

# TOWN OF WHITEFIELD

## *Policy for Tax Acquired Property*



Adopted by the Board of Selectmen: March 12, 2013

Town Seal

Attest:

Aaron C. Miller

Administrative Assistant, Town Clerk, Treasurer

# **Tax Acquired Property**

## **Section 1. Title**

This chapter shall be known as, and may be cited as, the “Policy for Tax-Acquired Property for the Town of Whitefield, Maine” and shall be referred to herein as “this chapter.”

## **Section 2. Purpose**

The purpose of this chapter is to establish a policy procedure whereby real estate property acquired in accordance with M.R.S.A. ss 942 and 943 as amended, shall be managed, administered and disposed of by the Town of Whitefield. This policy is not an ordinance and may be amended by the Whitefield Board of Selectmen.

## **Section 3. Definitions**

For the purposes of this chapter, the following definitions shall be observed in the construction of this chapter:

**FORECLOSED TAX LIEN** – A tax lien mortgage that has automatically foreclosed pursuant to 36 M.R.S.A. ss 942 and 943.

**JUST VALUE FOR THE CURRENT YEAR TAXES NOT ASSESSED** – The amount that would have been assessed to the property had it not been owned by the municipality on April 1 of the year in which it is sold by the municipality. (NOTE: The purpose of this definition is to recover for the municipality those taxes which would have been assessed to the municipality if it had been privately owned on April 1 in the year in which it is sold. These taxes would be lost under law if the municipality sells tax-acquired property after April 1).

**LAND or LANDS** – That portion of the physical surface of the earth either natural or modified by man to permanent or semi-permanent site and all natural or man-made resources therein and thereon. For the purpose of this chapter, “land” shall be commonly referred to as “real estate property,” as cited below.

**MAIL** – Regular, first-class mail posted at any United States Post Office, postage prepaid.

**MANUFACTURED REAL ESTATE PROPERTY** – Any structure, building or dwelling, including mobile home, the same being constructed or fabricated elsewhere and transported, in whole or in part, to and placed, set or installed permanently or temporarily upon land within the municipality. For the purpose of this chapter, “manufactured real estate property” shall be commonly referred to as “real estate property,” as cited below.

**MUNICIPALITY** – The town of Whitefield, Maine.

MUNICIPAL OFFICERS – The Board of Selectmen, Whitefield, Maine.

PRIOR OWNER – The person or persons, entity or entities, heirs or assigns to whom the property was most recently assessed for municipal taxes.

QUITCLAIM DEED – A signed, legal instrument (a quitclaim deed, without covenants) releasing the municipality's right, title or interest in real estate property, acquired by virtue of fore-closed tax liens, to an individual or individuals, entity or entities, without providing a guarantee or warranty of title to the same.

REAL ESTATE PROPERTY – All land or lands and all structures, buildings, dwellings, tenements and hereditaments, including manufactured real estate property, located or relocated upon any land or lands connected therewith and all rights thereto and interests therein.

TAX-ACQUIRED PROPERTY – That real estate property tax-acquired by the municipality by virtue of a foreclosed tax lien as cited above.

TAX LIEN – The statutory lien created by 36 M.R.S.A. § 552.

#### **Section 4. Management and Administration.**

Following statutory foreclosure of a tax lien mortgage, title to the real estate property automatically passes to the municipality. The management of this property rests exclusively with the municipal officers, subject to the provisions of state statutes and local municipal ordinances and regulations.

The municipal officers shall consider the following when disposing of tax-acquired property and tax-acquired mobile homes:

- A. The municipal officers shall determine whether a tax-acquired property is to be retained for municipal use or disposed of in accordance with provisions of this policy. The municipal officers shall determine which lots, if any, shall be appraised prior to sale.
- B. The municipal officers may obtain fire loss insurance for tax-acquired property in a dollar value not less than all outstanding taxes, liens, costs and other attendant expenses.
- C. In the event the selectmen determines that the property is to be retained by the town, then the occupants thereof should be evicted. If the property is to be returned to the prior owner, arrangements can be made for the payback to the town, but not on a landlord-tenant relationship.
- D. The municipal officers may pursue an action for equitable relief in accordance with the provisions of 36 M.R.S.A. §946, as amended, as a means of securing a clear title of any tax-acquired property, when the municipal officers decide to retain the property.

E. The municipal officers may obtain general liability insurance coverage for the tax-acquired property.

## **Section 5. Disposition of tax-acquired property.**

A. Within seven (7) days following the date of foreclosure, or if no foreclosures occur within seven (7) days of the date foreclosures would occur, the Treasurer shall provide the municipal officers with an inventory of all tax-acquired property. The inventory shall include all tax-acquired real estate property from prior years in which the municipality continues to retain an interest.

B. Within twenty-one (21) days of receipt of the inventory list from the Treasurer the municipal officers shall determine which, if any, property shall be offered for sale to the immediate prior owner for all past due taxes, accrued interest and costs, and a \$150.00 cost to cover administrative costs associated with the tax lien foreclosure process. The Board of Selectmen may, at its sole discretion, waive the \$150.00 cost to cover administrative costs. The Treasurer shall notify the delinquent taxpayer, at his or her last named address, according to the town's Tax Assessor's records, and current occupant, if applicable, with a notice to vacate the premises if all past due taxes, accrued interest and cost associated with the tax lien foreclosure process including just value for the current year not assessed, if applicable, are not paid in full within thirty (30) days from the date of the "notice to vacate." Following acceptance of payment in full, the municipality shall deliver a municipal quitclaim deed without covenants to the immediate prior owner releasing the municipality's interest in the property.

C. The municipal officers shall, by majority vote, decide the appropriate disposition of all other tax acquired property that is not sold to the immediate prior owner.

D. The municipal officers shall cause a public notice of an impending public sale of tax-acquired property to be posted within the town hall and to be advertised for two (2) successive weeks in a local newspaper generally used by the town for legal advertisements. The last notice shall be published at least five (5) days prior to the advertised sale date. The municipal officers shall require the following for proper submission:

1. A bid sheet containing a full description of the property being bid upon and the bid price in United States currency.

2. A certified cashier's check or postal money order, in an amount not less than ten percent (10%) of the bid price, to be included as a deposit on the bid. Failure to submit a deposit shall cause the bid to be automatically rejected.

3. That all bids be received by the City Clerk in a sealed envelope clearly marked "Tax-Acquired Property Bid."

E. The municipal officers shall retain the right to accept or reject any and all bids submitted and shall cause the same disclaimer to be noted in any public notice soliciting bids in accordance

with this chapter. Should the municipal officers reject all bids, the property may be offered again for public sale without notice.

F. The municipal officers shall notify, via mail, any successful bidder.

G. The municipal officers shall, as a credit to payment, retain the submitted bid price deposit of any successful bidder and shall return all other submitted deposits within ten (10) days of the bid opening.

H. The municipal officers shall require payment in full from any successful bidder within thirty (30) calendar days following the date when bids are opened and read. Should the bidder fail to pay the full balance, the municipality may retain the bid price deposit and title to the property.

I. The municipal officers shall issue only a quitclaim deed without covenants to convey title to tax-acquired property.

#### Section 6. Applicability.

This is a policy and not an ordinance which is intended as a guideline with regard to tax-acquired property. The municipal officers may vote to take action different from the guidelines set forth in this chapter if, in their judgment, it is in the best interest of the City of Presque Isle.