TAX ACQUIRED PROPERTY

Town of Frye Island
Cumberland County
State of Maine

Chapter 110 -- TAX ACQUIRED PROPERTY

[HISTORY: Adopted Town Meeting 10/7/00, WA08]

GENERAL REFERENCES

None

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§ 110-1. Title

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

§ 110-2. Purpose

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

§ 110-3. Definitions

For the purpose 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. §§ 942 and 943.

JUST VALUE FOR THE CURRENT YEAR TAXES NOT ASSESSED – The amount of taxes 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 which it is sold. These taxes would be lost under current 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 a permanent or semi-permanent state 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, 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 Frye Island, Maine

MUNICIPAL OFFICERS – The Board of Selectmen of the Town of Frye Island, Maine

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

QUITCLAIM DEED – A signed, legal instrument releasing the municipality’s right, title or interest in real estate property, acquired by virtue of foreclosed tax liens, to an individual or individuals, entity or entities, without providing a guaranty 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.

§ 110-4. 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 Treasurer shall annually provide the municipal officers with an inventory of all tax-acquired property within fourteen (14) days of the date of foreclosure of tax liens. The inventory shall include all tax-acquired property from prior years in which the municipality continues to retain an interest, as well as all other real estate owned by the municipal even though not tax acquired. The purpose of the inventory is to advise the municipality officers of that real estate in which the municipality has an interest.

A. The municipal officers shall obtain fire loss insurance for tax-acquired property in a dollar value not less than all outstanding taxes, liens, costs and other attendant expenses.

B. The municipal officers shall determine when and if any occupants of tax acquired property shall vacate the same.

C. 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 chapter. The municipal officers shall determine which lots, if any shall be appraised prior to sale.

D. The municipal officers may pursue an auction 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 to any tax-acquired property, whether it is to be sold or retained.

E. The municipal officers may change a monthly rental fee to any and all occupants of tax-acquired property. Should a rental fee be charged, the municipal officers shall obtain general liability insurance coverage for the rented tax-acquired property.

F. The municipal officers shall, in the event that the property is vacated for sixty (60) consecutive days, obtain general liability insurance coverage for the tax-acquired property.
§ 110-5. Disposition of tax-acquired property

Should the municipal officers determine that title to tax acquired property be relinquished rather than retained by the municipality, the following shall be observed:

A. For a thirty-day period following the date of foreclosure, the Treasurer may accept payment from the prior owner for all past due taxes, accrued interest and costs associated with the tax lien foreclosure process if offered by the prior owner. Following the acceptance of payment, the municipality shall deliver a municipal quitclaim deed to the prior owner releasing the municipality’s interest in the property.

B. The municipal officers shall solicit public bids for the sale of the tax-acquired property and shall receive, open and read aloud submitted bids.

C. The municipal officers shall send notice of the impending sale, via mail only, to any and all prior owners of said property. Such notification shall be made at least forty-five (45) days prior to the scheduled sale. Said prior owner may redeem the property within the 30 days immediately following notification, with full payment of all outstanding taxes. Including a just value for the current year not assessed, liens, interest and all costs, including but not limited to notice and insurance costs.

D. The municipal officers shall cause a public notice of an impending public sale of tax-acquired property to be posted within the Town Office and to be advertised for two (2) successive weeks in those newspapers generally used by the town for legal advertisements. The last notice shall be published at least seven (7) days prior to the advertised sale date.

E. The municipal officers 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 State 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.

F. The municipal officers shall require that those bid terms cited in Subsection E (1) and (2) be sealed in a single plain envelope marked only “Tax-Acquired Property Bid” on the exterior and either be hand delivered to the municipality or, if mailed, enclosed within a second envelope addressed; Town Manager, Town of Frye Island 1 Sunset Road, Frye Island, Maine 04071. All bids must be received by the municipality no later than 10:00 am daylight saving time on the date that bids shall be opened and read.

G. The municipal officers generally will not accept any bid for a dollar amount less than the total outstanding taxes, including a just value for current year taxes not assessed, liens, interest and all costs, including but not limited to public notice fees and insurance costs.

H. 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 to any prior owner or owners and without first having offered it to any prior owner.

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

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

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

L. The municipal officers may, subject to a show of good faith on the part of the bidder, extend the time limit a one-time-only additional twenty (20) days in which full payment must be received.

M. The municipal officers shall issue only a quitclaim deed to convey title to tax acquired property.

N. The successful bidder shall be responsible for the removal of any and all occupants of purchased tax-acquired property and shall, in writing, forever indemnify and save harmless the municipality from any and all claims arising out of the sale of the tax-acquired property brought by the occupants of the purchased property, their heirs or assigns.

§ 110-6. 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 Town of Frye Island.

In those cases where the municipality has taken possession of the real estate, and personal property of someone other than the municipality remains on the real estate, the municipality shall comply with Maine law with respect to the disposition of abandoned personal property. In those cases where the municipality has not taken possession of the real estate, the successful bidder shall be responsible for complying with Maine law with respect to the disposition of abandoned personal property and shall indemnify and hold harmless the municipality from any and all claims which may be made against the municipality with respect to such personal property.

Bid may not be withdrawn at any time after submission.

Effective Date: October 7, 2000