

**TOWN OF NORTHPORT
TAX ACQUIRED PROPERTY -
MAINTENANCE, ADMINISTRATION, AND DISPOSITION
POLICY**

ARTICLE 1. PURPOSE

The purpose of this Policy is to establish procedures for the maintenance, administration, and disposition of real property acquired for non-payment of taxes, including interest charges or fees as provided in accordance with Title 36 MRS Sections 942, and 943 A&C, as amended. The process of disposing tax acquired property from senior, low-income taxpayers per MRS 36 §943-C through a special sale process shall also be followed for those who qualify. Nothing in these procedures, however, shall limit or restrict the rights of the Select Board to waive any provision of this policy to manage or dispose of tax acquired property in the best interest of the Town.

ARTICLE 2. DEFINITIONS

For the purposes of this Policy, all terms not specifically defined herein shall have their customary or ordinary meanings.

- A. Foreclosed Municipal Lien shall mean a property tax lien mortgage that has automatically foreclosed pursuant to Title 36 MRS Section 942 and 943, as amended.
- B. Unassessed Taxes shall mean the amount of taxes that would have been assessed to the property in question had it not been owned by the municipality on April 1st on all years in which the municipality may hold title.
- C. Mail shall be regular, first class, or certified mail, posted at any U.S. Post Office, postage prepaid.
- D. Municipality shall mean the Town of Northport, Maine.
- E. Municipal Lien shall mean a statutory lien mortgage created pursuant to the provisions of Title 36 MRS, Section 551 & 552, as amended.
- F. Municipal Officers shall mean the Northport Board of Selectmen.
- G. Quit Claim deed shall mean a signed, legal instrument releasing the municipality's right, title, or interest in real estate property, acquired by virtue of foreclosed tax liens, to a person or persons, entity or entities without providing a guarantee or warranty of title or covenant or warranty of any kind, including title to such property.
- H. Homestead Exemption per Title 36 MRS §681(2), shall mean any residential property, including cooperative property, in this State assessed as real property owned by an applicant or held in a revocable living trust for the

benefit of the applicant and occupied by the applicant as the applicant's permanent residence or owned by a cooperative housing corporation and occupied as a permanent residence by a resident who is a qualifying shareholder. A homestead does not include any real property used solely for commercial purposes.

- I. Permanent Residence means that place where an individual has a true, fixed and permanent home and principal establishment to which the individual, whenever absent, has the intention of returning. An individual may have only one permanent residence at a time and, once a permanent residence is established, that residence is presumed to continue until circumstances indicate otherwise.
- J. Special Sale Process applies to properties where one of the owners were ^{sixty-five} (65) years of age on the date the tax lien was recorded on their former property with a homestead exemption and the former owners meet income and asset requirements.

ARTICLE 3. MAINTENANCE AND ADMINISTRATION

Following statutory foreclosure of a municipal lien mortgage, title to the real estate property automatically passes to the municipality. The management of the property rests exclusively with the Municipal Officers, subject to the provisions of State Statutes and local ordinances and regulations.

- A. The Municipal Officers shall obtain a level of insurance required to protect the Town's interest in the property with structures thereon, and to protect the Town from liability.
- B. The Municipal Officers shall determine when and if any occupants of the municipal lien acquired property shall vacate this property. If the decision to vacate is made, eviction will follow pursuant to the Town's legal rights and tenant at will statutes and any other manner prescribed by law. If the occupants remain, and the property is to be sold, the sale notice will state the premises are occupied and shall be the owner's responsibility to address the occupants.
- C. The Municipal Officers shall determine whether a municipal lien acquired property is to be retained for municipal use or disposed of in accordance with the provisions of this Policy.
- D. If the Municipal Officers determine that municipal lien acquired property shall be retained for use by the municipality, the Municipal Officers may pursue action for equitable relief in accordance with the provisions of Title 36 MRS Section 946, as amended, as a means of securing clear title to the Property.

