

CITYOF BELFAST
ARTICLE II. PROPERTY TAXES*

***State law references:** Property taxation, 36 M.R.S.A. § 502 et seq.

DIVISION 1. GENERALLY
Secs. 54-31--54-50. Reserved.

DIVISION 2. TAX-ACQUIRED PROPERTY*

***State law references:** Enforcement of tax lien on real property, 36 M.R.S.A. § 941 et seq.

Sec. 54-51. Purpose of division.

The purpose of this division is to establish and dictate a procedure whereby real property acquired in accordance with 36 M.R.S.A. §§ 942 and 943 shall be managed, administered and disposed of by the city.
(Ord. of 1-2-1991, § 1.2)

Sec. 54-52. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Foreclosed tax lien means a tax lien mortgage that automatically foreclosed pursuant to 36 M.R.S.A. §§ 942 and 943.

Just value for the current year taxes not assessed means the amount of taxes that would have been assessed to the property had it not been owned by the municipality on April 1 of the year in which it is sold by the municipality. The purpose of this definition is to recover for the municipality those taxes which would have been assessed to the property had it been privately owned on April 1 in the year in which it is sold. These taxes would be lost under current law if the municipality sells the tax-acquired property after April 1.

Mail means regular, first class mail posted at any U.S. post office, postage prepaid.

Municipality means the City of Belfast, Maine.

Quit-claim deed means a signed, legal instrument releasing the municipality's right, title or interest in real estate property, acquired by virtue of foreclosed tax liens, to a person, without providing a guarantee or warranty of title to such property.

Tax-acquired property means real estate as defined by 36 M.R.S.A. § 551 that has been acquired by the municipality by virtue of a foreclosed tax lien.

Tax lien means the statutory lien created by 36 M.R.S.A. § 552.

(Ord. of 1-2-1991, § 1.3)

Cross references: Definitions generally, § 1-2.

Sec. 54-53. Property management.

(a) Following statutory foreclosure of a tax lien mortgage, title to the real estate property automatically passes to the municipality. The management of this property rests exclusively with the municipal officers, subject to the provisions of state statutes and local municipal ordinances and regulations.

(b) The municipal officers shall determine whether a tax-acquired property is to be retained for municipal use or disposed of in accordance with the provisions of this division.

(c) Should the municipal officers determine that tax-acquired property shall be retained for use by the municipality, the municipal officers may pursue an action for equitable relief in accordance with the provisions of 36 M.R.S.A. § 946 as a means of securing a clear title to the property.

(d) The municipal officers may charge a monthly rental fee to any and all occupants of tax-acquired property. Should a rental fee be charged, the municipal officers shall obtain general liability insurance coverage for the rented tax-acquired property.

(e) The municipal officers may, if the property is vacated for 60 consecutive days, obtain a general liability insurance coverage for the tax-acquired property.
(Ord. of 1-2-1991, §§ 2.1, 2.2)

Sec. 54-54. Disposition.

Should the municipal officers determine that title to tax-acquired property be relinquished rather than retained by the municipality, the following shall be observed:

(1) *Bidding required.* Within 60 days after acquisition of tax-acquired property by the municipality, the municipal officers shall solicit public bids for the sale of the tax-acquired property and shall receive, open and read aloud submitted bids at a council meeting.

(2) *Notice to owner; owner's right of redemption.* Prior to the time the municipal officers cause public notice of impending public sale of tax acquired property as set forth in subsection (3) of this section, the city clerk shall send notification of such impending public sale and request for bids to the person to whom the property was most recently assesses for municipal taxes.

The notification shall contain the same information which would be contained in the public notice under subsection (3) of this section and shall additionally notify the recipient that the recipient may, at any time prior to the public notice of bids, tender full payment of all outstanding taxes, tax liens, interest and all costs, including but not limited to notice and insurance costs, and in so doing may redeem the property and be entitled to

a quit-claim deed from the municipality. The notice provided for by this subsection 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. The failure of the municipal officers or the city clerk to send this notice, 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 use of the tax-acquired property pursuant to this division, nor shall such failure provide a legal basis for any legal action against the municipality or municipal officers or any employee thereof. This redemption shall not apply to property which the municipal officers elect to retain rather than to put out to **bid**.

(3) *Posting and publication of notice.* The municipal officers shall cause a public notice of the impending sale of tax-acquired property to be posted within city hall and to be advertised for two successive weeks in a newspaper of local circulation within the county, the last notice to be published at least seven days prior to the advertised date for receipt of **bids**.

(4) *Required submittals by bidders.* The municipal officers shall require the following for proper submission:

- a. A **bid** sheet shall be submitted containing a full description of the property being **bid** upon and the **bid** price in U.S. currency.
- b. A certified cashier's check or postal money order, in an amount not less than ten percent 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.

(5) *Delivery of bids.* The municipal officers shall require that those **bid** items cited in subsection (4) of this section be sealed in a single plain envelope marked only "Tax-Acquired Property **Bid**" on the exterior and either be hand delivered to the municipality or, if mailed, be enclosed within a second envelope addressed to the Belfast City Council, City of Belfast, 71 Church Street, Belfast, Maine 04915. All **bids** must be received by the municipality no later than 10:00 a.m. DST on the date that **bids** shall be opened and read.

(6) *Right to reject bids; re-offering of property.* The municipal officers shall retain the right to accept or reject any and all **bids** submitted, and shall cause the same disclaimer to be noted in any public notice soliciting **bids** in accordance with this division. Should the municipal officers reject all **bids**, or in the absence of any **bids**, the property may be offered again for public sale without notice to that person cited in subsection (2) of this section.

(7) *Notification of successful bidder.* The municipal officers shall notify, via mail, any successful bidder.

(8) *Disposition of deposits.* The municipal officers shall, as a credit to payment, retain the submitted **bid** price deposit of any successful bidder, and shall return all other submitted deposits.

(9) *Time limit for payment.* The municipal officers shall require payment in full from any successful bidder within 30 calendar days following the date when **bids** are opened

and read (see subsection (10) of this section for exception). Should the bidder fail to pay the full balance, the municipality shall retain the **bid** price deposit and title to the proffered property.

(10) *Extension of time for payment.* The municipal officers may, subject to a show of good faith on the part of the bidder, extend the time limit a one-time-only additional 20 days, within which full payment must be received.

(11) *Form of deed.* The municipal officers shall issue only a quit-claim deed to convey title to tax-acquired property.

(12) *Removal of occupants.* The successful bidder shall be responsible for the removal of any and all occupants of purchased tax-acquired property and shall, in writing, forever indemnify and save harmless the municipality from any and all claims arising out of the sale of the tax-acquired property brought by the occupants of the purchased property or their heirs or assigns.

(Ord. of 1-2-1991, § 3.1; Ord. No. 17-2004, 9-7-2004)