POLICY FOR TAX ACQUIRED PROPERTY

Section 1.0 General Purpose Statement

1.1 The purpose of this policy is to establish procedures and guidelines for the management and disposition of real property acquired for non-payment of taxes, service charges or fees as provided for in State law under MRSA Title 36 as amended from time to time. However, nothing in these guidelines shall limit or restrict the authority of the Town Council to waive these guidelines to manage or dispose of tax acquired property, as granted under Town Charter and State law, within the best interest of the Town of Old Orchard Beach.

Section 2.0 Pre-Foreclosure Review and Evaluation of Property in Lien

2.1 At the same time that Notice of Foreclosures are sent, pursuant to MRSA Title 36 §943, the Tax Collector shall make available for review the list of pending properties. Said properties shall be reviewed by Town Administration to include, but not limited to, the Tax Collector, Town Manager, Finance Director, Town Planner, Code Enforcement Officer, Assessor, Police Chief, Fire Chief, and Recreation Director for the purposes of conducting the Review of Property under Section 2.2.

2.2 Review of the Property as defined under Section 2.1 shall be initially conducted by Town Administration. Town Administration shall examine such Properties for such factors as situations involving known deposits or exposures of hazardous waste, conditions of Properties that might be considered a public safety hazard, health hazard, or a financial burden to the Town, terms and or conditions that might preclude or prevent reasonable foreclosure by tax lien, landlord related claims, market value at time of foreclosure and any other factors deemed within the best interest of the Town. The review of property shall give consideration to the Town's ability to perfect such liens, and achieve reasonable collection of the net sum of back taxes, interest, and any other direct costs owed.

2.3 After completion of the Review of Property by Town Administration, a list of Properties shall be compiled with description of said property, location by Map and Lot and a recommendation as to

why the Property should not be subject to automatic tax lien foreclosure pursuant to MRSA Title 36.

Section 3.0 Council Consideration

3.1 The Town Council may, prior to automatic foreclosure, designate review and action to the Town Manager, hereinafter Designee, as in Section 2.1. Review and Action under this subsection shall determine a final list of Properties that will not expire under automatic tax lien foreclosure processes, pursuant to MRSA Title 36. Properties identified under Section 2.3 that are acted upon by the Council and or Designee shall be subject to a Waiver of Foreclosure Action.

Section 4.0 Waiver of Foreclosure

4.1 Any Properties as identified and acted upon under Section 3.0 shall be subject to a Waiver of Foreclosure, pursuant to MRSA Title 36 §944. The Tax Collector shall prepare prior to redemption of tax lien the Waiver of Foreclosure form and shall submit the same to the appropriate Registry of Deeds for recording. The Town shall retain all rights as granted under MRSA Title 36 for continued actions of equitable relief as amended from time to time.

Section 5.0 Tax Acquired Properties

5.1 Following the foreclosure of tax lien Property and within 90 days, the Tax Collector shall notify the owner of record at the last known address by certified mail, return-receipt that his/her right to redeem said Property has expired, pursuant to MRSA Title 36. Such notification shall advise the owner of record that the Property will be disposed of in accordance with this policy after the allowance of 30 days from mailing for response and in accordance with State law; a copy of which shall be included with the notification. The owner of record shall be afforded the right to redeem said property upon the payment in full an amount due under the lien and for all unpaid taxes outstanding on said property at that time.

5.2 The Town Manager, if necessary shall, in consultation with the Town Attorneys, review and pursue judicial confirmation of the Town's rights, title or interests in the subject property under 36 M.R.S.A. Section 946.

5.3 The Town Manager shall forward a copy of the list of tax acquired properties to the Planning Board, the Public Works Director, the Recreation Director, Town Planner, Code Enforcement Officer, Assessor, Police Chief, Fire Chief, Recreation Director, and the Conservation Commission, so that they may reply within 21 days of receipt whether any properties should be considered for retention for public use and provide a brief statement of the reasons therefore. The Town Manager shall coordinate and summarize these recommendations, summarize the result of his or her review of each such property and forward with recommendation to the Town Council as follows:

5.3.1 For non-residential, commercial, or residential property that is not the owner's primary residence, to sell the property with or without conditions, to retain for public use, to enter into an installment payment plan for redemption of property, or to take no action due to extenuating circumstances.

5.3.2 If the property is a single-family residence occupied by the owner or the owner's immediate family members, to enter into arrangements to secure just and prompt payment of outstanding and current taxes, related interests and costs, or to take no action at this time due to extenuating circumstances. The Town Manager may present the taxpayer with a written plan and an installment sales contract for payment of past due and currently due taxes, interest, and other cost due and owing to the Town under the tax lien and foreclosure process. 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. The installment sales contract shall also require the owner of the property to maintain homeowner's insurance and provide proof of the same to the Town.

Failure of an owner to timely enter into an installment sales contract with the Town (within thirty (30 days) or strictly comply with the plan and terms of the installment sales contract, may result in a forfeiture of the plan and installment sales contract, and the property being either retained by the Town or sold under other provisions of this policy.

5.4 The Town Council may override a particular recommendation of the Town Manager but shall otherwise direct that the property be processed in conformance with the terms of this Policy. Nothing in this subsection shall be construed to limit or preclude the Council's authority and decision processes to retain tax-acquired property when so deemed by majority vote to be within the best interest of the Town. Considerations for such determinations shall include, but not be limited to, property that may have recreational or open space values, economic importance, potential for necessary present or future public easements, location or additions for public facilities or other criteria as determined by the Council.

5.5 Any sale of tax-acquired property shall be through a public sale through sealed competitive bids, or to the former owner of the property, as provided for by Town Charter. The Town Manager, in consultation with the Town Council, 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.

Section 6.0 Savings Clause

6.1 In the event that this Policy or any part of it shall at any time be held to be contrary to law, void, or invalid by any court of competent and final jurisdiction or any administrative agency having final jurisdiction, or the Town Council, such determination shall not prevent the appropriate collection of real property taxes as set forth under MRSA Title 36 as amended from time to time.

Adopted by the Old Orchard Beach Town Council November 26, 2002
AMENDED: 3/3/2015