

TOWN OF MEXICO
DISPOSITION OF TAX ACQUIRED PROPERTY POLICY

Article 1 – General

1.1 The purpose of the Disposition of Tax Acquired Property Policy is to establish procedures for the Town of Mexico in accordance with 36 MRSA § 942 and § 943 for disposition of property acquired for non-payment of property taxes. This policy establishes a reasonable effort to give previous owner(s) of all other classes of property a reasonable opportunity to re-acquire them, while also maintaining the integrity and fiduciary responsibility to have property owners pay their portion of public tax requirements.

Article 2- Management of Tax Acquired Property Pending Final Disposition

2.1 The responsibility for management of tax-acquired property within the boundaries of the Town of Mexico, Maine shall be vested with the Board of Selectmen per ordinance on the annual Town meeting warrant as follows;

To see if the Town shall vote to authorize the Board of Selectmen on behalf of the Town to sell, dispose of, or lease by bid any real estate acquired by the Town for nonpayment of taxes thereon and to authorize the Board of Selectmen to dispose of said property on such terms as the Selectmen deem advisable after advertising for two consecutive weeks in the local paper and to execute quit claim deeds for same.

2.2 Following authorization, the Treasurer shall prepare a list of tax acquired properties and present it to the Town Manager and Board of Selectmen for review to perfect the tax requirement.

2.3 Following statutory foreclosure of a tax lien mortgage by the Town, title to the property shall pass to the municipality. The Treasurer, by certified mail with return-receipt, shall notify the last known owner of record that a right to redeem the property has expired. The notification with reference to this policy shall advise disposition of the property will be determined in accordance with this policy.

2.4 Pending a decision regarding the final disposition of property, the Board of Selectmen shall:

- a. Determine potential liability inherent in owning the property and whether the Town's best interest would be served by immediately disposing of it.
- b. Determine and obtain if necessary, a level of insurance necessary to protect the Town's interest in the property and the Town from liability. In the event the property is vacated for 60 or more consecutive days, the Town Manager shall obtain liability coverage for the property.

- c. Determine if and when any occupants of tax acquired property shall be required to vacate the property.

2.5 If determined to be in the best interest of the town to immediately dispose of the property, it may do so on terms it deems advisable without regard to any other provision of this policy.

Article 3- Review of Tax Acquired Property

3.1 Recommendation(s) should be made to the Town Manager regarding the disposition(s) of property within thirty (30) days of the Board of Selectmen's receipt of the list of tax acquired properties from the Treasurer. The Town Manager shall coordinate and summarize those recommendations for each tax acquired property as follows:

- a. Sell the property, or
- b. Sell with conditions, or
- c. Retain for public use, or
- d. Retain a property on a temporary basis if the immediate sale may cause the occupants to be placed on public assistance.

3.2 The Town Manager shall finalize and forward all recommendations to the Board of Selectmen which shall make the final determination regarding the property disposition. The Board of Selectmen shall also determine the conditions if any for property sale(s).

Article 4 – Redemption and Sale Dates

4.1 Immediately following receipt of recommendation(s) from the Town Manager for property disposition, the Board of Selectmen shall establish a final redemption date and if necessary, a sale date. The sale shall be held within forty five days of the Town Managers recommendation. The redemption date shall be fourteen (14) days prior to the sale date.

4.2 Except as otherwise provided in Article 5, the previous owner has until one hour prior to closing of Town Office on the redemption date to redeem the property by paying all outstanding taxes including estimated taxes for the current tax year (if the conveyance is after April 1st and the exact amount of tax has not been determined), interest, lien costs and any other costs relating to the property including, but not limited to insurance, notice and advertising costs. The Town may also require the payment of any or all delinquent taxes or obligations due the Town.

4.3 If the Board of Selectmen deems it to be in the Town's best interest to offer the prior owner the opportunity to redeem the property, a signed payment arrangement may be made, not to exceed four (4) payments within a six month period (see appendix A). All costs to include any and all legal fees related to this arrangement will be included in a new total if applicable.

