

**TOWN OF BOOTHBAY HARBOR
TAX-ACQUIRED PROPERTY PROCEDURES AND POLICIES**

Article 1. General

- 1.1 The purpose of these procedures and policies are to establish procedures for the management, administration and disposition of real property acquired by reason of non-payment of taxes to the Town of Boothbay Harbor under the lien process set forth in 36 M.R.S.A. Sections 942 and 943, as amended, and consistent with the any agreements the Town may enter into with the Boothbay Harbor Water District or Boothbay Harbor Sewer District.
- 1.2 The terms set forth here are intended to be followed in most circumstances but may be waived by the Selectmen in the event that that an outcome may not advance the best interest of the Town. Nothing in this policy shall be interpreted to give additional substantive or procedural rights to owners of properties forfeited for non-payment of taxes.
- 1.3 Before tax liens foreclose, it is the policy of the Town to investigate the circumstances and conditions of properties that may be subject to foreclosures to determine if conditions present at any property, the potential for environmental contamination or other circumstances make it appropriate to avoid becoming record owner of a property and thereafter waive the foreclosure or to otherwise not perfect the tax lien foreclosure process. Waiver of foreclosures shall proceed in accordance to 36 M.R.S.A. Section 944(1).

Article 2. Management of Tax-Acquired Property Pending Final Disposition

- 2.1 Following the foreclosure of a tax lien mortgage, the Treasurer shall notify the last known owner of record that his or her right to redeem the property has expired. The notification shall advise the last known owner of record that the property will be disposed of in accordance with this policy, a copy of which shall be included with the notification.
- 2.2 Thirty (30) days after notifying the owner of record, the Treasurer shall prepare a list of tax-acquired parcels and forward the list to the Selectmen and department heads and other persons as the Treasurer believes should be informed.
- 2.3 The responsibility for the oversight of tax-acquired property pending disposition rests with the Manager and the Selectmen. Pending the decision of the Selectmen regarding the final disposition of property, the Selectmen and Manager shall:
 - a. Determine in light of potential liabilities inherent in owning the property whether the Town's best interest would be served by immediately disposing of the property or disposing the property on such terms as the Selectmen and Manager deem advisable without regard to any other provisions of this policy;

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- b. Determine and obtain, if necessary, insurance in the amount required to protect the Town's interest in the property and to protect the Town from liability; and
 - c. Determine if and when any occupants of tax-acquired property shall be required to vacate the property.
- 2.4 In the event a tax-acquired property is vacant for sixty (60) consecutive days, the Manager shall obtain liability coverage for the property.

Article 3. Review of Tax-Acquired Property

- 3.1 The department heads and other interested parties shall make recommendations to the Manager on the disposition of each tax-acquired parcel property within thirty (30) days of the Treasurer's issuance of the list of tax-acquired properties. The Manager shall collect and summarize such recommendations and for each tax-acquired parcel and make the recommendation to a. sell the property with or without conditions; or b. retain ownership of a parcel for a specified purpose.
- 3.2 The Manager shall forward the recommendations to the Selectmen who shall make the final determination regarding the final disposition of each tax-acquired parcel. The Selectmen shall also determine the conditions, if any, for any sale of tax-acquired property.

Article 4. Tax –Acquired Property to be Retained

If the Selectmen deem it to be in the Town's best interests, they may order that tax-acquired property be retained by the Town for a specified purpose. By way of example, but not limitation, the Selectmen may deem it to be in the Town's best interest to retain the property where:

- a. a property has or will have recreational value or economic value to the Town; or
 - b. a property has or will have potential use as a public facility or as an addition to the public facility.
- 4.1 If a property is retained, the Selectmen may pursue an action for equitable relief to further secure the Town's title in the property in accordance with the provisions of Title 36 M.R.S.A. Section 946.
- 4.2 Tax-acquired property retained will be managed and insured as Town owned property.
- 4.3 If a parcel is retained, the Town shall reimburse the Boothbay Harbor Sewer District and the Boothbay Harbor Water District the then outstanding unpaid

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sewer or water rates, assessments or other lawful charges associated with the services and operations of the Boothbay Harbor Sewer and Water Districts.

Article 5. Property to be Sold

- 5.1 The tax-acquired parcels the Selectmen determine should be sold will be offered for sale and sold by whatever process that the Selectmen determine in their sole discretion will be in the best interests of the Town. Methods of sale for tax-acquired property may include, but are not limited to, public bid sales, brokerage sales or negotiated sales.
- 5.2 If a public bid process is used, the Manager shall cause to be published advanced notice of the sale of the tax-acquired property in a local newspaper. The notice shall also be posted in a conspicuous place within the Municipal Building. The notice of sale shall also be sent to the person from whom the property was acquired and the property owners whose property immediately abuts the property to be sold. The notice shall specify the time and date bids are due, the general terms of the sale and information useful to prospective bidders.
- 5.3 All bids shall be submitted on forms prescribed by the Manager in an envelope clearly marked "Tax-acquired Property Bid" and accompanied by a cashier's or certified check equal to the bid deposit. Bids shall be publicly opened and read on the date and at the time specified under the terms of the sale.
- 5.4 The Manager shall review all bids and make recommendations to the Selectmen. The Selectmen shall determine the successful bidder.
- 5.5 The Selectmen reserve the right to reject any or all bids and waive any of the requirements of this policy should the Selectmen, in their sole determination, determine such actions to be in the best interest of the Town.
- 5.6 Should the Selectmen reject a bid, the property may again be offered for sale.
- 5.7 Should a successful bidder fail to complete the terms of the sale, the Town shall retain the bid deposit. The Selectmen may therefore offer the property to another bidder, if the Selectmen determine that such course is in the best interest of the Town.
- 5.8 The Town's interests in tax-acquired property shall be transferred by a Municipal Release Deed.
- 5.9 Unless the property is vacant at the time of sale, the successful bidder shall be responsible for the process and expenses of removing occupants and contents from the property in a manner according to law.

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5.10 Proceeds of a sale shall of tax-acquired property, to the extent that funds are received from the sale, shall be distributed as follows:

5.10.1 All owed taxes including one estimated future year, interest, and costs under the tax lien process shall be paid to the Town, including all costs incident to the sale of the property.

5.10.2 Second, all outstanding sewer rates, assessments or other lawful charges incurred by the Boothbay Harbor Sewer District in providing services to the property shall be paid.

5.10.3 Third, all outstanding water rates, assessments or other lawful charges incurred by the Boothbay Region Water District in providing services to the property shall be paid.

5.10.4 Fourth, any balance shall be placed in the Town general fund.

5.10 Rules and Qualifications for Repurchase by Prior Owners

Until such time as the Selectmen decide the disposition of tax-acquired property the property may be repurchased by the person or persons owning the property immediately before the tax lien foreclosure or by persons who have acquired legal interests in the property as a result of the death of the former owner. The purchase price to re-acquire tax-acquired property is the full amount of all unpaid outstanding and due real estate taxes, charges, and interest, and all of the Town's costs, including the Town's filing, legal and attorney fees as of the date of repurchase which includes owed sewer and water charges.

5.11 Senior Citizen Tax Deferral Program

To assist resident senior citizens in remaining in their homes, senior citizens are encouraged to participate in the Elderly Tax Deferral Program, set forth in 36 M.R.S.A. Sections 6250, et seq. During the time that residents and properties afforded the privileges of the Elderly Tax Deferral Program the Town will continue to secure and perfect its right to collect property taxes assessed against such properties through the tax lien procedures under State law.

Adopted by the Boothbay Harbor Selectmen March 25,2013.