



Tax Acquired Property Policy

Tremont Board of Selectmen

1. GENERAL PROVISIONS

- 1.1. This policy is hereby adopted under authority of 30 MRSA section 3001, as amended, and shall be known as and may be cited as the "Tax Acquired Property Policy for the Town of Tremont" and shall be referred to herein as the "policy".
- 1.2. The purpose of this policy is to establish and dictate a procedure whereby real property, acquired in accordance with 36 M.R.S.A. section 942 and 943, as amended, shall be managed, administered and disposed of by the Town of Tremont.
- 1.3. For the purposes of this policy, the following definitions shall be observed:
 - A. "Foreclosed Tax Lien" shall mean a tax lien mortgage that has automatically foreclosed pursuant to the provisions of 36 M.R.S.A. section 942 and 943.
 - B. "Just Value for the Current Year Taxes not Assessed" shall mean the amount of taxes that would have been assessed to the property if it had not been owned by the Town on April 1st of the year in which it is sold by the Town. The intent of this definition is to recover for the Town, those taxes which would have been assessed to the property if it had been privately owned on April 1st in the year in which it is sold.
 - C. "Mail" shall mean regular, first class mail, postage prepaid.
 - D. "Manufactured Real Property" shall mean any structure, building or dwelling, having been constructed or fabricated elsewhere and transported, in whole or in part, to and placed, set or installed, permanently or temporarily, upon land within the Town. For the purpose of this policy, manufactured real property shall be commonly referred to as real property as defined below.
 - E. "Town" shall mean the Town of Tremont.
 - F. "Prior Owner" shall mean the person or persons, entity or entities, heirs or assigns to whom the property was most recently assessed for municipal tax purposes.
 - G. "Quitclaim Deed" shall mean a signed, legal instrument releasing the Town'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 guarantee or warranty of title to same.
 - H. "Real Property" shall mean all land or lands, and all structures, buildings, dwellings, tenements and hereditaments, including manufactured real property,

located or relocated upon any land or lands connected therewith and all rights thereto and interests therein.

- I. "Tax Acquired Property" shall mean that real property acquired by the Town by virtue of a foreclosed tax lien as defined above.
- J. "Tax Lien" shall mean the statutory lien created by 36 M.R.S.A. section 552

2. Management and Administration

- 2.1. Following statutory foreclosure of a tax lien mortgage, title to the real property automatically passes to the Town. The management of this property rests exclusively with the Board of Selectmen and its designees, subject to the provisions of State statutes and local Town ordinances and regulations. The Board of Selectmen or its designees shall take steps set forth in the following sections.
- 2.2. Within 14 days of automatic foreclosure the Tax Collector shall send notice to the prior owner that they must enter into a payment agreement or the property will be sold. Should a prior owner express interest in redeeming the property, but is financially unable to pay the full amount due, the Town Treasurer is authorized to enter into a time payment agreement to spread the payment of the full amount due for that tax year (including interest and fees) over a period deemed suitable by the Treasurer, not to exceed ten months. The intent is to require the taxpayer to catch up on his/her taxes, rather than staying "even" or falling behind.
- 2.3. Should a prior owner fail to abide by the time payment agreement and become ninety days or more in arrears, the Treasurer shall refer this matter to the Tax Collector for action as described below.
- 2.4. The Tax Collector shall send a notice by first class mail, to any and all prior owners, advising the prior owners that they may purchase the property within thirty (30) days immediately following the date of mailing, by paying the full amount of outstanding taxes, including a just value for the current year tax not assessed, interest and all costs including, but not limited to, notice and insurance costs, plus an administrative charge of fifty dollars (\$50.00).
- 2.5. If payment is not received within the time allotted above, the Board of Selectmen shall determine whether a tax acquired property is to be retained for Town use or disposed of in accordance with provisions of this policy.

3. Retention of Tax Acquired Property

- 3.1. Should the Board of Selectmen decide to retain the tax acquired property for use by the Town, the following steps shall be followed:
 - A. The Board of Selectmen shall determine if and when any occupants of tax acquired property shall vacate the same.

- B. The Board of Selectmen may set a monthly rental fee to be paid by each occupant of tax acquired property.
- C. The Town Manager shall pursue a legal action for relief in accordance with the provisions of Maine law for the purpose of securing a clear title to the property.
- D. The Town Manager shall obtain appropriate insurance on the property.

