

Acquired Property Policy

2-August-2022

Town of Bar Harbor

1. GENERAL

- 1.1. This policy is hereby adopted under authority of 30 MRSA section 3001, as amended, and shall be known as and may be cited as the "Acquired Property Policy for the Town of Bar Harbor" and shall be referred to herein as the "policy".
- 1.2. The purpose of this policy is to establish and dictate a procedure whereby real property, acquired in accordance with 36 M.R.S.A. section 1208, as amended, shall be managed, administered and disposed of by the Town of Bar Harbor.
- 1.3. For the purposes of this policy, the following definitions shall be observed:
 - A. "Foreclosed Tax Lien" shall mean a tax or sewer lien mortgage that has automatically foreclosed pursuant to the provisions of 36 M.R.S.A. section 942 and 943, 30-A M.R.S.A. section 3406(2) and 38 M.R.S.A. section 1208.
 - B. "Just Value for the Current Year Taxes not Assessed" shall mean the amount of taxes that would have been assessed to the property if it had not been owned by the municipality on April 1st of the year in which it is sold by the municipality. The intent of this definition is to recover for the municipality, those taxes which would have been assessed to the property if it had been privately owned on April 1st in the year in which it is sold.
 - C. "Manufactured Real Property" shall mean any structure, building or dwelling, having been constructed or fabricated elsewhere and transported, in whole or in part, to and placed, set or installed, permanently or temporarily, upon land within the municipality. For the purpose of this policy, manufactured real property shall be commonly referred to as real property as defined below.
 - D. "Municipality" shall mean the Town of Bar Harbor.
 - E. "Prior Owner" shall mean the person or persons, entity or entities, heirs or assigns to whom the property was most recently assessed for municipal tax purposes.
 - F. "Quitclaim Deed" shall mean a signed, legal instrument releasing the municipality's right, title or interest in real estate property, acquired by virtue of foreclosed tax liens, to an individual or individuals, entity or entities without providing a guarantee or warranty of title to same.
 - G. "Real Property" shall mean all land or lands, and all structures, buildings, dwellings, tenements and hereditaments, including manufactured real property, located or relocated upon any land or lands connected therewith and all rights

thereto and interests therein.

- H. "Acquired Property" shall mean that real property acquired by the municipality by virtue of a foreclosed tax lien as defined above.
- I. "Tax Lien" shall mean the statutory lien created by 36 M.R.S.A. section 552 and 30-A M.R.S.A. section 3406(2), as amended.

2. Management and Administration

- 2.1. Following statutory foreclosure of a tax lien mortgage, title to the real property automatically passes to the municipality. The management of this property rests exclusively with the Town Council and its designees, subject to the provisions of State statutes and local municipal ordinances and regulations. The Council or its designees shall take steps set forth in the following sections.
- 2.2. The Treasurer shall send a notice by first class mail, to any and all prior owners, advising the prior owners that they may purchase the property within thirty (30) days immediately following the date of mailing, by paying the full amount of outstanding sewer fees and taxes, including a just value for the current year tax not assessed, interest and all costs including, but not limited to, notice and insurance costs, plus an administrative charge of one hundred dollars (\$100.00).
- 2.3. If payment is not received within the time allotted above, the Town Council shall determine whether an acquired property is to be retained for municipal use or disposed of in accordance with provisions of this policy.

3. Retention of Acquired Property

- 3.1. Should the Council decide to retain the tax acquired property for use by the municipality, the following steps shall be followed:
 - A. The Town Council shall determine if and when any occupants of acquired property shall vacate the same.
 - B. The Town Manager shall pursue a legal action for relief in accordance with the provisions of Maine law for the purpose of securing a clear title to the property.
 - C. The Treasurer shall obtain appropriate insurance on the property.

4. Disposition of Tax Acquired Property

- 4.1. Should the Town Council determine that title to acquired property be relinquished rather than retained by the municipality, the Town Council or its designees shall take steps set forth in the following sections.

- 4.2. The Treasurer shall solicit sealed bids for the sale of acquired property.
- 4.3. The Treasurer shall cause a public notice of the impending public sale of acquired property to be posted within the Municipal Building and to be advertised for two (2) successive weeks in a newspaper of general circulation within the Town, the last notice to be published at least seven (7) days prior to the advertised sale date.
- 4.4. The Treasurer shall require the following for proper submission of bids:
 - A. 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.
- 4.5. The Treasurer shall require that those bid items cited above in 4.4 be sealed in a single plain envelope marked in red "Acquired Property Bid" on the exterior and either be hand delivered to the Treasurer, or, if mailed, enclosed within a second envelope addressed to the Treasurer, Town of Bar Harbor, 93 Cottage Street, Bar Harbor, ME 04609.
- 4.6. The Treasurer and Tax Collector shall open all bids after the submission deadline and shall prepare a summary thereof and a recommendation for the Town Council. The Town Council shall retain the right to accept or reject any and all bids submitted and shall cause such a disclaimer to be noted in any public notice soliciting bids. Should the Town Council reject all bids, the property may be offered again for public sale without notice to any prior owner or owners.
- 4.7. The Treasurer shall notify, by mail, all bidders of their decision on all bids.
- 4.8. The Town Council shall require payment in full, from any successful bidder within thirty (30) calendar days following the date when bids are opened and read. Should the bidder fail to pay the full balance, the municipality shall retain the bid price deposit and title to the property.
- 4.9. The Town Council shall give only a quitclaim deed to convey title to acquired property.

5. Construction and Adoption

- 5.1. Should any section or provision of this policy be declared to be invalid, such decision shall not invalidate any other section or provision of this policy, and to this end, the provisions of this policy are severable.
- 5.2. The provisions of this policy shall not be deemed applicable to a release given by the Town Council to any person or persons, entity or entities, the sole purpose of which is to remove any cloud upon title to property arising from defective or unrecorded discharges of tax liens, provided that the municipality claims no interest whatever in the property.

5.3. The policy shall become effective immediately upon adoption by the Town Council.

LEGISLATIVE HISTORY

16-Feb-88 - Original "Tax Acquired Property" Policy adopted.
06-Aug-96 - Town Council adopted new "Acquired Property" Policy.
03-Jun-97 - Town Council amendment regarding redemption.
02-Aug-2022 – Town Council revisions