

**TOWN OF SCARBOROUGH  
POLICY FOR  
DISPOSITION OF TAX ACQUIRED PROPERTY  
ADOPTED OCTOBER 16, 2002**

**Article 1.**     General

- 1.1     The purpose of this Policy is to establish procedures for the efficient and fair management, administration and disposition of real property acquired under the tax lien procedures set forth in Title 36 M.R.S.A. Sections 942. Nothing in this policy shall be interpreted to give additional substantive or procedural rights to owners or former owners of properties forfeited for non-payment of taxes.

**Article 2.**     Actions Concerning Tax-Acquired Property Pending Final Disposition

- 2.1     Following the foreclosure of any tax lien mortgage, the Town Treasurer shall by first class mail notify the last known owner of record that his or her right to redeem the tax lien mortgage securing the collection of property taxes has expired. The notification shall also advise that the property will be disposed of in accordance with this policy, a copy of which shall be included with the notification.
- 2.2     Each year the Treasurer shall prepare a list of properties acquired due to non-payment of property taxes and foreclosure of tax liens and provide this list to the Town Manager.
- 2.3     The Town Manager, and as necessary in consultation with the Town Attorneys, shall review each property identified on the list and determine:
- A. The potential liabilities (environmental, structural safety, health or other hazards associated with the property) that the Town might assume by taking possession or by operating the property and whether the Town's interests in light of such potential liabilities would be best served by immediately disposing of the property or retaining it;
  - B. The level of insurance required to protect the Town's interest in the property and to protect the Town from liability in the event that the property is retained; and
  - C. Whether the property is currently occupied and the likelihood of requiring legal assistance (and estimated costs of the same) to require the occupants to quit the premises.
- 2.4     In the event that a tax-acquired property remains or becomes vacant for 60 consecutive days following the date of foreclosure of the tax liens under which the Town becomes the owner of a property, the Town Manager shall obtain liability coverage for the property.

**Article 3. Review and Disposition of Tax-Acquired Properties**

3.1 The Town Manager shall forward a copy of the list of tax-acquired properties to the members of the Town Council, Chairman of the Planning Board, the Public Works Director, the Police Chief, the Fire Chief, the Community Services Director, the Conservation Commission, the Emergency Services Director, The Municipal Engineer, other Town department heads, the Scarborough Historical Society and the Parks and Conservation Land Board. The Chairman of the Planning Board, the Public Works Director, the Police Chief, the Fire Chief, the Community Services Director, the Conservation Commission, the Emergency Services Director, The Municipal Engineer and other Town department heads shall, within 21 days of the receipt of the list, review the list of tax-acquired properties and identify those properties that each believes should be considered as a candidate to be retained for public use and provide a brief statement of the reasons therefore. The Town Manager shall collect and summarize these recommendations, summarize the results of his or her review of each such property as per Section 2.3 of this Policy and make one of the following recommendations:

- A. For non-residential, commercial, or residential property that is not the owner's or the member of the owner's immediate family's primary residence, to:
  - 1. Retain the property for a particular purpose identified by one of the above-identified department heads or other Town officials. The Town Manager, in consultation with the Town Attorney shall review and pursue, if appropriate or required, judicial confirmation of the Town's right, title or interests in the subject property under 36 M.R.S.A. section 946; or
  - 2. Sell the property with or without conditions.
- B. If the Property is a single-family residence occupied by the owner or the owner's immediate family members, to enter into arrangements to secure just and prompt payment of outstanding and current taxes, related interests and costs.
  - 1. If this option of disposition is pursued, the Town Manager shall present the taxpayer with a written plan and an installment sales contract for payment of past due and currently due taxes, interests, and costs under the tax lien process and all outstanding sewer charges, assessments and other lawful charges as are due and owing to the Town.
  - 2. The installment sales contract shall require the owner of the property to maintain property insurance and provide proof of the same to the Town and to reimburse the Town for its costs and expenses in negotiating and executing such agreements and installment sales contract. The Town's costs shall include all costs incurred or to be incurred by the Town in addition to those incurred in the tax lien process and shall include, but not be limited to, insurance costs, registry filing and mailing costs, advertisement costs, and attorney's fees.

3. The owner must timely sign the written plan and installment sales contract and affirmatively acknowledge in writing that title to the property belongs to the Town and shall remain with the Town until such time as the terms of the installment sales contract are successfully and timely completed, and further acknowledge that the owner will strictly comply with the terms of the plan and installment sales contract.
  4. Failure of an owner to timely enter into an installment sales contract with the Town (within thirty (30) days) or strictly comply with the plan and terms of the installment sales contract will result in a forfeiture of the plan and installment sales contract and result in the property being either retained by the Town or sold under the other provisions of this policy.
- 3.2 The Town Manager shall forward his or her reviews, recommendations and determinations regarding each property to the Town Council. The Town Council may override a particular recommendation of the Town Manager to retain a property but shall otherwise direct that the property be processed in conformance with the terms of this Policy.
- 3.3 Any sale of tax-acquired property shall be through a public sale. The Town Manager shall otherwise oversee the exact terms and conditions of such sale and use his or her best judgment to seek the best and most expedient method of sale and return on the sale for the Town.

Adopted by the Scarborough Town Council

October 16, 2002