

**TOWN OF BOWDOINHAM
POLICY FOR
DISPOSITION OF TAX ACQUIRED PROPERTY**

Article 1. General

- 1.1 The purpose of this Policy is to establish procedures 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. Nothing in this policy 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 or designee 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. 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.
- 2.3 The Town Manager, and as necessary in consultation with the Town Attorney, shall review each property identified on the list and 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 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 requiring 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 60 consecutive days following the date of foreclosure of the 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 summarize the results of his or her review of each such property as per Section 2.3 of this Policy and make one of the following recommendations to the Select Board:
1. Retain the property for a particular purpose. The Town Manager, in consultation with the Town Attorney shall review and pursue, if appropriate or required, 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 the property with or without conditions.
 3. Take no action. In order to allow the owner to continue making payments on balance of past due and currently due taxes, interests, and costs.
 4. Property could qualify for special sale pursuant to 36 M.R.S.A. § 943-C.
- 3.2 The Town Manager shall forward his or her reviews, recommendations and determinations regarding each property to the Select Board. The Select Board shall make the final decision on whether to retain or sell the property.
- 3.3 If the municipality chooses to sell a property that at the time immediately prior to foreclosure was:
- a) entitled to a property tax exemption as a homestead as defined under Title 36, section 681, subsection 2; and
 - b) owned by at least one person who on the date the tax lien certificate was recorded, was 65 years of age or older;

than the municipal officers or their designee shall notify the former owner(s) who then have the opportunity to apply for a specialized sale as described in this document.

1. Notification; appeal. At least 90 days prior to listing property described in subsection 1 for sale, the municipal officers or their designee shall notify the former owner or owners, by first-class mail, of the former owner's or owners' right to require the sale process described in subsection 3. The municipal officers or their designee shall include with the notice an application form with instructions concerning application procedures and submission of information necessary for the municipality to determine whether the former owner or owners meet the conditions required under subsection 1. The former owner or owners must be allowed at least 30 days from the date the notice is mailed to submit the required application form and information. The municipal officers or their designee, within 30 days after receiving the required form and information, shall notify the former owner or owners whether the former owner or owners have been determined to be eligible for the sale process described in subsection 3 and inform the former owner or owners of the right to appeal pursuant to the Maine Rules of Civil Procedure, Rule 80B. The State Tax Assessor shall prepare

application forms, notices and instructions that must be used by municipalities to inform former owners of their right to apply for the sale process provided under subsection 3.

2. Sale process requirements. If the Town determines that the former owner or owners meet the conditions specified under subsection 1, the municipal officers or their designee shall:
 - a) List the property for sale with a real estate broker licensed under Title 32, chapter 114 who does not hold an elected or appointed office in the Town and is not employed by the Town; and
 - b) Sell the property at fair market value or the price at which the property is anticipated by the real estate broker to sell within 6 months after listing; and
 - c) Pay to the former owner or owners any proceeds from the sale in excess of:
 1. The sum of all taxes owed on the property;
 2. Property taxes that would have been assessed on the property during the period following foreclosure when the property is owned by the Town;
 3. All accrued interest;
 4. Fees, including real estate broker's fees; and
 5. Any other expenses incurred by the Town in selling or maintaining the property, including, but not limited to, reasonable attorney's fees.
3. Effect of inability to contract or sell property. If, after attempting to contract with at least 3 real estate brokers who meet the requirements of subsection 3, paragraph A, the Town is unable to contract with a real estate broker for the sale of the property as described in subsection 3 or the broker cannot sell the property within 6 months after listing, the Town may retain, sell or dispose of the property in the same manner as other property acquired through the tax lien foreclosure process.
4. Application. To apply for the specialized sale as described in subsection 3, the applicant must provide evidence that:
 - a) The income, as defined in section 5219-KK, subsection 1, paragraph D, of the former owner or owners of the property was less than \$40,000, after medical expenses have been deducted, for the calendar year immediately preceding the calendar year in which the right of redemption expired; and
 - b) The value of liquid assets of the former owner or owners of the property is less than \$50,000 in the case of a single individual or \$75,000 in the case of 2 or more individuals. For the purposes of this paragraph, "liquid assets" means something of value available to an individual that can be converted to cash in 3 months or

less and includes bank accounts, certificates of deposit, money market or mutual funds, life insurance policies, stocks and bonds, lump-sum payments and inheritances and funds from a home equity conversion mortgage that are in the individual's possession whether they are in cash or have been converted to another form; and

- c) The former owner or owners must provide documentation verifying the former owner's or owners' income and liquid assets.

3.4 If the Select Board chooses to sell a property that does not meet Section 3.3 above, then the tax acquired property may be disposed of through a public sale. The Board may offer the property to the person(s) leasing and living on the property, prior to selling the property through public sale. The terms of such offer shall be at the discretion of the Select Board.

1. A public notice of an impending public sale of the tax-acquired property should be posted within the Town Office, on the Town's website and advertised in a newspaper generally used by the Town for legal advertisements.
2. The Select Board shall set the minimum bid to include an administrative fee to cover the costs of property sale in addition to the accrued outstanding tax and lien cost, at a minimum.
3. A certified cashier's check or postal money order, in an amount not less than ten percent (10%) of the bid price, must be included as a deposit on the bid. Failure to submit a deposit shall cause the bid to be automatically rejected.
4. Bids must be made in an amount certain, conditional bids will not be accepted.
5. The Select Board 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 policy. Should the Select Board reject all bids, the property may be offered again for public sale.
6. Successful bidders must execute a Purchase and Sale Agreement substantially in the form provided by the Town within the Bid Package within 10 days of the Town's acceptance of their bid. If a successful bidder does not timely execute the Purchase and Sale Agreement within 10 days of being awarded the bid the Town shall retain the successful bidder's deposit check.
7. Upon the identification of the successful bidders, other bidders may then elect to withdraw their bids by providing written notice of the withdrawal to the Town. Unsuccessful bidders who elect to withdraw and not continue their bids after the successful bidders have been identified shall receive back their deposit checks.
8. If a successful bidder fails to timely execute the required Purchase and Sale Agreement, the Town may, in its discretion, award a bid to another qualified bidder

who has not withdrawn his or her bid. New successful bidders shall execute the required Purchase and Sale Agreement within 10 days of the date of being awarded the bid or the Town will retain their deposit check.

9. Upon transfer of property that is sold, the Town will return all remaining bid checks to unsuccessful bidders by mail to the address they included on their bid forms.
10. Conveyance of all properties will be by a quitclaim deed without covenants. Transfers shall be subject to any and all encumbrances, other liens of record and tenancies or occupancies as of the date of the conveyance.

Adopted by the Bowdoinham Select Board on February 14, 2012 replacing the “Town of Bowdoinham 45 Day Property Redemption Policy” adopted on September 9, 1998.

Amended by the Bowdoinham Select Board on July 23, 2013.

Amended by the Bowdoinham Select Board on July 23, 2019.

Amended by the Bowdoinham Select Board on January 25, 2022.

Amended by the Bowdoinham Select Board on August 30, 2022.

Select Board
Town of Bowdoinham, Maine

David Engler, Chair

Mark Favreau, Vice-Chair

Witness to all:

Nicole Briand
Town Manager

Peter Lewis

Jeremy Cluchey

Debra Smith