 2013 is for **39** all intents and purposes a lawful corporation <u>or other legal entity</u> as <u>applicable</u>. The **40** deeds or other instruments of the corporation <u>or other legal entity</u>, given in its corporate **41** or <u>other legal entity</u> name, that affect or convey real estate or any interest in the real estate 1 and that prior to January 1, 2013 were have been recorded for at least 2 years in the registry of deeds in the county where the real estate is located may not be held invalid by 2 3 reason of:

- 4 A. The lack of authority for or informality in their execution or delivery if executed or delivered in good faith by the acting officers or other authorized officials or 5 members of the corporation or other legal entity as applicable; 6
- 7 B. The failure to disclose the corporation's or other legal entity's authority for the conveyance of real estate; 8
- 9 C. The failure to bear the corporate seal of the corporation or other legal entity;
- 10 D. A person executing or acknowledging a deed or instrument in that person's individual capacity; 11
- E. The failure to disclose the official capacity of the person executing the deed or 12 13 instrument; or
- 14

F. The failure of the duly authorized corporate officer to sign the deed or instrument.

15 4. Omission of authorization for conveyance of real estate. A deed or other 16 instrument for the conveyance of real property, or any interest in the real property executed by a person or persons purporting to act as the agent or attorney of the grantors 17 18 or their spouses, that has been recorded for at least 20 years in the registry of deeds for of 19 the county or district in which the real property is located more than 40 years prior to January 1, 2013 is valid even if no power of attorney authorizing and empowering an 20 agent or attorney to make the conveyance or execute and deliver the deed or instrument 21 22 appears of record, but the real property has in the meantime been occupied, claimed or treated by the grantees or their heirs, successors or assigns as their own property. 23

24 5. Discharge of mortgage. An instrument that has been recorded or written or 25 recorded on the record in the registry of deeds more than 40 of the county or district in which the real property is located for at least 20 years prior to January 1, 2013 that is 26 27 signed or executed by a person or persons purporting to act as the agent or attorney of a mortgagee of real estate and purporting to discharge the mortgage is valid even if no 28 29 power of attorney authorizing an agent or attorney appears of record.

30 6. Failure to secure bond or comply with licensing. In all cases in which an executor, administrator, personal representative, guardian, conservator, trustee, master, 31 receiver or similar officer has been authorized or ordered by a court of probate or other 32 33 court to distribute, sell or exchange real estate and has distributed, sold or exchanged the 34 real estate, or any interest in the real estate, in accordance with the authority, without first having filed a bond covering the faithful administration and distribution of the sale estate 35 36 when a bond was required by law or has failed to comply with any other prerequisite for 37 the issuance of the license authorizing the distribution, sale or exchange and has given a deed to the distributee or purchaser of the real estate or to the person with whom an 38 exchange was authorized or ordered or when the executor, administrator, personal 39 40 representative, guardian, conservator, trustee, master, receiver or other officer appointed has acted in that capacity under a decree of any court appointing that person to the office. 41 42 but the decree of appointment erroneously or inadvertently excused the person from giving bond in that capacity when a bond was required by law and was not in fact given,
 the deeds and acts previously done are valid.

3 7. Foreclosure by publication. In all cases of foreclosure of real estate mortgages 4 by publication, a certificate of the publication of foreclosure made by the mortgagee or by 5 an officer, member, partner or other authorized representative of the mortgagee, if the mortgagee is a corporation or other legal entity, or made by an officer or employee of the 6 newspaper that published the notice recorded on or before January 1, 2013 in the registry 7 8 of deeds of the county or district in which the real property is located is prima facie evidence of the publication of foreclosure to the same extent as if the certificate had in 9 10 fact been made by the register of deeds and recorded; certificates made by the mortgagee or by an officer, member, partner or other authorized representative of the mortgagee, if 11 12 the mortgagee is a corporation or other legal entity, or made by an officer or employee of 13 the newspaper that published the notice recorded on or before January 1, 2013 in the registry of deeds of the county or district in which the real property is located have the 14 15 same force and effect as if made by the register of deeds and are valid.

