



# TOWN OF HOWLAND POLICY FOR DISPOSITION OF TAX ACQUIRED PROPERTY

## Article 1. General

- 1.1 The purpose of this Policy is to establish procedures for the management, administration and disposition of real property acquired under the tax lien procedures set forth in Title 36 M.R.S.A. Sections 942. Nothing in this policy shall be interpreted to give additional substantive or procedural rights to owners, former owners, or other record holders of properties forfeited for non-payment of taxes.

## Article 2. Actions Concerning Tax-Acquired Property Pending Final Disposition

- 2.1 Following the foreclosure of any tax lien mortgage, the Town Treasurer shall by first class mail notify the party named on the tax lien mortgage and each record holder of a mortgage on the real estate that his or her right to redeem the tax lien mortgage securing the collection of property taxes has expired.
- 2.2 Each year the Treasurer shall prepare a list of properties acquired due to non-payment of property taxes and foreclosure of tax liens and provide this list to the Town Manager.
- 2.3 The Town Manager, and as necessary in consultation with the Town Attorneys, shall review each property identified on the list and determine:
- A. The potential liabilities (e.g., environmental, structural safety, health or other hazards associated with the property) that the Town might assume by taking possession or by operating the property and whether the Town's interests in light of such potential liabilities would be best served by immediately disposing of the property or retaining it;
  - B. The level of insurance required to protect the Town's interest in the property and to protect the Town from liability in the event that the property is retained; and
  - C. Whether the property is currently occupied and the likelihood of requiring legal assistance (and estimated costs of the same) to cause the occupants to quit the premises.
- 2.4 In the event that a tax-acquired property remains or becomes vacant for 60 consecutive days following the date of foreclosure of the tax liens under which the Town becomes the owner of the property, the Town Manager shall obtain liability coverage for the property.

## Article 3. Review and Disposition of Tax-Acquired Properties

- 3.1 The Town Manager shall forward a copy of the list of tax-acquired properties to the members of the Board of Selectmen, Chairman of the Planning Board, the Highway Foreman, the Water/Wastewater Superintendent, the Fire Chief, and the Town Manager. The Chairman of the Planning Board, the Highway Foreman, the Water/Wastewater Superintendent, the Fire Chief, and the Town Manager shall, within 21 days of the receipt of the list, review the list of tax-acquired properties and identify those properties that each believes should be considered

considered as a candidate to be retained for public use and provide a brief statement of the reasons there for.

- 3.2 The Town Manager shall collect and summarize the recommendations per Section 3.1 of this Policy, summarize the results of his or her review of each such property as per Section 2.3 of this Policy and make one of the following recommendations:
- A. For non-residential, commercial, or residential property that is not the former owner's or the former owner's immediate family member's primary residence:
    - 1. Retain the property for a particular purpose identified by one of the above-identified department heads or other Town officials. The Town Manager, in consultation with the Town Attorney shall review and pursue, if appropriate or required, judicial confirmation of the Town's right, title or interest in the subject property under 36 M.R.S.A. section 946; or
    - 2. Sell the property per Section 3.5 of this Policy with or without conditions.
  - B. For single-family residential property that is the former owner's or the former owner's immediate family member's primary residence, entry into arrangements to secure just and prompt payment of outstanding and current taxes, related interests and costs per Section 3.4 of this Policy.
- 3.3 The Town Manager shall forward his or her reviews, recommendations and determinations regarding each property to the Board of Selectmen. The Board of Selectmen may override a particular recommendation of the Town Manager but shall otherwise direct that the property be processed in conformance with the terms of this Policy.
- ✓ 3.4 If the Town elects to enter into arrangements to secure just and prompt payment of outstanding and current taxes, related interests and costs per Section 3.2(B) of this Policy, then the Town Manager shall present the former owner with a written plan and an installment sales contract, or similar agreement, for payment of past due and currently due taxes, interests, and costs under the tax lien process and all outstanding sewer charges, assessments and other lawful charges as are due and owing to the Town.
- A. The installment sales contract or similar agreement shall require the former owner of the property to maintain property insurance, naming the Town as additional insured or as its interest may appear, and provide proof of the same to the Town and to reimburse the Town for its costs and expenses in negotiating and executing such agreements and installment sales contract. The Town's costs shall include all costs incurred or to be incurred by the Town in addition to those incurred in the tax lien process and shall include, but not be limited to, insurance costs, registry filing and mailing costs, advertisement costs, and attorney's fees.
  - B. The former owner must timely sign the written plan and installment sales contract or similar agreement and affirmatively acknowledge in writing that title to the property belongs to the Town and shall remain with the Town until such time as the terms of the installment sales contract are successfully and timely completed, and further acknowledge that the former owner will strictly comply with the terms of the plan and installment sales contract or similar agreement.

