**Article 1. PURPOSE**

1. The purpose of this Policy is to establish and direct the Town’s procedures for the management and disposition of real estate acquired by the Town through foreclosure of a tax lien mortgage in accordance with 36 MRS §§ 942 and 943, as amended, due to a property owner’s nonpayment of property taxes. Nothing in this policy is intended to or shall be interpreted to give additional substantive or procedural rights to former owners of property foreclosed upon by the Town of Cornish for non-payment of taxes.

**Article 2. MANAGEMENT OF TAX-ACQUIRED PROPERTY PENDING FINAL DISPOSITION**

1. Procedure Following Foreclosure of Tax Lien Mortgage
2. Following the foreclosure of any tax lien mortgage, the Municipal Officers shall, by first class mail, notify the last known owner of record that his or her right to redeem the property has expired, that the tax lien mortgage has foreclosed, and that ownership of the property is vested in the Town. The notification shall also advise the last known owner that the property will be disposed of in accordance with this Policy, a copy of which shall be included with the notification. Failure to provide this notice shall not affect the Town’s ownership or disposition of the property
3. The Municipal Officers shall annually prepare a list of properties acquired due to foreclosure of tax lien mortgages. The list shall label the properties as one of four categories: (1) owner occupied/primary residence; (2) non-owner occupied; (3) vacant land; and (4) commercial/industrial.
4. The Municipal Officers shall determine the proper use or disposal of all tax-acquired property in the Town, including but not limited to: (1) retaining the property for municipal or public use; (2) selling the property; or (3) waiving foreclosure in accordance with Article 7 of this Policy; or (4) offering the former owner a one-time opportunity to purchase the property back from the Town in accordance with Article 3 of this Policy.
5. The Municipal Officers shall base their determination of the proper use of all tax-acquired property on the following criteria:
	1. The nature and location of the property
	2. The condition of any structures on the property
	3. Whether the property would be beneficial for public or municipal use
	4. Whether there is the potential of environmental or hazardous conditions on the property
	5. Any other relevant analysis of the property and needs of the municipality.
6. Occupants or Tenants
7. The Municipal Officers shall determine when and if any occupants or tenants of tax-acquired property shall be required to vacate the property and are authorized to proceed with all required legal actions to enforce occupants or tenants to peacefully quit the premises. The Municipal Officers may charge a monthly rental fee to any and all occupants of tax-acquired property.
8. Insurance on Vacant Tax-Acquired Property
9. The Municipal Officers shall secure and maintain insurance coverage for all vacant tax-acquired property with a comprehensive general liability insurance policy with coverage amounts equal or exceeding the limits on liability under the Maine Tort Claims Act, 14 MRS § 8101, et. seq., within sixty (60) days of the tax-acquired property becoming vacant.

**Article 3. ONE -TIME OPPORTUNITY FOR FORMER OWNER TO REACQUIRE PROPERTY USED AS PRIMARY FAMILY RESIDENCE:**

1. Upon determination that a tax-acquired property was the primary family residence of the taxpayer and occupied by the taxpayer at the time of foreclosure, the Municipal Officers may provide the former owner with a one-time opportunity to repurchase the property from the Town.
2. Within ten (10) business days after making the determination to provide the former owner with this opportunity, the Municipal Officers shall send a notice of the one-time opportunity and process to reacquire the property to the former owner by first class mail.
3. The former owner must elect the opportunity to reacquire the property by informing the Municipal Officers, in writing, within thirty (30) days of the date of the notice. The writing must indicate agreement with the following terms:

(1) Confirmation that the Town holds valid title to the property under the foreclosure of tax lien process;

1. Agreement to make the following payments to the Town within ninety (90) days:

(a) Full payment of all taxes and interest due to the Town, including taxes that would have been assessed to the property following the tax lien foreclosure;

(b) Full payment of the Town’s costs of administering and filing the liens, including the filing of notices and registry costs, transfer tax, deed and discharge fees, any insurance coverage, and costs of securing or maintaining the property; and

(c) Full payment of an administrative fee in the amount of $70.00 to cover the Town’s legal costs and the cost of preparing and filing the release deed.

1. Payment shall be certified funds or cash, but not by personal check.
2. Upon full, timely, and satisfactory completion of all requirements and payment under this Article 3, the property shall be conveyed to the former owner(s) by a municipal release (quit claim) deed. The property description in the deed shall match that in the corresponding tax lien certificate(s).
3. If the former owner does not elect the opportunity to reacquire the property, or if the former owner does not complete full and timely payment in accordance with this Article, the Town shall maintain ownership of the property and the Municipal Officers shall have the right to determine the proper disposition of the property in accordance with Article 2 of this policy.

