



# TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, **including back up information, 8 days prior** to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

## MEETING INFORMATION

Date Submitted: May 17, 2023

Date of Meeting: May 25, 2023

Submitted by: Town Council Chair Finlay Rothhaus & Vice Chair Nancy Harrington

Department:

Time Required: 15 minutes

Speakers:

Background Info. Supplied: Yes:  No:

## CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/Retirement:	<input type="checkbox"/>
<b>Public Hearing:</b>	<input type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input checked="" type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

## TITLE OF ITEM

Disposal of Tax Deeded Properties

## DESCRIPTION OF ITEM

The Town Council to consider the disposal of tax deeded properties, pursuant to RSAs 80:42, 80:88, 80:89 and 80:90 and Chapter 66 of the Merrimack Town Code

## REFERENCE (IF KNOWN)

RSA:	80:42, 80:88, 80:89 & 80:90	Warrant Article:	_____
Charter Article:		Town Meeting:	_____
Other:	Town Code Chapter 66	N/A	

## EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

## CONTACT INFORMATION

Name: Finlay Rothhaus Address \_\_\_\_\_

Phone Number \_\_\_\_\_ Email Address frothhaus@merrimacknh.gov

## APPROVAL

*Town of Merrimack, NH  
Thursday, May 18, 2023*

## Chapter 66. Town Council

### Article I. Tax Title Deed Properties

[Adopted 5-16-1991 ATM by Art. 26; amended by Town Council 11-5-2009; 1-26-2012; 1-25-2018]

#### § 66-1. Transfer of tax lien.

Pursuant to RSA 80:80, the Town Council is authorized to retain for public use or to sell, either by private sale to the previous owner from which title was obtained through the Tax Collector's Deed or public auction, and for such price and upon such terms as in their judgment may seem best, any real estate or interest therein to which the Town has obtained or shall obtain title by Tax Collector's deed for the nonpayment of taxes, and further that during the period when title to said property shall be held by the Town, that the Town Council be given authority to rent, use or administer the same as in their judgment may seem best.

**TITLE V  
TAXATION**

**Chapter 80  
COLLECTION OF TAXES**

**Resident Taxes and Relocation of Buildings**

Excerpt..

**Section 80:42**

**80:42 Transfer of Tax Lien; Sale of Property Taken in Default of Redemption.**

I. No transfer of any tax lien upon real estate acquired by a town or city at a tax collector's sale for nonpayment of taxes thereon shall be made to any person by the municipality during the 2-year period allowed for redemption, nor shall title to any real estate taken by a town or city in default of redemption from a tax sale be conveyed to any person unless the town, by majority vote at the annual meeting, or city council by vote, shall authorize the selectmen or the mayor to transfer such lien or to convey such property by deed.

II. If the selectmen or mayor are so authorized to convey such property by deed, either a public auction shall be held, or the property may be sold by advertised sealed bids. The selectmen or mayor shall have the power to establish a minimum amount for which the property is to be sold and the terms and conditions of the sale.

III. The selectmen may, by a specific article in the town warrant, or the mayor, by ordinance, may be authorized to dispose of a lien or tax deeded property in a manner than otherwise provided in this section, as justice may require.

IV. Such authority to transfer or to sell shall continue in effect for one year from the date of the town meeting or action by the city council provided, however, that the authority to transfer tax liens, or to sell real estate acquired in default of redemption, or to vary the manner of such sale or transfer as justice may require, may be granted for an indefinite period, in which case the warrant article or vote granting such authority shall use the words "indefinitely, until rescinded" or similar language.

V. For purposes of this section, the authority to dispose of the property "as justice may require" shall include the power of the selectmen or mayor to convey the property to a former owner, or to a third party for benefit of a former owner, upon such reasonable terms as may be agreed to in writing, including the authority of the municipality to retain a mortgage interest in the property, or to re-impose its tax lien, contingent upon an agreed payment schedule, which need not necessarily reflect any prior redemption amount. Any such agreement shall be recorded in the registry of deeds. This paragraph shall not be construed to obligate any municipality to make any such conveyance or agreement.

**Source.** 1947, 269:2. RSA 80:42. 1977, 549:1. 1993, 176:9. 1997, 266:2, eff. Jan. 1, 1998.

**Section 80:42-a**

**80:42-a Retention for Public Use.** – Towns and cities may retain and hold for public uses real property the title to which has been acquired by them by tax collector's deed under the provisions of RSA 80:42, upon vote of the town meeting or city council approving the same.

**Source.** 1971, 359:1, eff. Aug. 24, 1971.

## **Section 80:88**

### **80:88 Distribution of Proceeds From the Sale of Tax-Deeded Property.** –

I. Notwithstanding any other provision of law, for any sale by a municipality of property which is acquired by tax deed on or after the effective date of this section, the municipality's recovery of proceeds from the sale shall be limited to back taxes, interest, costs and penalty, as defined in RSA 80:90.

II. If there are excess proceeds over and above the amount of municipal recovery permitted under paragraph I:

(a) Within 60 days of settlement by the purchaser or purchasers of the property sold, the municipality shall file a bill of interpleader with the superior court for the county in which the property is located, naming the former owner or owners, and all persons having a recorded interest in the property as defendants, and paying to the court all amounts over and above those entitled to be retained.