Article 5- Property to be Retained

5.1 If the Board of Selectmen deems it to be in the Town's best interest, it may retain the acquired property without offering any opportunity for redemption where:

Town of Mexico – Tax Acquired Property Policy (cont’)

- a. The property has or will have recreational value or economical value to the town.
- b. The property has or will have potential for a public facility or additions to public facilities.

5.2 If the property is retained for public use, the Board of Selectmen may pursue an action for equitable relief in accordance with the provisions of Title 36 MRSA § Section 946 as amended, as a means of securing clear title to the property.

5.3 The Board of Selectmen shall cause the tax acquired property retained for public use to be maintained and insured as it would any other municipal property.

Article 6 – Property to be Sold

6.1 The Town Manager shall publish notice of pending sale of the tax acquired property in a newspaper sold or distributed within the municipality. Said notice shall be published for at least two weeks prior to the sale. The notice shall specify the following information for each piece of tax acquired property to be bid on:

- a. Time and date bids are due.
- b. Brief description of the property (i.e. location, land, buildings, mobile home, etc.)
- c. Brief description of the conditions of the bid/sale.

6.2 The Town Manager may notify the party from whom the property was acquired of the sale and the bid requirements. This notification is a matter of courtesy only, and the failure of the municipality or municipal officers to send this notice shall not create any legal rights in any person or the fact that the notice has not been received or understood by the person to whom it was sent, shall not invalidate the sale or disposal of the tax-acquired property pursuant to this policy.

6.3 Unless the Board of Selectmen stipulates otherwise; the minimum bid for any tax acquired property shall be the total of all outstanding taxes, including estimated taxes for the current tax year (if the conveyance is after April 1 and the exact amount of tax has not been determined), interest, lien costs and any other costs relating to the property including, but not limited to legal, insurance, notice, water, sewer and advertising costs. The Town may refuse to award the bid to the party from whom the property was acquired unless any other obligations due from that party are also paid. This may include payment for any other tax acquired property, taxes or liens.

6.4 All interested bidders may be provided upon request with a copy of the notice of the sale and any specifications. All bids shall be submitted in an envelope clearly marked “Tax Acquired Property Bid – (Address of Property)” and accompanied by a Cashier’s Check or Certified Check equal to 10% of the minimum bid. Bids shall publicly opened and read on the date and time specified. Failure to submit a deposit in the said manner at the reading of bids shall cause the bid to be rejected.

6.5 The Board of Selectmen shall review all bids and determine if any of a successful bidder.

6.6 The Town reserves the right to reject any and all bids, except other than the highest bid and waive any of the requirements of this policy should the Board of Selectmen, in its sole determination, judge such actions to be in the best interest of the Town. Instances where this right may be invoked include, but are not limited to:

- a. The Board of Selectmen may sell the property to an abutting Property Owner rather than the highest bidder.
- b. The Board of Selectmen may determine it prefers a use proposed by a party other than the highest bidder.

6.7 Should the Board of Selectmen reject all bids, the property may again be offered without notification to the prior owners or negotiate with any bidder.

6.8 The bid deposit of a successful bidder shall be retained as a credit towards the purchase price. All other deposits shall be returned to the unsuccessful bidders at the end of thirty (30) days. If an unsuccessful bidder requests the return of their bid deposit earlier than the 30 day period, they forfeit all rights for reconsideration of their bid should a successful bidder does not complete the purchase.

6.9 The Board of Selectmen shall require payment in full from the determined bidder within thirty (30) calendar days from the date the bids are opened. Should the bidder fail to pay the full bid amount within thirty (30) days, the Town shall retain their bid deposit and retain title rights to the property.

6.10 Should the deposit be retained under paragraph 6.9, the Board of Selectmen may thereafter negotiate a sale of the property, re-advertise or retain the property.

6.11 If a property retained for failure of a bidder to pay the full amount due is offered to another bidder, they will have 30 days from date of offer to complete the purchase or forfeit their bid.