**Article 4. RETAINED OWNERSHIP OF TAX-ACQUIRED PROPERTY**

1. If the Municipal Officers determine that it is proper for the Town to retain a tax-acquired property, the Municipal Officers shall place a warrant article on the next Town Meeting Warrant, asking if the Town wishes to retain such parcel for a specific articulated purpose. If this warrant article is approved by Town Meeting, the Municipal Officers may pursue an action for equitable relief to clear title to the property in accordance with the provisions of 36 MRS § 946, as amended.
2. The Municipal Officers shall cause the tax-acquired property retained to be managed and insured as it would other municipal property.

**Article 5. SALE OF TAX-ACQUIRED PROPERTY; SPECIAL SALES PROCESS.**

1. If the Municipal Officers determine that it is proper to sell the tax-acquired property, the Municipal Officers may determine the best method of sale unless a Special Sale is required by 36 MRS 943-C. If the public sealed bid process is used, the process set forth in Article 6 shall be followed.
2. If the tax lien certificate for the tax-acquired property was recorded in the York County Registry of Deeds on or after December 13, 2018, the following process must be followed prior to the sale of the property to determine whether a Special Sale is required by 36 MRS 943-C:
	* 1. At least ninety (90) days before the Municipal Officers plan to list a tax-acquired property for sale, the Municipal Officers shall send a notice to the former owner of the tax acquired property by first-class mail, notifying the former owner of their right to apply for the special sale process pursuant to 36 MRS 943-C, as amended, and including an application.
		2. The former owner shall have thirty (30) days from the date the notice was mailed to return it, along with all supporting documentation, to the Municipal Officers.
		3. If the application is returned, the Municipal Officers shall review the application in executive session, in order to determine whether, on the date the Town’s tax lien certificate was recorded, the following criteria applied:

(a) The tax-acquired property was owned by at least one person who at least 65 years old and who occupied the real estate as a “homestead” as defined in 36 MRS 681(2);

* 1. The former owner’s annual income, as defined in 36 MRS 5219-KK(1)(D) was less than $40,000.00 after medical expenses are deducted, for the calendar year immediately preceding the calendar year in which the Town’s tax lien mortgage was foreclosed;
	2. The former owner’s “liquid assets,” meaning “something of value available to an individual that can be converted to cash in three (3) months or less,” and which includes bank accounts, certificates of deposit, money market or mutual funds, life insurance policies, stocks and bonds, lump-sum payments, and inheritances, was less than $50,000.00 (or $75,000.00 for two or more individuals) during the calendar year immediately preceding the calendar year in which the Town’s tax lien mortgage was foreclosed.
1. Within thirty (30) days of receipt of a completed application, the Municipal Officers shall notify the former owner/applicant of whether they are eligible for the special sales process. Such notice must also inform the former owner/applicant if his/her/its right to appeal this decision pursuant to Rule 80B of the Maine Rules of Civil Procedure.
2. If the former owner applies for and is determined to be eligible for the Special Sales process, the Municipal Officers shall dispose of the tax acquired property as follows:
3. The Municipal Officers shall list the tax-acquired property with a licensed real estate broker. Said broker may not be an elected or appointed official or an employee of the Town.
4. The tax acquired property must be sold at a price equal to or greater than fair market value, or alternatively, the price at which the broker thinks it likely that the property would sell at after six (6) months of listing.
5. The Town shall pay the former owner any proceeds from the sale in excess of:
6. The sum of all taxes owed on the property, including property taxes that would have been assessed on the property during the period following the foreclosure when the property was owned by the Town;
7. All accrued interest;
8. fees, including real estate broker fees; and
9. Any other expenses incurred by the Town in the process of selling or maintaining the property, including reasonable attorney’s fees.
10. If the Municipal Officers are either unable to find a licensed broker willing to list the property, or the broker retained is unable to sell the property within six (6) months of listing, the Municipal Officers may sell the property pursuant to whichever method they deem proper.

