

TOWN OF PROSPECT, MAINE TAX-ACQUIRED PROPERTY ORDINANCE

TOWN OF PROSPECT

Incorporated February 24, 1794

Section 1— Definitions

Foreclosed Tax Lien — A tax lien mortgage that has automatically foreclosed pursuant to 36 M.R.S.A. §§ 942 and 943.

Just Value for the Current Year Taxes not Assessed — The amount of taxes that would have been assessed to the property had it not been owned by the Town on April 1 of the year in which it is sold by the Town.

Mail — Regular, first class mail posted at any U.S. Post Office, postage prepaid.

Quitclaim Deed — A signed legal instrument releasing the Town's right, title or interest in real estate acquired by virtue of a foreclosed tax lien or liens, given to a person without providing a guarantee or warranty of title to such property.

Tax-Acquired Property — Real estate as defined by 36 M.R.S.A. § 551 that has been acquired by the Town by virtue of a foreclosed tax lien.

Section 2 — Purpose

The purpose of this ordinance is to establish the procedure whereby tax-acquired property shall be managed, administered and disposed of by the Town of Prospect ("the Town").

Section 3 — Management of Tax-Acquired Property

A. Insurance. Following statutory foreclosure of a tax lien mortgage, the Selectmen shall obtain casualty insurance covering any tax-acquired structure in a dollar amount not less than all outstanding taxes, liens, costs and other attendant expenses. The Selectmen shall obtain general liability insurance covering any tax-acquired structure at least 60 days after (a) the occupant vacates the property; or (b) the Town takes any possession of the property, whichever occurs sooner.

B. Disposition. The Selectmen shall determine whether a tax-acquired property is to be retained for municipal use or disposed of in accordance with the provisions of this ordinance. Should the Selectmen determine that tax-acquired property shall be retained for use by the Town, the Selectmen shall consider filing a court action to secure clear title to the property.

Section 4 - Sale of Tax-acquired Property

A. Bidding required. Within 120 days after acquisition of tax-acquired property by the Town, the Selectmen shall solicit public bids for the sale of the tax-acquired property and shall receive, open and read aloud submitted bids at a public meeting.

Except that the Municipal Officers shall use the special sale process required by 36 M.R.S. § 943-C for qualifying homestead property if they choose to sell it to anyone other than the former owner(s).

B. Owner's right of redemption. Before advertising any tax-acquired property for sale by public bid, the Town Clerk shall send notification of such impending public sale to the person most recently assessed for municipal property tax on the tax-acquired property, or to the current record owner of the tax-acquired property. The Clerk shall keep a record of this notice but shall not be required to confirm that it was actually received. The notification shall contain the same information required for the public notice under paragraph C of this Section and shall additionally notify the recipient that the recipient may, at any time prior to the date and time of opening of bids by the Selectmen, redeem title to the property by paying in full, at any time prior to the date and time of opening of bids by the Selectmen, the total of all outstanding taxes, just value for the current year's taxes not assessed, plus all accrued interest and costs.

If such payment is received prior to the opening of bids, the Selectmen shall issue a quitclaim deed to the payer. Any failure of the Town to effectively notify the prior owner of the sale shall not invalidate the subsequent sale; however, the Selectmen may postpone the sale as reasonably necessary to effectuate notice.

C. Posting and publication of notice. The Selectmen shall cause a public notice of the impending sale of tax-acquired property to be posted at the town office and to be advertised for two successive weeks in a newspaper of local circulation within the county, the last notice to be published at least seven days prior to the advertised date for receipt of bids.

D. Required submittal by bidders. The Selectmen shall require the following for proper submission:

- i. A bid sheet shall be submitted containing the tax map and lot and street address of the property being bid upon and the bid price in U.S. currency.
- ii. A certified cashier's check or postal money order, in an amount not less than 10% of the bid price, shall be included as a deposit on the bid. Failure to submit a deposit shall cause the bid to be automatically rejected.

E. Delivery of bids. The Selectmen shall require that those bid items cited in paragraph D of this section be sealed in a single plain envelope marked only "Tax-Acquired Property Bid" on the exterior and either be hand-delivered to the Town office or, if mailed, be enclosed within a second envelope addressed to the Town of Prospect mailing address. All bids must be received at the town office no later than 10:00 a.m. on the date that bids shall be opened and read.

F. Right to reject bids; re-offering of property. The Selectmen 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 Ordinance. Should the Selectmen reject all bids, or in

the absence of any bids, the property may be offered again for public sale without notice to that person cited in paragraph B of this Section.

G. Notification of successful bidder. The Selectmen shall notify, via mail, any successful bidder within 48 hours of the vote awarding the bid.

H. Disposition of deposits. The Selectmen shall, as a credit to payment, retain the submitted bid price deposit of any successful bidder, and shall return all other submitted deposits.

I. Time limit for payment. The Selectmen shall require payment in full from any successful bidder within 30 calendar days following the date when bids are opened and read. Should the bidder fail to pay the full balance, the Town shall retain the bid price deposit and title to the property.

J. Extension of time for payment. The Selectmen may, subject to a show of good faith on the part of the bidder, extend the time limit on a one-time-only basis for up to 20 days, within which full payment must be received.

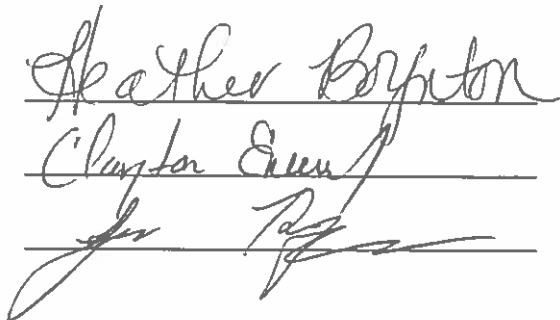
K. Form of deed. The Selectmen shall issue only a quitclaim deed to convey title to tax-acquired property. All tax-acquired property shall be sold "as is, where is" and no purchaser shall be entitled to an inspection or to any other representations or conditions prior to closing.

L. Removal of occupants. The successful bidder shall be responsible for the removal of any and all occupants of purchased tax-acquired property and disposition of any personal property remaining within the purchased property and shall, in writing, forever indemnify and save harmless the Town of Prospect from any and all claims arising out of the sale of the tax-acquired property brought by the occupants of the purchased property or their heirs or assigns. Prior to delivery of the deed, the purchaser shall submit in writing the following signed statement:

I hereby promise to forever indemnify and hold harmless the Town of Prospect from any and all claims arising out of the Town's sale and my purchase of the above described property brought by the occupants of the purchased property or their heirs or assigns.

ADOPTED BY THE TOWN OF PROSPECT & BOARD OF SELECTMEN

Dated: April 8th, 2017
Municipal Officers of Prospect:





Attested By: Jill Riley Prospect Town Clerk
Jill Riley

