

# TOWN OF HOLLIS

## ORDINANCE FOR THE DISPOSAL OF TAX ACQUIRED PROPERTY

### I. PURPOSE

This ordinance is to define the method to be used for disposal of properties obtained through foreclosure in the Town of Hollis.

### II. DEFINITIONS

- A. **REPURCHASE AGREEMENT** – An agreement entered into between the owner of record and the Selectmen to regain ownership of the property by paying all back taxes, associated fees and penalties, and current taxes as they are billed. Total repayment must be within 2 years of signing of the agreement. The repurchase agreement shall contain a statement that failure to pay for 3 months shall void the agreement as if it had not been executed.
- B. **PENDING FORECLOSURE NOTICE** – This is a notice of impending foreclosure that is sent to the owner of record by certified mail. This notice is 30 to 45 days prior to foreclosure.
- C. **AUTOMATIC FORECLOSURE** – Occurs 18 months after a tax lien is filed. The foreclosure automatically transfers ownership from the owner of record to the Town.
- D. **FAIR MARKET APPRAISAL** – The average of two separate real estate appraisals by independent real estate appraisers. Note that this is not the assessment value, but represents what the property could be reasonably expected to yield in an open sale.
- E. **FEES** – In addition to taxes there are the following charges; interest, search for mortgage holders, unassessed owners, or any party that has a secured interest; lien filing, registered mail charges, foreclosure filing, and legal costs if there are any.
- F. **30 DAY NOTICE** – Registered mail notice sent to the owner of record 8 months after the taxes are committed for properties and have not been paid.
- G. **LIEN** – Legal filing that registers the unpaid taxes and interest as a debt against the property that must be settled before any transfer of title can occur.

### III. FORECLOSURE PROCESS

Failure to pay taxes for the proscribed time after a lien has been filed will result in foreclosure on the real estate. At the time of foreclosure the Town assumes ownership of the property. For the first 30 days after the foreclosure the owner of record may enter into a Repurchase Agreement with the Selectmen. If the owner of record elects not to, or is unable to enter into a Repurchase Agreement with the Selectmen during the 30-day period the property becomes eligible for sale to recover taxes due.

### IV. CONDITIONS OF REPURCHASE AGREEMENT

The term of the repurchase agreement is 2 years. All back and current taxes must be paid by the end of that time. Since payments are applied to the oldest taxes due first, the payments will always be higher than required for current

taxes. Any failure to pay the required monthly payments for 3 consecutive months shall be construed as voiding the agreement and make the property eligible for sale. This stipulation is part of the Repurchase agreement signed by the owner.

**V. DISPOSITION OF PROPERTY**

All properties that are in foreclosure will be reviewed by Town of Hollis Officials for potential retention as town owned land. If the property is determined to be of value to the Town and is to be retained then two independent appraisals will be obtained. The Town will then place the property before the voters for approval of funds to enable retention. The amount to be placed before the voters will be the appraisal, less all applicable taxes, fees, and, if applicable, legal fees.

If the property is not to be retained it shall be disposed of by a sealed bid method of sale. A minimum price equal to the taxes and fees may be required.

**VI. METHOD OF SALE**

The Map, Lot, Physical Location, and minimum bid if applicable; shall be advertised in 2 newspapers with local coverage and posted at the Town Office, Hollis Post Office, and 2 other sites. The postings and advertisements shall be done 3 weeks and 1 week prior to the sale date. In addition a public hearing shall be held 10 days prior to the sale, at which all properties shall be reviewed.

Bids are to be written, sealed in an envelope, and either mailed in a separate envelope, or delivered, to the Town Clerk. The Town Clerk will time and date stamp the bids. In case of duplicate bids the earliest time/date will be the winning bid.

Bids will be opened at a Public Meeting conducted by the Board of Selectmen.

**VII. METHOD OF PAYMENT**

Payment is due within 30 days of being notified of a successful bid. Payment can be by cashiers check, money order, cash, or personal check. If a personal check is used the transfer shall not occur until the check has been cleared (APPROX 10 DAYS).

In the event that payment is not made within the allowed time, or the check is returned for insufficient funds the sale will be considered not to have happened. Properties in this situation are to be re-advertised and re-offered as described above.

**VIII. FAILURE TO SELL**

The unsold property will be presented at a Town Meeting for consideration of maintenance and insurance costs to be taken from uncommitted funds until the next tax rate computation. Should the Town of Hollis reject maintenance or insurance costs the structure will be demolished and the property converted to green space.

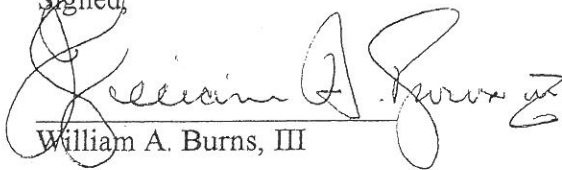
## IX. UNSOLD HISTORICAL PROPERTIES

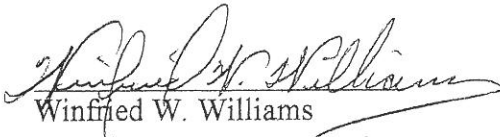
If the unsold property has structures of historical importance the property will be presented at a Town Meeting for consideration of maintenance and insurance costs to be taken from uncommitted funds until the next tax rate computation. Should the Town of Hollis reject maintenance or insurance costs the structure will be demolished and the property converted to green space.

