

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

—
S.P. 139 - L.D. 353

**Resolve, to Establish the Commission to Recommend Methods for Preventing
Deed Fraud in the State**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, deed fraud occurs when a person sells real property by falsely claiming to be the property owner and records a deed of the fraudulently induced sale in the registry of deeds, depriving the rightful owner of a significant asset without the owner's knowledge; and

Whereas, the process for the rightful owner of the property to nullify a fraudulently recorded deed is not only time-consuming and expensive but, if successful, can also leave the innocent purchaser of the property with neither the property nor the funds used to purchase the property from the perpetrator of the deed fraud; and

Whereas, this legislation establishes the Commission to Recommend Methods for Preventing Deed Fraud in the State to study options for both preventing deed fraud and recompensing the victims of deed fraud; and

Whereas, the study must be initiated before the 90-day period expires in order that the study may be completed and a report submitted in time for submission to the next legislative session; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Commission established. Resolved: That the Commission to Recommend Methods for Preventing Deed Fraud in the State, referred to in this resolve as "the commission," is established.

Sec. 2. Commission membership. Resolved: That, notwithstanding Joint Rule 353, the commission consists of 13 members as follows:

1. Five members appointed by the President of the Senate as follows:

- A. Two members of the Senate, including one member of the party holding the largest number of seats in the Legislature and one member of the party holding the 2nd largest number of seats in the Legislature;
 - B. One individual who is a register of deeds in this State;
 - C. One individual who is an experienced title attorney in this State; and
 - D. One individual who represents civil legal aid providers for residents of this State who are elderly;
2. Five members appointed by the Speaker of the House as follows:
- A. Two members of the House of Representatives, including one member of the party holding the largest number of seats in the Legislature and one member of the party holding the 2nd largest number of seats in the Legislature;
 - B. One individual who represents the Department of Public Safety, Maine State Police computer crimes unit;
 - C. One individual who represents a statewide association of real estate brokers and who has experience in real estate transactions; and
 - D. One individual who represents banking institutions in this State;
3. The chair of the Real Estate Commission within the Department of Professional and Financial Regulation, Office of Professional and Occupational Regulation or the chair's designee;
4. The Secretary of State or the secretary's designee; and
5. The Attorney General or the Attorney General's designee.

Sec. 3. Chairs. Resolved: That the first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the commission.

Sec. 4. Appointments; convening of commission. Resolved: That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. After appointment of all members, the chairs shall call and convene the first meeting of the commission. If 30 days or more after the effective date of this resolve a majority of but not all appointments have been made, the chairs may request authority and the Legislative Council may grant authority for the commission to meet and conduct its business.

Sec. 5. Duties. Resolved: That the commission shall:

- 1. Gather information on the practice and prevalence of deed fraud in the State, including information and data, if available, on the number and characteristics of incidents of deed fraud and unsuccessful attempts at deed fraud;
- 2. Examine the sufficiency of state laws and practices related to the following:
 - A. Identity verification for the sale of real property located in the State;
 - B. Notarization and recording of instruments affecting title to real property in the State, including the requirements for conducting remote notarization;

- C. Existing criminal penalties potentially applicable to perpetrators of deed fraud; and
- D. Civil remedies available to victims of deed fraud, including processes for nullifying fraudulently recorded deeds and returning ownership of the property to the rightful owners;

3. Gather and review any educational materials regarding the prevention of deed fraud that are currently available to property owners, real estate brokerage agencies, title insurance companies, real estate attorneys and other professionals involved in the sale of real property; examine the sufficiency of these materials; and consider the best methods for ensuring that appropriate educational materials are disseminated to property owners and relevant real estate professionals across the State;

4. Examine ways to mitigate the fraudulent listing of homes for rent by an individual who is not the legal homeowner; and

5. Examine ways in which deed fraud is being conducted through the Internet, including through the use of artificial intelligence technology.

Sec. 6. Staff assistance. Resolved: That the Legislative Council shall provide necessary staffing services to the commission, except that Legislative Council staff support is not authorized when the Legislature is in regular or special session.

Sec. 7. Report. Resolved: That, no later than December 3, 2025, the commission shall submit to the Joint Standing Committee on Judiciary a report that includes the commission's findings and recommendations for preventing deed fraud in the State, including recommendations for enhanced public awareness of deed fraud and any suggested legislation for preventing deed fraud, including, but not limited to, enhancing identity verification requirements for real estate transactions in the State and for improving the civil and criminal remedies available in the State. The joint standing committee is authorized to report out legislation related to the report to the Second Regular Session of the 132nd Legislature.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.