ARTICLE 4. DISPOSITION OF MUNICIPAL TAX ACQUIRED PROPERTY

- A. If the Municipal Officers decide in its sole discretion not to retain the tax acquired property, or it does not meet the definition of a Homestead Exemption or Permanent Residence, the Municipal Officers may sell the tax acquired property by sealed competitive bid no less than thirty (30) days after the date of publication for solicitation of bids.
- B. The Municipal Officers shall solicit public bids for the sale of municipal lien acquired property and shall receive, open, and read aloud submitted bids no less than thirty (30) days after the date of publication of notice for solicitation of bids.
- C. The Municipal Officers shall send notice of the intent to solicit bids for sale of the municipal acquired property, via mail only, to the person or persons, entity or entities to which the property was most recently assessed for municipal taxes. The aforementioned person or persons, entity or entities, may repurchase the property within thirty (30) days following the date when the notification was mailed, with full payment of **all outstanding taxes**, unassessed taxes, municipal liens, interest and all costs including, but not limited to, notice, legal fees, and insurance costs. The notice provided by this paragraph is a matter of courtesy only and failure of the municipality to send this notice shall not create any legal rights in any person or entity to whom the notice was sent, shall not invalidate the sale or use of the municipal lien acquired property pursuant to this Policy, nor shall such failure provide a legal basis for any legal action against the municipality or Municipal Officers.
- D. The Municipal Officers shall cause a public notice of the solicitation of bids for the municipal lien acquired property to be posted within the Town Office and to be advertised for two (2) consecutive weeks, the last notice to be published at least seven (7) days prior to the advertised sale date. The notice shall specify:
1. The time and date bids are due;
 2. The general terms of the sale;
 3. The following information for each piece of property for sale:
 - a. Brief description of the property, i.e. land, building(s), etc.;
 - b. Location of the property, including its map and lot number according to the Town's records;
 - c. The minimum bid requirement, and
- E. The Municipal Officers shall 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 U.S. currency.
 2. A deposit by certified check or postal money order in an amount not less than twenty percent (20%) of the bid price. Failure to submit the proper deposit shall cause the bid to be automatically rejected.

3. The Municipal Officers shall require that bid items, cited in 4.E (1) and (2) above, be sealed in a plain envelope marked "Municipal Lien Acquired Property" on the exterior and either hand delivered to the Northport Town Office, or, if mailed, to be enclosed within a second envelope addressed to the Board of Selectmen, Town of Northport, 16 Beech Hill Road, Northport ME 04849. All bids must be received and date-stamped at the Northport Town Office no later than the time specified on the bid notice.
4. At its sole discretion, the Municipal Officers may set a minimum bid when it is in the best interest of the Town.
5. The bids shall be publicly opened and read on the date and time specified.

F. Special Sale Process:

In the event the Municipal Officers determine the lien acquired property is to be sold, and there was a Homestead exemption on the property, at least ninety (90) days before the sale, notice of the Special Sale Process and the application, shall be mailed to the former owner(s) notifying them of their right to apply for the Special Sale Process per Title 36 MRS §943- C. In order to use this special sale process, the owner, or owners, must demonstrate the following:

1. The lien acquired property was owned by at least one person who, on the date the tax lien certificate was recorded, was sixty-five years of age (65) or older and the property was occupied as a homestead as defined in Article 2, H & I;
2. Per Title 36 MRS §5219-KK(1)(D), the federal adjusted gross income 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 to redemption expired;
3. The liquid assets of the former owner(s), of the property is less than \$50,000 for an individual or \$75,000 in the case of two or more individuals; and;
4. The former owner(s) must provide documentation verifying the above.

G. Application Process

After the former owner(s) have received the notice and application, they will have thirty (30) days to submit a completed application and supporting materials to the Board of Selectmen.

1. Within thirty (30) days of receipt of a complete application and supporting materials, the Selectmen must determine if the former owner(s) qualify for the Special Sale Process.
2. Within the thirty (30) day period, the Selectmen will hold a meeting to review the application. The former owner(s) shall have the opportunity to attend the meeting and provide information or answer questions. The

Selectmen will meet in Executive Session as the application and all supporting materials are confidential.