- C. Failure of a former owner to timely enter into an installment sales contract with the Town or similar agreement (within thirty (30) days) will result in a forfeiture of the plan and installment sales contract and result in the property being either retained by the Town or sold under the other provisions of this policy at the Town's discretion.
- D. Failure of a former owner to strictly comply with the terms of the written plan and installment sales contract or similar agreement will result in the Town pursuing all of its rights at law and equity and result in the property being either retained by the Town or sold under the other provisions of this policy at the Town's discretion.

3.5 Any sale of tax-acquired property shall be through a bid process. The Town Manager shall otherwise oversee the exact terms and conditions of such sale and use his or her best judgment to seek the best and most expedient method of sale and return on the sale for the Town.

The following provisions shall be observed for the bid process:

- A. The Board shall solicit public bids for the sale of tax acquired property and shall receive bids on a date to be determined by the Board.
- B. The Board shall send notice of the impending public sale, by mail only, to the former owner of the property. Such notification shall be postmarked at least 45 days prior to the scheduled sale. The said former owner may redeem the property within 30 days immediately following the date of the postmark by paying the full amount of outstanding taxes, including a just value for the current year tax not assessed, interest, any current and past due sewer charges and associated interest, and all costs including, but not limited to, notice and insurance costs.
- C. The Board shall cause a public notice of the impending public sale to be posted within the municipal building and to be advertised for two consecutive weeks in a newspaper of general circulation in the Town, the last notice to be published at least seven days prior to the advertised sale date.
- D. The Board shall require the following for proper submission of bids:
  - 1. A bid sheet containing a full description of the property being bid upon and the bid price.
  - 2. A certified cashier's check or postal money order in an amount not less than 10% of the bid price shall be included as a deposit on the bid. Failure to submit a deposit shall cause the bid to be automatically rejected.
- E. The Board shall require that those bid items cited above in D. subsections 1. & 2., be sealed in a single plain envelope marked only "Tax Acquired Property Bid" on the exterior and either be hand delivered to the Treasurer or, if mailed, be enclosed within a second envelope addressed to the Treasurer, Town of Howland, PO Box 386, Howland, ME 04448. All bids must be received by the Town no later than 2 p.m. on the date determined by the Board in B. above.

- F. The Board may or may not accept any bid for a dollar amount less than the total outstanding taxes, including a just value for current year taxes not assessed, interest, any current and past due sewer charges and associated interest, and all costs including, but not limited to, notice and insurance costs.
- G. The Board shall retain the right to accept or reject any and all bids submitted. Should the Board reject all bids, the property may be offered again for public sale without the notice to the former owner described in B. above.
- H. The Board shall notify by mail any successful bidder.
- I. The Board shall, as a credit to payment of the bid, retain the submitted bid deposit of the successful bidder and shall return all other submitted bid deposits.
- J. The Board shall require payment in full from any successful bidder within 30 calendar days following the date when bids are opened and read. Should the successful bidder fail to pay the full balance, the Town shall retain the bid deposit and title to the tax acquired property.
- K. The Board may, subject to a show of good cause on the part of the successful bidder, extend the time limit in which full payment must be received by an additional 20 days. Said extension shall not be made more than once.
- L. The Board shall give only a Municipal Quitclaim Deed to convey title to tax acquired property.
- M. The Town shall not be responsible for the removal of any and all occupants or tenants or personal property of tax acquired property sold by it. When the Town conveys the property it may not be free of all occupants and tenants and personal property and the removal of such occupants and tenants and personal property would be the successful bidder's issue. The successful bidder shall, in writing, forever indemnify and release the Town from any and all claims by the occupants and tenants of the purchased property, their heirs, or assigns, arising out of the sale of the tax acquired property or their removal. A signed, written document giving effect to the provisions of this section shall be delivered to the Town with the balance of the bid.

### 3.6 Requests for Proposals

In lieu of the procedures prescribed above, the Board of Selectmen may issue requests for proposals for redevelopment, rehabilitation or re-use of Town-owned real estate, and may establish suitable selection criteria. Requests for proposals will be publicly advertised and kept open for a sufficient period to allow for submission of proposals by multiple qualified proposers. Final conveyance of the property concerned to the selected developer or proposer shall be subject to a written property transfer agreement, option agreement or development agreement to be approved by the Board of Selectmen.

### 3.7 Property Exchanges

As an alternative to the procedures provided above, the Board of Selectmen may approve the conveyance of Town-owned real estate as part of an exchange or swap of properties, when the Board finds that the properties concerned are of substantially equal value or that the exchange is otherwise beneficial to the Town. Any such exchange shall be subject to a written agreement to be approved by the Board of Selectmen.

Approved this 21<sup>st</sup> day of January, 2014

By: Glenn I. Brawn  
Glenn Brawn, Chairman

By: Frank P. Kirsch  
Frank Kirsch, Selectman

By: Joseph C. Dunn  
Joseph Dunn, Selectman

By: Thomas E. Hunter  
Thomas Hunter, Selectman

By: William A. Lloyd  
William Lloyd, Selectman