6.12 The purchaser of any tax-acquired property sold through either process shall be responsible for the removal of any and all occupants and contents of said property, as may otherwise provided by law, and shall, in writing with the signing of a Town-provided form to that effect, forever defend and indemnify the municipality and its officers, agents and employees from any and all claims arising out of the said sale, whether by the occupants of the purchased property, their heirs or assigns or otherwise, or by the owners of any contents therein, whether by the occupants, their heirs or assigns or otherwise. It is the responsibility of any purchaser of a mobile home to make arrangement for the placement or removal from a leased property

6.13 If the tax-acquired property is sold for a sum which exceeds the determined bid price, the municipality is entitled to retain any excess proceeds. There is no requirement to refund any amount to former owner(s) or new owner of any of the “surplus” realized upon the sale.

6.14 The purchaser of any tax-acquired property sold through any process of this policy shall purchase the tax acquired property and any improvements thereon on an “as is/where is” basis

Town of Mexico – Tax Acquired Property Policy (cont')

and shall acknowledge such in writing with the signing of a Town-provided form to that effect. The municipality and its officers, agents and employees make no representations or warranties of any kind, express or implied, including, but not limited to, the warranties of fitness, habitability, merchantability, satisfaction of building requirements or use for any particular purpose or otherwise, all of which shall be disclaimed.


6.15 All bidders are responsible for search, review, and determination of any and all liens, holdings or other constraints against the property pending sale by bid or any other disposition by the Board of Selectmen.

Article 7 – Severability

If any provision of this Policy shall be finally held to be invalid by any court of competent jurisdiction, this invalidity does not affect other provisions or applications of the Policy which can be given effect without the invalid provision or application. For this purpose, the Tax Acquired Property Policy is severable

TOWN OF MEXICO
DISPOSITION OF TAX ACQUIRED PROPERTY POLICY

Amended 7/18/2017




Town of Mexico Town Manager

7/18/17
Date



Town of Mexico Board of Selectmen – Chairman

7/18/17
Date




Town of Mexico Board of Selectmen – Selectman

7/18/17
Date




Town of Mexico Board of Selectmen – Selectman

7-18-17
Date



Town of Mexico Board of Selectmen – Selectman

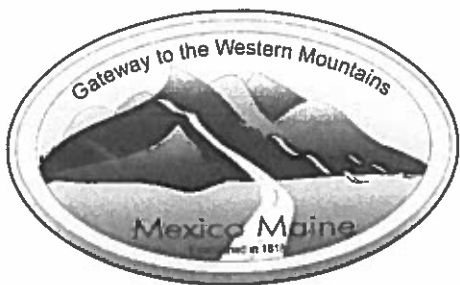
7-18-17
Date



Town of Mexico Board of Selectmen – Selectman

7/18/2017
Date

Appendix A – Tax Owed Payment Schedule Form



Town of Mexico

134 Main Street
Mailing address: P.O. Box 251
Mexico Maine 04257
Office: (207) 364-7971 / Fax (207) 364-5685

In accordance with the Town of Mexico Tax Acquired Property Policy, The Town of Mexico agrees to a tax payment schedule to purchase a tax acquired property from the prior owner. All costs to include any and all legal fees related to this arrangement will be included in a new total if applicable.

This payment schedule shall not to exceed four payments within six months to redeem the property located at:

The amount to be purchase \$ _____ must be within a six month period beginning on:

and ending prior to:

_____.

Payments Made:

Payment 1: Amount \$ _____ Date: _____

Payment 2: Amount \$ _____ Date: _____

Payment 3: Amount \$ _____ Date: _____

Payment 4: Amount \$ _____ Date: _____

Prior Owner Signature: _____

Date: _____

Town Manager Signature: _____

Date: _____

Appendix B - Town Bid Notification

Town of Mexico
Notice of Tax Sale

The Board of Selectmen of the Town of Mexico is now accepting bids for the purchase of _____ tax acquired properties. Each bid must be in writing and in a sealed enveloped marker "TAX ACQUIRED PROPERTY BID" on the outside. All bids must be received by the Selectmen no later than 4:00 p.m. on _____. Late bids will not be opened or considered.

