

**§943-C. Sale of foreclosed properties**

Notwithstanding any provision of law to the contrary, after the foreclosure process under sections 942 and 943 or sections 1281 and 1282 is completed and the right of redemption has expired, if a municipality chooses to sell to someone other than the former owner, the municipal officers or their designee shall notify the former owner of the right to require the municipality to use the sale process under subsection 3. For the purpose of this section, "former owner" means the owner or owners of record at the time of foreclosure or, if deceased, the former owner's heirs, devisees or personal representatives. The notice must be sent by United States Postal Service certified mail, return receipt requested, and first-class mail to the last known address of the former owner. If the municipality agrees to sell the property back to the former owner, the alternative sale process under this section does not apply. If the sale to the former owner is not completed, the requirements of this section are reinstated. [PL 2023, c. 358, §1 (AMD).]

**1. Subject property.**

[PL 2023, c. 358, §1 (RP).]

**2. Notification; appeal.** At least 90 days prior to listing property for sale, the municipal officers or their designee shall send a written notice to the last known address of the former owner, by United States Postal Service certified mail, return receipt requested, and first-class mail, of the right to require the sale process described in subsection 3. The State Tax Assessor shall prepare application forms, notices and instructions that must be used by municipalities to inform former owners of their right to apply for the sale process provided under subsection 3.

[PL 2023, c. 358, §1 (AMD).]

**3. Sale process requirements.** If the former owner submits a written demand within 90 days after the notification in subsection 2 that the sale process of this subsection be used, the municipal officers or their designee shall:

A. List the property for sale with a real estate broker licensed under Title 32, chapter 114 who does not hold an elected or appointed office in the municipality and is not employed by the municipality; [PL 2017, c. 478, §3 (NEW).]

B. Sell the property via quitclaim deed to the successful buyer at the highest price at which the property is able to sell, or the price at which the property is anticipated by the real estate broker to sell within 6 months after listing; and [PL 2023, c. 358, §1 (AMD).]

C. Pay to the former owner any sale proceeds in excess of:

- (1) The sum of all taxes owed on the property;
- (2) Property taxes that would have been assessed on the property during the period following foreclosure when the property is owned by the municipality;
- (3) All accrued interest;
- (4) Fees, including property listing and real estate broker's fees;
- (5) Any other expenses incurred by the municipality in selling or maintaining the property, including, but not limited to, an administrative fee equal to 10% of the property taxes owed and reasonable attorney's fees;
- (6) The cost to the municipality of the lien and foreclosure process, including, but not limited to, reasonable attorney's fees; and
- (7) Unpaid sewer, water or other utility charges and fees imposed by the municipality. [PL 2023, c. 358, §1 (AMD).]

If the municipal officers are unable to list or sell the property under the requirements of paragraphs A and B, or if the property tax payer does not request that the property be sold according to the sale process in this subsection, the municipal officers may sell the property in any manner authorized by the municipality's legislative body, if the municipal officers pay the former owner any excess sale proceeds as calculated in paragraph C.

[PL 2023, c. 358, §1 (AMD).]

**4. Effect of inability to contract or sell property.**

[PL 2023, c. 358, §1 (RP).]

**5. Property in the unorganized territory.** With regard to the sale of property acquired by the State through tax lien foreclosure in the unorganized territory, the State Tax Assessor has the obligations of a municipality under this section.

[PL 2017, c. 478, §3 (NEW).]

**6. Quitclaim deed and waiver of former owner.** As a condition of disbursement of excess sale proceeds to the former owner under subsection 3, paragraph C, the municipal officers may require the former owner to execute a quitclaim deed without covenant conveying any interest of the former owner in the property to the municipality and to deliver that deed before conveyance by the municipality to the buyer. Receipt of such excess sale proceeds by the former owner is deemed to be a waiver of any right of the former owner to commence any action pursuant to section 946-B.

[PL 2023, c. 358, §1 (NEW).]

SECTION HISTORY

PL 2017, c. 478, §3 (NEW). PL 2019, c. 401, Pt. A, §10 (AMD). PL 2023, c. 358, §1 (AMD).

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