

**Consolidated Tax Acquired Property Policy  
Bid Procedures for the Disposition of Tax Acquired Properties**

I. Purpose: To clarify the uniform policies and procedures related to Tax Acquired properties originally adopted on March 31, 1992.

II. Relevant Statutes: 36 MRSA §§ 942 and 943- unpaid real estate taxes may be enforced by means of a tax lien mortgage (foreclosure).

III. Policy: It shall be the policy of the Town of Bridgton to follow the prevailing statutes and Supreme Judicial Court decisions (Maine) regarding unpaid real estate taxes, notifications, collections, liens and foreclosures.

IV. Prevailing Statutes and Decisions:

Title 36 M.R.S.A. §§ 942 and 943

Court Decisions:

Jones v. Flowers 2006

Irving McNaughton et Al. v. Richard Kelsey, et Al. August 8, 1997

Jeffrey Stoops et al. v. Richard Nelson et al. March 5, 2013

Campbell Cary v. Town of Harrington December 9, 1987

Town of Pownal v. George Anderson et al. April 29, 1999

### **Policy for the Disposition of Tax Acquired Properties and the Bid Procedures**

**I. Purpose:** The purpose of this policy is to establish procedures for the management, administration and disposition of real property acquired by reason of non-payment of taxes to the Town of Bridgton in accordance with Title 36 MRS Sections 942 and 943, as amended. Nothing in this policy shall be interpreted to give additional substantive or procedural rights to owners of properties forfeited for non-payment of taxes.

**II. Management of Tax-Acquired Property:** Once a property has been foreclosed due to unpaid taxes to the Town, the municipal treasurer or Tax collector shall notify the last known owner of record that his or her right to redeem the property has expired. The notification shall advise the last known owner of record that the real estate property will be disposed of in accordance with this policy, a copy of which shall be included with the notification.

2.2 The Tax Collector shall annually notify the Select Board of those properties that have not been redeemed and provide the Board with a listing of the properties.

2.3 The responsibility for the management of tax-acquired property rests with the Select Board. Pending the Board's decision regarding the final disposition of property, the Board and the Town Manager may:

a. determine in light of potential liability inherent in owning the property whether the Town's best interest would be served by immediately disposing of the property or disposing of the property at such times as the Board of Selectmen and Town Manager deem advisable without regard to any other provisions of this policy, and/or

b. determine and obtain, if necessary, insurance in the amount required to protect the Town's interest in the property and to protect the Town from liability. The Town may also determine with its Town's Attorney that there will be no collection of rents which may protect the Town from incurring landlord imposed maintenance and repairs and further liability exposure, and or

c. determine if and when any occupants of tax-acquired property shall be required to vacate the property, and/or

d. chose to meet with the delinquent taxpayer to determine a possible payment plan.  
(note- This is not a preferred option nor is it recommended by MMA)

### **III. Review of Tax-Acquired Properties:**

3.1 Any interested Department may make recommendations to the Town Manager regarding the disposition of property for the Select Board to consider. The Town Manager shall prepare a summary of all of the tax-acquired properties and provide the Select Board with a recommendation for each property that may include:

a. to sell the property with or without any conditions, or

b. to retain the property for a specific purpose, or

c. to retain the property on an interim basis if it is a single family residence occupied by the taxpayer and if the sale of the property would result in the taxpayer requesting general

assistance. In such a case, the Select Board must determine if a payment plan shall be developed for which the taxpayer makes full payment of all taxes, interest and fees due allowing for the property to be quit claim deeded to the original property owner. A payment plan approach is not encouraged as a matter of practice and by the Maine Municipal Association.

3.2 The Town Manager shall forward the recommendations to the Select Board which shall make the final determination regarding the final disposition of tax-acquired property. The Select Board shall also determine the conditions, if any, for sales of tax-acquired property.

#### IV. Disposition of Tax-Acquired Property:

4.1 Those properties that the Select Board has determined to be sold, they shall decide the appropriate method of sale. This can be through a licensed third party or by the Town. If the Town is to sell this property it can be by a written sealed bid process or by a live auction which the Select Board must determine. The Board may also authorize a negotiated sale of the property. Which ever the method, the Town is required to properly publish the method and inform the public as to the steps that will be required, conditions and terms of the sale and any other relevant points. The Town must also notify the prior owner(s) at their last known address or residence of record or by other means easily available to the Town..

4.2 Bidding Process: In accordance with Town Bidding policy, the Town shall accept sealed bids unless a live auction is being conducted. The Town does not offer any warranties or guarantees regarding the property being sold and will only issue a Quit Claim Deed.

a. When sealed bidding is conducted bids must be sealed and clearly marked "Tax Acquired Property Bid". Bids must be submitted to the Bridgton Town Office, Three Chase Street Suite #1, Bridgton, Maine 04009 on or before the due date. Each bid must identify by map and lot number the parcel being bid on. Each bid must conform with the bid payment instructions issued for the bid including that full payment of the bid price must be received within ten (10) days of the bid acceptance unless otherwise agreed to by the Town. Any collection of bid bonds or minimum payments shall be held by the Town and will be returned to unsuccessful bidders following the completion of the transaction with the successful bidder.

b. Should the successful bidder default and forfeit their bid bond or payment, the property will then be offered to the next highest bidder at the bid price. If there is no second highest bidder, or the second highest bidder is not able to meet the high bid, the Town may solely at its discretion re-advertise the property for sale or negotiate a satisfactory price with any potential buyer, as the Board of Selectmen deems necessary.

c. The Board of Selectmen will consider all bids received at a public meeting duly noticed. The Board also reserves the right to return the property to its owners when there are extenuating circumstances (7/13/93)

d. The Town reserves the right to reject any and all bids and may accept the highest bid for the advertised property. Failure by the highest bidder to complete their purchase

transaction in ten (10) business days will permit the Town Manager to award the bid to the next highest bidder for the advertised property. A bid may be rejected if the intended buyer has a history of being or is currently delinquent on any of their properties' taxes or is under a violation through the Code Enforcement Office for having a property that is classified as being neglected, in disrepair and in violation of any building or health codes.

e. The bidding process shall comply with the Town of Bridgton's standard policy on purchasing and procurement as to notification, advertisement, minimum information and value required and other bid requirements. The Town Manager on behalf of the Board of Selectmen will consider all bids received and reserves the right to reject any or all bids received.

f. The Select Board may deviate from the regular bidding process if, in its judgment, the retaining or transfer of the property to another entity serves the public interest. Any such deviation must be thoroughly reviewed at a public meeting before such action takes place.

g. If the bidding or sale of any tax-acquired property fails to have a successful purchaser, the Select Board may authorize the Town Manager to negotiate with the next highest bidder. If this process fails to achieve a purchase and sales agreement, the Board may decide to re-advertise the unsold properties at a later date or combine them with other parcels and tax-acquired properties.

This policy and the bid procedures may be amended from time to time as the Board of Selectmen deem necessary.