

**TOWN OF SCARBOROUGH
POLICY FOR
DISPOSITION OF TAX ACQUIRED PROPERTY
ADOPTED OCTOBER 16, 2002
AMENDED MARCH 18, 2015**

Article 1. General.

- 1.1 The purpose of this Policy is to establish procedures and guidelines for the efficient and fair management, administration and disposition of real property acquired under the tax lien procedures set forth in Title 36 M.R.S.A. Sections 942 and 943. Nothing in this policy is intended or shall be interpreted to give additional substantive or procedural rights to owners or former owners 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 last known owner of record that his or her right to redeem the tax lien mortgage securing the collection of property taxes has expired, that the tax lien mortgage has foreclosed and vested ownership of the property in the Town. The notification shall also advise that the property will be disposed of in accordance with this Policy, a copy of which shall be included with the notification.
- 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 such 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 to determine:
- A. The potential liabilities (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 assess 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 needing legal assistance (and estimated costs of the same) to require the occupants to quit the premises.
- 2.4 In the event that a tax-acquired property remains or becomes vacant for sixty (60) consecutive days following the date of foreclosure of a tax liens under which the Town becomes the owner of a 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 Town Council, Chairman of the Planning Board, Public Works Director, Police Chief, Fire Chief, Community Services Director, Conservation Commission, Emergency Services Director, Municipal Engineer as appropriate, other Town department heads; the Scarborough Historical Society, the Affordable Housing Alliance and the Parks and Conservation Land Board. These parties shall review the list of tax-acquired properties and identify properties that the party believes should be considered as a candidates to be retained by the Town for public use and within twenty-one [21] days of receiving the list provide the Town Manager with the party's recommendations and a brief statement of the reasons therefore.

The Town Manager shall collect and summarize these recommendations and the review of each such property under Section 2.3 of this Policy and make one of the following recommendations to the Town Council on the disposition of each tax acquired parcel:

- A. For non-residential or commercial properties, or residential property that are not the former owner's or the members of the former owner's immediate family's primary residence, to either:
 - 1. Retain the property as Town property for a particular purpose identified by one of the above-identified department heads or other Town officials. For such to be retained properties, the Town Manager, in consultation with the Town Attorney shall review and pursue, as appropriate, judicial confirmation of the Town's right, title or interests in the subject property under 36 M.R.S.A. section 946; or
 - 2. Sell or exchange the property with or without conditions; or,
 - 3. Offer to the former owner a one-time opportunity to redeem and reacquire the tax foreclosed property under the procedures and terms set for in Article 4 below.
- B. If the property is a single-family residence occupied by the owner or the former owner or the former owner's immediate family members, to enter into arrangements to secure just and prompt payment of outstanding and current taxes, related interests and costs.
 - 1. If this option of disposition is pursued, the Town Manager shall present the former owner (or former owner's immediate family) with, and the former owner shall agree to acknowledge, a written plan and an installment sales contract 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.
 - 2. The installment sales contract shall require the former owner of the property to maintain property insurance 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.

3. The former owner must timely sign the written plan and installment sales contract 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 all successfully and timely completed, and further acknowledge that the former owner will strictly comply with the terms of the plan and installment sales contract.
4. Failure of a former owner to timely enter into an installment sales contract with the Town (within thirty (30) days) or strictly comply with an executed plan and terms of the installment sales contract will result in a default and forfeiture of the plan and installment sales contract. Upon such failure, the former owner will be provided with the one-time opportunity to reacquire the property under the terms and procedures set forth in Article 4.

3.2 The Town Manager shall forward his or her reviews, recommendations and determinations regarding each property to the Town Council. The Town Council may override a particular recommendation of the Town Manager to retain a property but shall otherwise direct that the property be processed in conformance with the terms of this Policy.

3.3 Any sale of tax-acquired property shall be through a public sale. 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.

Article 4. One-Time Opportunity and Process to Reacquire Tax acquired industrial, commercial vacant land, non-primary residence property or residential tax acquired property subject to default and forfeiture of an instalment sales contact under Article 3.1.

4.1 Immediately following the Town Council's identification of properties qualifying to be offered a one-time opportunity for redemption and reacquisition, or following an event of default and forfeiture under Section 3.1(B)(4), the Town Manager shall send by certified and first class mail addressed to the former owner of properties so identified a letter notifying of the redemption and reacquisition process under this Article.

4.2 To elect the opportunity to be allowed the one-time opportunity to redeem and reacquire the tax acquired property, the former owner must inform the Town Manager, in writing, of their agreement within thirty (30) days of the Town Manager's notification letter, to the following terms:

- A. Confirmation that the Town holds valid title to the property under the foreclosure process:
- B. Agreement to make payment to the Town within ninety (90) days according to the following terms:
 1. Payment in full of the amount of all taxes and interest subject to liens and for all years through and including taxes assessed for the current tax year as would have been assessed to the subject property following the tax lien foreclosure if such taxes were not assessed;
 2. Payment in full of the Town's cost of administering and filing the liens, including the filing of notices and registry costs, deed and discharge filings, insurance coverage and costs of securing or maintain the property and,

3. Payment in full of an administrative fee in the amount of \$750.00 to cover and offset the Towns' legal costs and cost of preparing and filing the tax release deed and lien.
- C. Payment shall be by certified funds or wire transfer.
 - D. Upon full, timely and satisfactory completion of all requirements and payment under this Article, the subject property shall be conveyed to the former owner by Municipal Tax Release Deed.

Adopted by the Scarborough Town Council

October 16, 2002

Amended March 18, 2015