8. Foreclosure by civil action. All foreclosures commenced on or after October 1,
 1975 of real estate mortgages executed on or prior to October 1, 1975 using the method
 of foreclosure set forth in Title 14, sections 6321 to 6324 for which the period of
 redemption allowed was not less than one year and that would be valid but for the date of
 execution of the mortgage are valid and effective according to their terms.

9. Abstracts of divorce decrees. An abstract of a divorce decree recorded in any registry of deeds prior to March 24, 1987 on or after August 20, 1955 and otherwise valid that failed to state the residence of any party to the divorce action is valid and has the force and effect of a quitclaim deed releasing all interest in the real estate described in the decree or abstract.

Sec. 3. 33 MRSA §353-B, as enacted by PL 1981, c. 181, §4 and amended by PL 2011, c. 682, §38, is further amended to read:

28 §353-B. Defects in plats

29 Any plats of a subdivision approved by the municipal officers of the municipality in 30 which the land is located, that have been recorded prior to January 1, 1970 for at least 2 years in the registry of deeds for the county or district in which the land is located and 31 32 otherwise valid, except that the same were not approved by a planning board pursuant to the 1944 Revised Statutes, chapter 80, section 85, as amended, the 1954 Revised Statutes, 33 34 chapter 91, section 94, as amended, the 1954 Revised Statutes, chapter 90-A, section 61, as amended, or the 1964 Revised Statutes, Title 30, section 4956, as amended, or by the 35 municipal reviewing authority pursuant to Title 30-A, section 4403, as amended, are 36 37 validated.

Any plat or subdivision approved by the planning board of the municipality in which the land is located, that has been recorded prior to January 1, 1970 for at least 2 years in the registry of deeds for the county or district in which the land is located and otherwise valid, except that the same were was not approved by the municipal officers pursuant to the 1944 Revised Statutes, chapter 80, section 85, as amended, the 1954 Revised Statutes, chapter 91, section 94, as amended, the 1954 Revised Statutes, chapter 90-A, section 61,
 as amended, or the 1964 Revised Statutes, Title 30, section 4956, as amended, are or by
 the municipal reviewing authority pursuant to Title 30-A, section 4403, as amended, is
 validated.

5 Any plats of a subdivision approved by the planning board or by the municipal officers of the municipality or by both in which the land is located, that have been 6 recorded prior to January 1, 1970 in the registry of deeds for the county or district in 7 8 which the land is located and otherwise valid, except that the approval is not noted 9 thereon pursuant to the 1944 Revised Statutes, chapter 80, section 85, as amended, the 10 1954 Revised Statutes, chapter 91, section 94, as amended, the 1954 Revised Statutes, chapter 90-A, section 61, as amended, or the 1964 Revised Statutes, Title 30, section 11 4956, as amended, or Title 30-A, section 4403, as amended, are validated, provided that if 12 13 the approval by the appropriate board can be substantiated by affidavit recorded in the 14 registry of deeds for the county or district in which the land is located, the recording of 15 the affidavit to be noted on the plat.

16 Any deed or other instrument for the conveyance of real property or any interest 17 therein in the unorganized or deorganized territory, including plantations, in this State, which that was otherwise validly made or placed on record, except that it was made in 18 19 violation of Title 12, section 687, as enacted by the Public Laws of 1969, chapter 494 and repealed by the Public Laws of 1971, chapter 457, section 7 or, made in violation of Title 20 12, section 685-B, subsection 6, as enacted by the Public Laws of 1971, chapter 457, 21 section 5 and amended by the Public Laws of 1971, chapter 544, section 28-G, or made in 22 violation of Title 12, section 685-B, subsection 6-A as enacted by Public Law 1991, 23 24 chapter 687, section 2 and amended by Public Law 2001, chapter 431, section 4, is 25 validated. All structures on land in the unorganized or deorganized territory, including plantations, which that are not otherwise nuisances, shall may not be deemed to be 26 27 nuisances merely because they are located upon land conveyed by deed or other instrument which that lacked evidence of the approval of the Maine Land Use Regulation 28 29 Commission or the Maine Land Use Planning Commission, as applicable, thereon.

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SUMMARY

This bill amends the laws governing the validation of title defects to specify under what circumstances various defects in deeds and other instruments and subdivision plats do not affect title to real property. The bill removes the need for periodic updating of these laws by specifying the applicable lookback period.