**Article 6. PUBLIC SALE; PUBLIC SEALED BID**

1. If the Municipal Officers determine that a tax-acquired property is best disposed of by public sale, the Municipal Officers shall use the following public sealed bid process:
	* 1. Properties to be sold by public sealed bid shall be catalogued and summarized in a Notice of Sale which includes the tax map and lot number of the property, street address, property description, most recent assessed value, the Minimum Bid Price, as defined below, the amount of the bid deposit, the date bids are due, and a summary of other terms of the public sale.
2. The Minimum Bid Price shall be a sum no less then:
3. The amount of all taxes and interest subject to municipal liens and for all years through and including taxes assessed for the current year as would have been assessed to the subject property following the tax lien foreclosure;
4. The Town’s cost of administering and filing the liens, including the filing of notices and registry costs, transfer tax, deed and discharge fees, any insurance coverage, and costs of securing or maintaining the property; and
5. An administrative fee in the amount of $70.00 to cover the Town’s legal costs and the cost of preparing and filing the release deed.
6. In no event shall the Municipal Officers be prohibited from setting the Minimum Bid Price higher than the sum of the subsections above, if the Municipal Officers determine this to be in the best interests of the Town.
7. The Notice of Sale shall be posted and advertised for three (3) weeks in Your Weekly Shopping Guide or other local publication.
8. The Notice of Sale shall also be sent to the former owner of the property and the property owners whose property immediately abuts the property to be sold; provided, however, that failure to receive the notice by either the prior owner(s) or abutters shall not invalidate the sale.
	* 1. Bid Responses
9. The Municipal Officers shall follow and require persons submitting bid responses in the public bid sale process described herein to submit and comply with the following terms and conditions:
10. Bidders must at the time they submit a bid include a completed bid sheet for each parcel bid upon. Bid sheets shall include the description (by Tax Map and Lot#) of the property being bid upon, the bidder’s intended use of the property, and a firm bid amount in US Currency. Conditional bids are not allowed and will not be accepted.
11. All bids must include a deposit in the form of a certified check or money order drawn to the Town of Cornish as payee in an amount equal to or exceeding 10% of the bid price for each parcel bid upon. Failure to submit bid deposits in the proper amount or form of payment in the bid package will cause the bid to be automatically rejected. In addition, a self-addressed stamped envelope is to be included in order to return said deposit to the non-winning bidders.
12. Bidders must deliver completed bid sheets and bid deposits to the Town for each property bid upon in a single and sealed plain envelope marked only on the outside of the envelope “Tax Acquired Property Bid” and with the identification of the specific parcel on the exterior of the envelope.
13. All bids must be either hand delivered to the municipality or mailed. If mailed, the bid envelope shall be enclosed within a separate envelope addressed to the Board of Selectmen, 17 Maple St., Cornish, ME 04020.
14. As bids are received, the Town Office will note the date and time of receipt on the bid envelope. To qualify, all bids must be received on or before the deadline and date stated in the Notice of Sale (postmark date not acceptable).

(3) Rejection of Bids

(a) The Municipal Officers have the authority and discretion to reject any bids that they determine are not in the best interests of the Town, but in any case, may not accept any bid for an amount less than the Minimum Bid Price.

(4) Award to Bidder

(a) Except where Municipal Officers determine that considerations other than price control the award to a bidder, bids shall be awarded to the highest bidder.

1. The Municipal Officers shall notify any successful bidder.
2. Credit and Return of Bid Deposits

(a) The Municipal Officers shall credit successful bidders bid deposits toward the purchase price of the property. Bid deposits will be returned to unsuccessful bidders after completion of the sale.

1. Payment and Completion of Sales
2. Successful bidders must complete the sale and transfer of the property bid upon by payment the balance due and completing the transfer within nine (9) calendar days following the date when a bid is accepted. Payment must be received in the form of cash or certified check in the Town office by noon on the 9th day. Successful bidders are responsible for their portion of the State of Maine transfer tax fee.
3. In the event that a successful bidder fails to complete a sale within nine (9) calendar days after a bid is accepted, the Town will retain the bid deposit and the Municipal Officers may thereafter offer the property to any or all unsuccessful bidder(s) or pursue the process set forth above.
4. In the event other bidders become successful bidders due to the default of a bidder, the other bidders must complete the sale within nine (9) calendar days or similarly will forfeit their bid deposits.
5. If no successful bidder is able to complete the sale within nine (9) calendar days, the Municipal Officers may dispose of the property by an alternative method, or alternatively, may choose to retain the Property for public purposes.
6. One Time Extension
7. The Municipal Officers may, subject to a show of good faith and circumstances reasonably beyond the control of a bidder, extend the time limit to complete a sale for a one-time-only additional fifteen (15) calendar days during which extended period the bidder must complete the sale.
8. Transfer Documents and Purchaser’s Release
9. The Municipal Officers will convey the Town’s tax acquired interests in a property under Municipal Quit-Claim Deed without covenants and as conditions of such transfer, successful bidders shall agree to be responsible for the proper removal and disposition of any and all personal property at the property, agree to the peaceful proper removal of any occupants remaining at the property , and agree in writing, to indemnify and hold harmless the Town from any and all claims arising out of the sale and transfer of the property.
10. Transfer of Ownership after April 1st
11. If the Municipal Quit-Claim Deed without covenants is filed for any property after April 1st and before the date of commitment for the current tax year, the successful bidder will be responsible for all property taxes for that year.

**Article 7. WAIVER OF FORECLOSURE ON TAX LIEN**

1. If the Municipal Officers determine that it is in the best interests of the Town to waive the foreclosure of a property, the Municipal Officers shall authorize the Treasurer to waive automatic foreclosure on the property in accordance with 36 MRS §944, as amended.

**Article 8. SEVERABILITY**

(A) Any provision in this Policy or the application thereof to any person or circumstances determined by a court of law to be unenforceable or invalid shall not affect the application or validity of any other provision of this Policy.

**Article 10. APPLICABILITY**

1. This is a policy, not an ordinance, and is intended to be used as a guideline for the Town’s management and disposal of tax-acquired property. The Municipal Officers may vote to take action different from the guidelines set forth in this chapter if, in their judgment, it is in the best interest of the Town.