Each bid must also include the bidder's name, mailing address, and phone number and must be accompanied by a deposit in the form of a certified check or money order in the amount equal to or greater than 10% of the bid price. Each successful bidder's deposit will be credited to the total purchase price of the parcel. Deposits will be returned to unsuccessful bidders. Any bid which does not contain the proper bid will be rejected.

The Board of Selectmen reserves the right to reject and all bids. Each successful bidder shall have 30 days from the date of bid acceptance in which to complete the purchase. The property will be conveyed by quit claim deed without covenants. In the event that a successful bidder fails for any reason to complete the purchase in the time stated, the bid acceptance is void and bidder's deposit shall be forfeited to the Town, The Board of Selectmen may thereafter negotiate a sale of the property with any or all unsuccessful bidders.

The successful bidder shall be responsible for the removal of any and all occupants and contents of purchased tax acquired property. The property up for sale is described below:

1. Map __, lot __, __ Street (house and land)
Minimum bid \$ _____

2. Map __, lot __, __ Street (house and land)
Minimum bid \$ _____

Other public information concerning the properties may be reviewed at the Assessor's office from 8 a.m. to 4:00 p.m. Wednesday through Friday.

Appendix C – Purchase Acknowledgement Form



Town of Mexico

134 Main Street

Mailing address: P.O. Box 251

Mexico Maine 04257

Office: (207) 364-7971 / Fax (207) 364-5685

In accordance with Town of Mexico Tax Acquired Property Policy – all property issued a quit claim from the Town shall purchase the tax acquired property and any improvements thereon on an “as is/where is” basis. The municipality and its officers, agents and employees make no representations or warranties of any kind, express or implied, including, but not limited to, the warranties of fitness, habitability, merchantability, satisfaction of building requirements or use for any particular purpose or otherwise.

The purchaser of any tax-acquired property shall be responsible for the removal of any and all occupants and contents of said property, as may otherwise be provided by law. Purchaser shall by signing below, acknowledge to forever defend and indemnify the municipality and its officers, agents and employees from any and all claims arising out of the said sale, whether by current or prior occupants of the purchased property, their heirs or assigns or otherwise, or by the owners of any contents therein, whether by current or prior occupants, their heirs or assigns or otherwise. It is the responsibility of any purchaser of a mobile home to make arrangement for the placement or removal from a leased property.

Purchasing Owners Signature: _____

Date: _____

Town Manager Signature: _____

Date: _____

§942. Tax lien certificate; procedure

Except as provided in section 942-A, liens on real estate created by section 552, in addition to other methods established by law, may be enforced in the following manner. [1987, c. 358, §3 (AMD).]

The tax collector may, after the expiration of 8 months and within one year after the date of original commitment of a tax or, in the case of deferred taxes pursuant to chapter 908-A, after the due and payable date established pursuant to section 6271, subsection 5, give to the person against whom the tax is assessed, or leave at the person's last and usual place of abode, or send by certified mail, return receipt requested, to the person's last known address, a notice in writing signed by the tax collector or bearing the tax collector's facsimile signature, stating the amount of the tax, describing the real estate on which the tax is assessed, alleging that a lien is claimed on the real estate to secure the payment of the tax, and demanding the payment of the tax within 30 days after service or mailing of the notice with \$3 for the tax collector for making the demand together with the certified mail, return receipt requested, fee. In the case of taxes supplemental assessed, the tax collector may give that notice after the expiration of 8 months and within one year after the date of commitment of the supplemental assessed taxes. If an owner or occupant of real estate to whom the real estate is taxed dies before that demand is made on that owner or occupant, the demand may be made upon the personal representative of that owner's or occupant's estate or upon any of that owner's or occupant's heirs or devisees. [2009, c. 489, §2 (AMD).]

