

## ORDINANCE

### *TOWN OF NEW GLOUCESTER*

#### Management of Tax-Liened Property Guidelines

##### Article 1. General

- 1.1 The purpose of this ordinance is to establish procedures/guidelines for the management administration and disposition of real property acquired for non-payment of taxes by the Town of New Gloucester in accordance with Title 36 MRSA Sections 942 and 943, as amended.

##### Article 2. Analysis of Potentially-Acquirable Property for Unacceptable Liabilities

- 2.1 Annually, thirty (30) days before Notices of Foreclosure are sent, an evaluation of those potential liabilities that might be assumed by the Town shall be conducted with special attention to situations involving hazardous waste, public safety problems, and landlord responsibilities so that waiver of foreclosure recommendations (that conforms to all laws) can be acted upon by the Treasurer with the consultation of the Selectmen.

##### Article 3. Management of Tax Acquired Property Pending Final Disposition.

- 3.1 Following the foreclosure of the tax lien mortgage, the Treasurer by certified mail return-receipt, shall notify the last known owner of record that his or her right to redeem the property has expired. The notification shall advise the last known owner of record that the property will be disposed of in accordance with this ordinance, a copy of which shall be included with the notification.
- 3.2 The Treasurer shall prepare a list of properties acquired and forward a copy to the Selectmen and the Foreclosure Committee. This committee shall conduct the following research-
  - 3.2.1 Prepare a fact sheet on all properties identifying current use, assessed value, size, location, zoning, and other relevant data.
  - 3.2.2 Will review all properties. The Committee will be composed of one member from various town committees (i.e. Water Resource, Conservation Committee, Recreation Committee,

Planning Board) two selectmen, and departments.

3.2.3 Prepare a recommendation on each tax-acquired property for the Selectmen from the following options-

3.2.3.A Retain the property for town purposes.

- a. The property has or will have recreational value or economic value to the Town.
- b. The property has or will have potential for public facility or additions to public facilities.
- c. The property has or will have potential utility for the inhabitants of New Gloucester as determined by the Selectmen (i.e. such as Wild Forest Land etc.).

3.2.3. B Retain the property and lease it.

3.2.3. C Sell the property.

3.2.3. D Donate the property to some appropriate non-profit organization whose mission benefits New Gloucester's townspeople.

3.2.3. E Other

3.3 The responsibility for the management of tax-acquired property rests with the Selectmen. The Selectmen's decision regarding the Action Plan for the final disposition of property shall-

- 3.3.1 determine whether the Town's best interest would be served by immediately disposing of the property. (because of potential liability interest in owning the property)
- 3.3.2 determine and obtain, if necessary, a level of insurance required to protect the town's interest in the property and to protect the Town from liability.
- 3.3.3 determine if and when any occupants of tax acquired property shall be required to vacate the property.
- 3.3.4 determine whether a rental fee should be charged to any occupants of the property. A rental fee shall not be imposed unless the Town has acquired sufficient liability insurance.

3.3.5 Notwithstanding the provisions of Article 6, Property to be Sold, the Selectmen shall determine any special conditions, if any, for property sales. (See 14 M.R.S.A. 8104-A).

3.4 In the event the taxpayer possession or taxpayer lessee or licensee possession has ceased for 60 consecutive days, the Town Manager shall obtain liability coverage for the property.

#### **Article 4. Review of Tax Acquired Properties**

4.1 The Town manager may also recommend that town retain property on a temporary basis if in the Town Manager's judgment, the immediate sale would cause the occupants to be placed on public assistance.

4.2 The Town Manager and Foreclosure Committee shall forward the recommendations to the Selectmen who shall make the final determination regarding property disposition.

