

Town of Patten

Tax Acquired Property Policy

Purpose.

The purpose of this policy is to establish a procedure for the Municipal Officers to follow for the disposition of property acquired through the foreclosure of unpaid tax and sewer lien mortgages.

36 MRSA § 942 sets forth the steps to be followed by the Tax Collector to record a tax lien certificate.

PROPERTY TAX LIENS.

All real estate within the State, all personal property of residents of the State and all personal property within the State of persons not residents of the State is subject to taxation on the first day of each April. Laws relating to property taxation for all real estate and personal property in the State subject to taxation are set forth by the State of Maine in Title 36 of the Maine State Revised Statutes Annotated.

Commitment Date and Due Date.

The Tax Collector determines the tax commitment date and, as voted annually at Town Meeting, the municipality determines the date when property taxes become due and payable and the date after which taxes become delinquent and interest shall accrue. The Town of Patten annually determines that the due date is August 30th the date when interest begins to accrue is November 1st.

30-Day Notice.

When a taxpayer fails to pay the entire real estate tax obligation after eight (8) months and within one year after the date of commitment, the laws allows the Tax Collector to record in the Registry of Deeds a lien certificate against the real estate subject to the tax. Before a lien certificate can be recorded, however, the taxpayer must be given notice of the Tax Collector's intention to record the lien with a 30-day notice sent by certified mail, return receipt requested. This affords the taxpayer a 30-day opportunity to pay the tax obligation before the lien is filed. If the tax obligation is not fully satisfied by the end of the 30-day period, the tax collector records a tax lien certificate in the Registry of Deeds.

Tax Lien Mortgage.

After the tax lien is recorded, a true copy is provided to the Treasurer and the Treasurer becomes responsible for collection of the lien.

After the tax lien certificate is recorded, the property may be redeemed and the lien discharged within **18 months** only by full payment of the tax, interest, and fees. Issuing a 45-30 day notice near the conclusion of the 18-month period if the tax obligation has not been entirely satisfied triggers a tax lien foreclosure notice.

45-30 Day Notice of Impending Automatic Foreclosure.

The Treasurer notifies the person named in the tax lien mortgage certificate and each record holder of a mortgage and other parties with a recorded interest of the impending automatic foreclosure. This notice is provided, by certified mail return receipt requested, not more than 45 days nor less than 30 days before the date of foreclosure.

Automatic Foreclosure.

If the tax lien mortgage, interest, and costs have not been paid 18 months after filing of the tax lien certificate, then the mortgage is automatically foreclosed, and the right of redemption has expired. After foreclosure, the property becomes the responsibility of the municipality, subject to direction of the municipality's legislative body (Town Meeting).

SEWER LIENS.

As set forth under the provisions of 30-A MRSA § 3441 et. seq. the owner of property connected to a municipal sewer is assessed a charge for the use of this service. The Municipal Officers will commit all unpaid sewer service charges to the Municipal Treasurer for collection.

Notice.

After three months and within one year after the charge becomes due, notice must be given to the owner of property served by the sewer system demanding payment of the charge within 30 days after the mailing of the notice by certified mail, return receipt requested.

Sewer Lien Certificate.

After 30 days and within one year **after notice**, the Treasurer must record a sewer lien certificate in the Registry of Deeds.

Foreclosure.

Automatic foreclosure. If the sewer charge has not been paid within **18 months** after the filing of the lien certificate, then the lien automatically forecloses and the right of redemption has expired. **No notice of impending foreclosure need be given**, but as a courtesy, the Town will provide a 30-45 day Notice of Automatic Impending Foreclosure by certified mail, return receipt requested as is given with real estate tax liens. After foreclosure, the property becomes the responsibility of the municipality, subject to direction of the municipality's legislative body (Town Meeting).

Vacating the Premises.

In regard to both tax lien and sewer lien acquired property, after foreclosure, the municipality becomes the owner of the property. At this point, the assessed owner will be given a 30-day written notice to vacate the premises.

DISPOSAL OF TAX AND SEWER ACQUIRED PROPERTY.

Upon foreclosure, the assessed owner will be notified by certified mail, return receipt requested, that they have thirty (30) days to vacate the premises as the Town of Patten has become the legal owner of the property due to an expired tax or sewer lien mortgage. In the notice, it will also give the assessed owner the option of repurchasing the property, if they so desire. They will be given fifteen days from the date of foreclosure to repurchase the property by paying all outstanding liens, taxes, interest, and lien fees, as well as any legal fees or collection fees incurred by the Town during foreclosure, and a twenty-five percent (25%) penalty. This penalty will be calculated as twenty-five percent (25%) of the total amount owed to the Town on the property at the foreclosure date. If the assessed owner pays the total amount due prior to the fifteenth day, the Town will then issue a quitclaim deed to return ownership to the assessed owner. If the fifteenth day should fall on

a weekend or holiday, they will have until the close of business on the next business day to pay the necessary amount due and repurchase the property. If this total amount due is not paid by the close of business on the 15th day, the assessed owner will then have the remaining fifteen(15) days of the 30-day written notice to vacate the premises. At this point, the Town will set a minimum bid and sell the property by sealed public bid with the bid awarded to the highest bidder as is explained later in this policy.

If you fail to vacate the premises as directed within the time stated, a forcible entry and detainer complaint (eviction proceeding) will be initiated against you in the Maine District Court and ultimately, you will be removed from the premises by a Penobscot County Sheriff.

Bid Process of Sales by Selectmen and/or Town Manager.

The Town will determine a minimum bid based upon the total outstanding amount due to the Town on the property. The Town will not advertise the property for sealed public bid until the premises are vacated. Any parcel advertised for public bid will be published in two local weekly newspapers in two editions whenever possible and posted on the Town’s webpage.

Each bid must be accompanied by a deposit in the form of a certified check or money order in an amount equal to ten percent (10%) of the bid price. Each successful bidder’s deposit will be credited to the total purchase price for the parcel. Deposits will be returned to the unsuccessful bidders. Any bid which does not contain the proper deposit will be rejected. Each successful bidder will have ten (10) days from the date of bid acceptance in which to complete the purchase. In the event that the successful bidder fails, for any reason, to complete the purchase in the time stated, the bid acceptance is void and the 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. Upon completion of the sale, the Town will convey a quitclaim deed with covenants.

The Selectmen will sell the property to the highest bidder but will reserve the right to accept any one or all bids received.

OR

The Selectmen may choose to sell tax acquired property if they deem that such a sale will result in a higher sale price to the Town. The Selectmen may opt to have the Town Manager sell a tax acquired property. Sale signs on tax acquired property may be posted by the Town in order to alert potential buyers that the property is for sale by the Town prior to the former owner vacating the premises.

The Selectmen shall also have the authority to keep and maintain the property for the Town should they decide such a decision is more advantageous to the Town.

Policy adopted by Town Meeting Vote on March 13th, 2001, and amended by the Board of Selectmen on April 13th, 2010, and again by the Board of Selectmen on March 7th, 2023.

18 April 2023
Date
Gregg Smallwood
Gregg Smallwood, Vice Chair
Rae Bates
Rae Bates

Cody Brackett
Cody Brackett, Chair
- Absent -
Dennis Kelly
Janice Dancer
Janice Dancer