After the expiration of the 30 days and within 10 days thereafter, the tax collector shall record in the registry of deeds of the county or registry district where the real estate is situated a tax lien certificate signed by the tax collector or bearing his facsimile signature, setting forth the amount of the tax, a description of the real estate on which the tax is assessed and an allegation that a lien is claimed on the real estate to secure the payment of the tax, that a demand for payment of the tax has been made in accordance with this section, and that the tax remains unpaid. When the undivided real estate of a deceased person has been assessed to his heirs or devisees without designating any of them by name it will be sufficient to record in said registry a tax lien certificate in the name of the heirs or the devisees of said decedent without designating them by name. [1979, c. 613, §2 (AMD).]

At the time of the recording of the tax lien certificate in the registry of deeds, in all cases the tax collector shall file with the municipal treasurer a true copy of the tax lien certificate and shall hand deliver or send by certified mail, return receipt requested, to each record holder of a mortgage on that real estate, to the holder's last known address, a true copy of the tax lien certificate. If the real estate has not been assessed to its record owner, the tax collector shall send by certified mail, return receipt requested, a true copy of the tax lien certificate to the record owner. [1993, c. 422, §6 (AMD).]

The costs to be paid by the taxpayer are the sum of the fees for recording and discharge of the lien as established by Title 33, section 751, plus \$13, plus the fee established by section 943 for sending a notice 30 to 45 days prior to the foreclosing date of the tax lien mortgage if that notice is actually sent and all certified mail, return receipt requested, fees. In the case of a lien in effect pursuant to chapter 908-A, the costs to be paid include interest in the amount established under section 6271, subsection 3. Upon redemption, the municipality shall prepare and record a discharge of the tax lien mortgage. [2009, c. 489, §3 (AMD).]

The municipality shall pay the tax collector \$3 for the notice, \$1 for filing the tax lien certificate and the amount paid for certified mail, return receipt requested, and associated fees. The fees for recording the tax lien certificate and for discharging the tax lien mortgage must be paid by the municipality to the register of deeds

§943. Tax lien mortgage; redemption; discharge; foreclosure

The filing of the tax lien certificate in the registry of deeds shall create a tax lien mortgage on said real estate to the municipality in which the real estate is situated having priority over all other mortgages, liens, attachments and encumbrances of any nature, and shall give to said municipality all the rights usually incident to a mortgagee, except that the municipality shall not have any right of possession of said real estate until the right of redemption shall have expired.

The filing of the tax lien certificate in the registry of deeds shall be sufficient notice of the existence of the tax lien mortgage.

In the event that the tax, interest and costs underlying the tax lien are paid within the period of redemption, the municipal treasurer or assignee of record shall prepare and record a discharge of the tax lien mortgage in the same manner as is now provided for the discharge of real estate mortgages, except that a facsimile signature of the treasurer or treasurer's assignee may be used. [2011, c. 104, §1 (AMD).]

If the tax lien mortgage, together with interest and costs, shall not be paid within 18 months after the date of the filing of the tax lien certificate in the registry of deeds, the said tax lien mortgage shall be deemed to have been foreclosed and the right of redemption to have expired.

The municipal treasurer shall notify the party named on the tax lien mortgage and each record holder of a mortgage on the real estate not more than 45 days nor less than 30 days before the foreclosing date of the tax lien mortgage, in a writing signed by the treasurer or bearing the treasurer's facsimile signature and left at the holder's last and usual place of abode or sent by certified mail, return receipt requested, to the holder's last known address of the impending automatic foreclosure and indicating the exact date of foreclosure. For sending this notice, the municipality is entitled to receive \$3 plus all certified mail, return receipt requested, fees. These costs must be added to and become a part of the tax. If notice is not given in the time period specified in this section to the party named on the tax lien mortgage or to any record holder of a mortgage, the person not receiving timely notice may redeem the tax lien mortgage until 30 days after the treasurer does provide notice in the manner specified in this section. [1993, c. 422, §7 (AMD).]

Beginning with taxes that are assessed after April 1, 1985, the notice of impending automatic foreclosure shall be substantially in the following form: