

TOWN OF HOLLIS

ORDINANCE FOR THE DISPOSAL OF TAX ACQUIRED PROPERTY

I. PURPOSE

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

The Hollis Select Board shall have the authority to sell and dispose of any tax acquired property in the Town of Hollis. The Select Board is further authorized to sell these properties for such payment and on such terms as they deem appropriate or may designate such property as conservation land, as set forth hereinafter.

II. DEFINITIONS

- A. REPURCHASE AGREEMENT – An agreement entered into between the owner of record and the ~~Selectmen Board~~ 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 1 year of signing of the agreement. The purchase 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. THIRTY (30) DAY NOTICE – Registered mail notice sent to the owner of record eight (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 Board**. If the owner of record elects not to, or is unable to enter into a Repurchase Agreement with the **Selectmen Board** 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 **two one (1)** year. 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 three (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 **then it will** be retained, then two (2) independent appraisals will be obtained. The Town will 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 **either an independent real estate agency being retained or 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 method of sale (real estate agent or sealed bid) minimum bid if applicable;** shall be advertised in two (2) newspapers with local coverage and posted at the Town Office, Hollis Post Office, and two (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.**

If the property is to be listed with an Independent Real Estate Broker, the agency shall advertise the property to be sold with a sale price listed and be responsible for dealing with interested parties with all interested parties being notified of the current offering prior to the final decision to accept the offer.

If the sealed bid process is being used, bids are to be written, sealed in an envelope, and either mailed in a separate envelope, or delivered, to the ~~Selectmen's Administrative Assistant~~ Town Clerk. The ~~Selectmen's Administrative Assistant~~ 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 ~~Select Board of Selectmen~~.

VII. METHOD OF PAYMENT

If the property is disposed of by sealed bid, the payment is due within thirty (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).

If the property being disposed of by sealed bid and ~~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 ~~in the sealed bid process~~.

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.

~~Any property, which fails to sell, or remains unsold after the public offerings described previously, the town will take possession of the property and demolish any non-historical structures to convert the property to green space~~

IX. UNSOLD HISTORICAL PROPERTIES

If the unsold property ~~including property~~ has structures of Historical Significance ~~contains structures, they~~ 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 quit-claim deed only. There will be no exceptions to this condition.

XI. TAX ACQUIRED PROPERTY LIST

The Town Treasurer shall furnish a list of tax acquired properties to the Select Board by June 30 of each year, as well as publish a list of the same in the Town Report. By authority of the Select Board, the Treasurer may waive the foreclosure of a tax lien mortgage by recording a waiver of foreclosure in the York County Registry of Deeds before the right of redemption has expired.

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