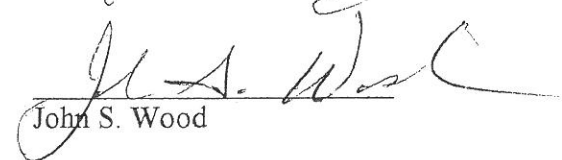
## X. TRANSFER OF TITLE

Title of purchased properties will be transferred by quitclaim deed only. There will be no exceptions to this condition.

Signed,

  
William A. Burns, III


  
Winifred W. Williams

  
John S. Wood

CERTIFIED AND ATTESTED OF THE VOTE ON ARTICLE 4

Shall the Town vote to enact the ordinance titled "disposal of Tax Acquired Properties?"

VOTE WAS 714 YES 138 NO

  
CLAIRE M. Dunne, Town Clerk of  
HOLLIS, MAINE  
AS VOTED ON JUNE 8, 2004

## LAND RE-PURCHASE INSTALLMENT CONTRACT

This agreement entered into by and between the Town of Hollis P. O. Box 9, Hollis Center, Maine 04042, Hereinafter referred to as the VENDOR, and \_\_\_\_\_ whose address is \_\_\_\_\_ hereinafter referred to as the PURCHASER; WITNESSETH as follows:

That on this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, the VENDOR agrees to sell and the PURCHASER agrees to purchase the following described real estate:

Certain property described as Map#\_\_\_\_, Lot #\_\_\_\_ on the Hollis Assessor's Map for 19\_\_\_\_, which are of file at the Hollis Town Office, being the same as described in a Town of Hollis tax lien dated \_\_\_\_\_ and recorded in the York County Registry of Deeds in Book\_\_\_\_, page\_\_\_\_, which lien foreclosed on \_\_\_\_\_.

The OUT STANDING BALANCE PRICE of \_\_\_\_\_. Plus all costs and interest which accrue daily, Payments are applied to interest and cost first. Monthly payments of \$\_\_\_\_\_ dollars each due the 15th day of each month, after this contract is acknowledged.

And the parties do further agree as follows:

- 1) That the premises are to be conveyed by a Municipal Quit Claim Deed Without Covenant, that the property is to be sold "as is" without any warranties of representations whatsoever;
- 2) That there are the following encumbrances (if an) against the property:\_\_\_\_\_;
- 3) That risk of loss or damage to the premises by fire or otherwise and all liability for personal injury or property damage relating to use or occupancy of the property, until delivery of a deed, is assumed by the purchaser, that purchasing casualty and liability insurance is the purchaser's responsibility alone, that the Town of Hollis will not procure or maintain such coverage for him/her or otherwise indemnify him/her against any such loss, damage, or liability, and that the Town of Hollis retains title to the property as security for the PURCHASER'S obligations under this agreement;
- 4) That there is no THIRD PARTY involved in this transition that the Town of Hollis acknowledges;
- 5) That there are no promises, verbal understanding, or agreements of any kind pertaining to this contract other than as specified herein and that this agreement represents the entire agreement between the parties;
- 6) That the PURCHASER will be in default of this agreement if he is more than thirty (30) days late in making any payment, that the PURCHASER

can cure the default if he pays the overdue installment within fifteen (15) days of being in default of this agreement, and that, if such default is not cured as herein provided, this agreement thereupon shall be terminated and the VENDOR may retain all payments made hereunder and the purchaser shall have no claim to any refund, credit, allowance, or otherwise against the vendor under this agreement;

- 7) That the PURCHASER shall be responsible for the payment of taxes and any other fees, charges, or assessments made under law on said property from the date of this contract and any interest thereon, which is computed at a rate set by the Annual Town Meeting for the tax year (s) in question, and that these shall be paid in full in addition to the TOTAL OUTSTANDING BALANCE before a deed is conveyed to PURCHASER by the VENDOR;
- 8) That the PURCHASER has the right to accelerate or prepay any installment payments without penalty.
- 9) That this contract is not a MORTGAGE and the PURCHASER does not obtain title to the property until the TOTAL plus any additional taxes and interest, which is computed at a rate set by the Annual Town Meeting for the tax year (s) in question, are paid in full.

Signed, Sealed, and Delivered  
in the presence of:

\_\_\_\_\_ Selectman, Date \_\_\_\_\_

\_\_\_\_\_ Selectman, Date \_\_\_\_\_

\_\_\_\_\_ Selectman, Date \_\_\_\_\_

By placing my signature below, I agree to be legally bound by the foregoing terms and conditions and also hereby executed by all parties.

\_\_\_\_\_ Purchaser, Date \_\_\_\_\_

\_\_\_\_\_ Purchaser, Date \_\_\_\_\_