#### **Article 5. Repurchase of Tax Acquired Property**

5.1 The party from whom the property was acquired may repurchase the property by paying all outstanding property taxes, including the total amount of all delinquent taxes plus the total taxes for the current tax year (and the estimated taxes for the next year after commitment) plus accrued interest, lien costs and any other costs relating to the property including, but not limited to, insurance, noticing and other related costs. The Town may also require the payment of any other delinquent taxes or obligations due the Town (e.g. personal property taxes).

Any agreement to repurchase the property pursuant to this Article must be exercised within 90 days from the date the Town Meeting authorizes either the sale or retention of the property. The Town manager shall provide notice of the repurchase expiration date in the manner provided by Article 3. 1. If the agreement to repurchase has not been completed within 90 days of the Town Meeting action, any right to repurchase shall be void. **(amended May 3, 1999 Town Meeting)**

5.2 The party from whom the property was acquired may, upon approval of the Town, enter into a written agreement with the Town (see attached) to make installment payments to satisfy the obligations set forth in section

5.1 above, pursuant to the conditions set forth in 33 M.R.S.A. Section 481-482, in exchange for a promise of the Town to give a municipal quit claim deed if all of the terms and conditions of the installment agreement are fulfilled by the obligor.

#### **Article 6. Property to be Sold (after authority by Town Meeting)**

- 6.1 If the Foreclosure Committee and the Selectmen decide to sell property by advertised sale, the Selectmen shall establish a sale date. The Town Manager shall cause to be published a notice of the sale of the tax acquired property in a local newspaper. Said notice shall be published at least three (3) times with the last publication at least fourteen (14) days prior to the sale. The notice shall be posted within the Assessing and Tax Collection Departments and in at least one other conspicuous place within the Municipal Building. The notice shall specify the time and date bids are due and the general terms of the bid. It shall also contain the following information for each piece of property.
  - 6.1.1 Brief description of the property, i.e. land, building, mobile home, etc.
  - 6.1.2 Location of the property including Map and Lot numbers.
  - 6.1.3 Brief description of the conditions of the sale.
  - 6.1.4 The minimum bid.
  - 6.1.5 The required bid deposit.
- 6.2 The Selectmen will determine the minimum bid for any tax acquired property shall be but not limited to the total of all outstanding taxes, including estimated taxes for the current year if the conveyance is after commitment and the exact amount of the tax has not yet been determined, interest, lien costs, and any other cashier's or certified check equal to the minimum bid. Bids shall be publicly opened and read on the date and at the time specified.
- 6.3 The Town Manager shall review all bids and make recommendations to the Foreclosure Committee and the Selectmen. The Selectmen shall determine the successful bidder.
- 6.4 The Town Manager shall notify the successful bidder by certified mail.
- 6.5 The Town of New Gloucester reserves the right to reject any or all bids, accept any bid (not necessarily the highest) and waive any of the requirements of this policy should the Selectmen, in its sole determination, judge such actions to be in the best interest of the Town of New Gloucester. Instances where this right may be invoked include, but are not limited to:
  - 6.5.1 The Selectmen may determine it prefers a use proposed by a party other than the highest bidder.
- 6.6 Should the Selectmen reject all bids, the property may again be offered for public sale without notification to the prior owner.
- 6.7 The bid deposit of the successful bidder shall be retained as a credit towards the purchase price. All other deposits shall be returned to the bidders.

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- 6.8 The Selectmen shall require payment in full from any successful bidder within thirty (30) days from the date the bids are opened. Should the bidder fail to pay the full price within thirty (30) days, the Town shall retain the bid deposit and title to the property. The Selectmen may offer the property to any other bidder who shall also have thirty (30) days to make payments in full.
- 6.9 Title to tax-acquired property shall be transferred only by means of a Quit Claim deed.
- 6.10 The successful bidder shall be responsible for the removal of any and all occupants and contents of purchased tax acquired property.

### **Article 7. Judicial Review**

There shall be no judicial review of any decisions made on behalf of the Town of New Gloucester pursuant to this ordinance. **(amended May 3, 1999 Town Meeting)**

Amended May 3,1999 Town Meeting

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