4. Disposition of Tax Acquired Property

- 4.1. Should the Board of Selectmen determine that title to tax acquired property be relinquished rather than retained by the Town, the Board or its designees shall take steps set forth in the following sections.
- 4.2. The Treasurer shall solicit sealed bids for the sale of tax acquired property and shall receive bids on a date certain to be determined by the Board of Selectmen.
- 4.3. The Treasurer shall cause a public notice of the impending public sale of tax acquired property to be posted within the Municipal Building and to be advertised for two (2) weeks in a newspaper of general circulation within the Town, the last notice to be published at least seven (14) days prior to the advertised sale date. Any public notice soliciting bids shall include a disclaimer that the Board of Selectmen shall retain the right to accept or reject any and all bids submitted.
- 4.4. The Treasurer shall require the following for proper submission of bids:
 - A. A bid sheet containing a full description of the property being bid upon, and the bid price.
 - B. 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.
- 4.5. The Treasurer shall require that those bid items cited above in 4.4 be sealed in a single plain envelope marked in red "Tax Acquired Property Bid" on the exterior and either be hand delivered to the Town Clerk, or, if mailed, enclosed within a second envelope addressed to the Town Clerk, Town of Tremont, P.O. Box 159, Bernard, ME 04612. All bids must be received by the Town Clerk no later than 10:00 a.m. on the date determined by the Board of Selectmen in section 4.2 above.
- 4.6. The Town Treasurer shall open all bids after the submission deadline and shall prepare a summary thereof and a recommendation for the Board of Selectmen. The bid shall be awarded to the highest bidder, although the Board of Selectmen shall retain the right to accept or reject any and all bids submitted. Should the Board of Selectmen reject all bids, the property may be offered again for public sale without notice to any prior owner or owners.

- 4.7. The Town Clerk shall notify all bidders of the Selectmen's decision on the bids by first class mail or electronic mail.
- 4.8. The Town Treasurer shall retain the submitted bid price deposit of any successful bidder, credit that amount to the payment due, and return all other submitted deposits.
- 4.9. The successful bidder shall make payment in full within thirty (30) calendar days following the date when bids are opened and read. Should the bidder fail to pay the full balance within that time, the Town shall retain the bid price deposit and title to the property.
- 4.10. The Board of Selectmen may, subject to a show of good cause on the part of the bidder, extend the time limit in which full payment must be received, by an additional twenty (20) days. Said extension shall be made only once.
- 4.11. The Board of Selectmen shall give only a quitclaim deed to convey title to tax acquired property.
- 4.12. The successful bidder shall be responsible for the removal of any and all occupants of tax acquired property purchased by him and shall, in writing, forever indemnify and save harmless the Town from any and all claims arising out of the sale of the tax acquired property, by the successful bidder or the occupants of the purchased property, their heirs or assigns. A signed, written document giving effect to the provisions of this section, shall be delivered to the Town with the balance of the purchase price.

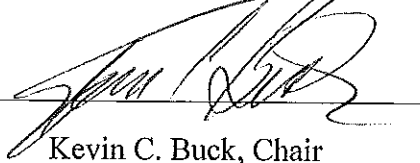
5. Construction and Adoption

- 5.1. Should any section or provision of this policy be declared to be invalid, such decision shall not invalidate any other section or provision of this policy, and to this end, the provisions of this policy are severable.
- 5.2. The provisions of this policy shall not be deemed applicable to a release given by the Board of Selectmen to any person or persons, entity or entities, the sole purpose of which is to remove any cloud upon title to property arising from defective or unrecorded discharges of tax liens, provided that the Town claims no interest whatever in the property.
- 5.3. The failure on the part of the Board of Selectmen to abide by any provision of this policy shall not operate to invalidate any transaction with respect to any tax acquired property. The Selectmen may alter any provision as it deems in the best interest of the Town of Tremont.
- 5.4. This policy shall become effective immediately upon adoption by the Selectboard.

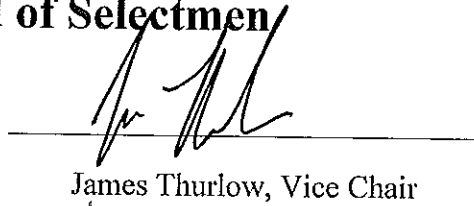
5.5 This policy will not expire until repealed or amended by the Selectboard.

Adopted by the Selectboard on June 19, 2017.

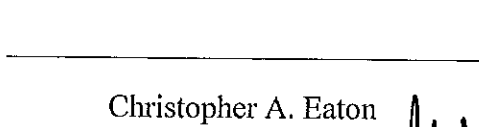
Tremont Board of Selectmen



Kevin C. Buck, Chair



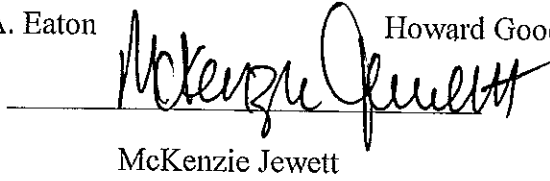
James Thurlow, Vice Chair



Christopher A. Eaton



Howard Goodwin



McKenzie Jewett

LEGISLATIVE HISTORY
06/19/17 - Selectmen adopted first "Tax Acquired Property" Policy.