3. To qualify for the Special Sale Process, the former owner(s) must demonstrate and provide materials for the following:
 - a. On the date the lien was recorded, the real estate was owned by at least one person who was at least sixty-five (65) years old and who occupied the real estate as a homestead as defined in Title 36 MRS §681(2); and
 - b. The former owner's federal adjusted gross income, as defined in Title 36 MRS §5219-KK(1)(D) was less than \$40,000 after medical expenses were deducted, for the calendar year immediately preceding the calendar year in which the lien was foreclosed; and
 - c. The value of their liquid assets is less than \$50,000 for one person or \$75,000 for two or more persons. Liquid assets means something of value available to an individual that can be converted to cash in three 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 an individual's possession whether they are in cash or have been converted to another form. The former owner(s) must provide documentation verifying income and assets.
4. Written notice of the decision of the Selectmen must be mailed via first class mail to the former owner(s), including notice of the right to appeal the decision pursuant to the Maine Rule of Civil Procedure 80B.
5. If the former owner's application is approved, the Selectmen must list the tax acquired property with a licensed real estate broker. The broker must not be an elected or appointed municipal officer or employee of the municipality. The real estate must be sold at fair market value or at a price which the broker thinks is likely to sell within six months.
6. If the municipality is unable to list the real estate with a broker after contacting at least three licensed real estate brokers, or if a broker accepts the listing but cannot sell it within six months of listing, the municipality may then sell, retain, or dispose of the real estate according to its regular procedures relating to tax acquired property.
7. If the property is sold while listed with the broker, sale proceeds in excess of: back taxes, taxes that would have been assessed between foreclosure and sale, accrued interest, fees including broker fees, expenses incurred in selling or maintaining the property, and other expenses listed in Title 36 MRS §943-C(3); must be returned to the former owner(s).

ARTICLE 5.

The Municipal Officers shall not accept any bid for a dollar amount less than the total outstanding taxes, unassessed taxes, municipal liens, interests and all costs, including but not limited to, public notice fees, legal fees, and insurance costs. Acceptance of a lesser amount must be proposed to, and accepted by, the voters at a town meeting. Should the Municipal Officers determine that such property ought to be disposed of by some means

other than competitive bidding, or that the minimum purchase price should be waived, the Municipal Officers shall make such presentation to a town meeting for voter approval.

ARTICLE 6.

Any and all funds derived from the sale of municipal lien acquired property, except a portion of funds derived from the Special Sale Process, shall be deemed general revenues to the Town of Northport and may be appropriated for any lawful use by the municipality.

ARTICLE 7.

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 Policy. Should the Municipal Officers reject all bids, or in the absence of any bids, the property may be offered again for public sale without notice to that person or persons, entity or entities cited in Article 4C.

ARTICLE 8.

The Municipal Officers shall notify via mail any successful bidder.

ARTICLE 9.

The Municipal Officers shall, as a credit to payment, retain the submitted deposit of any successful bidder, and shall return all other submitted deposits.

ARTICLE 10.

The Municipal Officers shall require payment in full, from any successful bidder within thirty (30) calendar days following the date when the bids are opened and read (see Article 11 for exception). Should the bidder fail to pay the full balance, the municipality shall retain the bid price deposit and title to the proffered property.

ARTICLE 11.

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) calendar days in which full payment must be received.

ARTICLE 12.

The Municipal Officers shall issue a quitclaim deed to convey title to the municipal lien acquired property without covenant to the successful bidder.

ARTICLE 13.

A. Severability

Severability is intended throughout and within the provisions of this Policy. Should any provisions, including among other things any exceptions, part, phrase, or term, or the application thereof to any person or circumstances be held invalid, the application of other provisions of this Policy shall not be affected thereby and

the validity of this Policy in any and all other respects shall not be adversely affected.

B. Policies Superseded

This Policy supersedes and replaces any and all like or comparable policies, or decisions previously enacted and in force within the Town of Northport, and shall remain in effect until, or unless revoked or superseded by the Board of Selectmen.

C. Amendments

From time to time, circumstances may require that portions or sections of this Policy be amended, revised, or deleted. Approval of any amendments, revisions, or deletions rest exclusively with the Northport Board of Selectmen.

D. Clearing Title with no Interest

No provision of this Policy shall be deemed to prevent the Municipal Officers from executing Deeds without sale through advertisement and sealed bid for the purposes of clearing title to property in which the Town has not legally acquired an interest.

E. Adoption

This Policy was adopted by the Board of Selectmen of the Town of Northport on June 4, 2009.

Revised:
January 25, 2021