(b) The municipality shall also be entitled to retain its reasonable costs and attorneys' fees for the preparation and filing of the petition.

(c) The court shall issue such orders of notice as are necessary, and shall make such disposition of the funds as it finds appropriate, based upon ownership and lienholder interests at the time of the tax deed.

(d) The municipality shall be deemed to have a continuing interest in said funds, and in default of valid claims made by other parties, such funds shall be decreed to be the property of the municipality, free and clear of any remaining liability.

III. No bill of interpleader shall be necessary under subparagraph II(a) if, at the time of the tax deed execution, there were no record lienholders, and only one record owner or joint owners, and such former owner or owners are easily identified and located, in which case the excess proceeds shall be paid to such owner or owners.

**Source.** 1998, 238:2. 2007, 184:1, eff. Aug. 17, 2007.

## **Section 80:89**

**80:89 Notice to Former Owner and Opportunity for Repurchase. –**

I. At least 90 days prior to the offering for sale by a municipality of property which is acquired by tax deed on or after the effective date of this section, the municipal governing body or its designee shall send notice by certified mail, address service requested, return receipt requested, to the last known post office address of the owner of the property at the time of the tax deed, if known, or to the person to whom notice of the impending tax deed was given under RSA 80:77. The notice shall set forth the terms of the offering and the right of the former owner or owners to repurchase the property, as set forth in paragraph II. Copies of any such notice shall also be sent by certified mail, return receipt requested, to any mortgagee to whom notice of the impending tax deed was sent under RSA 80:77-a. For any notice sent pursuant to this paragraph, \$10 may be added to the municipality's "costs" as defined in RSA 80:90. In this section, an "offering for sale" means the authorization by the municipality's governing body to its designee to sell the property.

II. Within 30 days after the notice required by paragraph I, or if no such notice is received, at any time within 3 years after the date of recording the tax deed, any former owner of the property may give notice by certified mail, return receipt requested, of intent to repurchase the property from the municipality, and stating that such owner is ready, willing, and able to pay all back taxes, interest, costs and penalty, as defined in RSA 80:90, except that if the property is the former owner's principal residence, or was the former owner's principal residence at the time of execution of the tax deed under RSA 80:76, the additional penalty under RSA 80:90, I(f) shall not apply. If all such back taxes, interest, costs and penalty have not been actually tendered within 30 days of such notice of intent to repurchase, the municipality may proceed with its offering and dispose of the property without any interest by the former owner.

III. The deed from the municipality upon such repurchase shall convey the municipality's interest in the property, or such portion as has not been previously disposed of by the municipality, to all record former owners in the same proportional undivided interests as the former owners of record.

IV. The former owners' title upon repurchase shall be subject to any liens of record against the property as of the time of the tax deed to the municipality, and subject to any leases, easements, or other encumbrances as may have been granted or placed on the property by the municipality. In the case of multiple former owners, any owner paying more than a proportional share of the purchase price to the municipality shall have a lien against the other owners for the amount of the excess paid.

V. A notice of intent to repurchase under this section may also be filed by the holder of any recorded mortgage interest in the property which was unredeemed as of the

date of the tax deed. Upon payment the property shall be deeded as provided in paragraph III, but the mortgagee shall be entitled to add the amount paid to the municipality to the amount due under the mortgage.

VI. Conveyances to a former owner under this section shall not be subject to the real estate transfer tax under RSA 78-B.

VII. The duty of the municipality to notify former owners and to distribute proceeds pursuant to RSA 80:88, and the former owners' right of repurchase under this section shall terminate 3 years after the date of recording of the deed.

**Source.** 1998, 238:2. 2007, 184:2, 3, eff. Aug. 17, 2007. 2016, 37:1, eff. July 2, 2016.

### **Section 80:90**

#### **80:90 Definitions. –**

I. For purposes of RSA 80:88 and 80:89, the phrase "back taxes, interest, costs and penalty" shall include all of the following:

(a) All taxes assessed but unpaid as of the date of the tax deed, together with all taxes which would thereafter otherwise have been assessed against such property based on its valuation, but for its ownership by the municipality.

(b) All statutory interest actually accrued on all back taxes as of the date of the tax deed, together with all statutory interest which would otherwise thereafter have accrued on all taxes listed in subparagraph (a), but for the property's ownership by the municipality.

(c) All allowable statutory fees charged for notice and recording in connection with the tax collection process.

(d) All legal costs incurred by the municipality in connection with the property, including those connected with the municipality's sale or the former owner's repurchase.

(e) All incidental and consequential costs as are reasonably incurred or estimated to be incurred by the municipality in connection with its ownership and disposition of the property, including but not limited to insurance, maintenance, repairs or improvements, and marketing expenses.

(f) An additional penalty equal in amount to 10 percent of the assessed value of the property as of the date of the tax deed, adjusted by the equalization ratio for the year of the assessment.

II. For purposes of RSA 80:88 and 80:89, "former owner" shall mean any person in whom title to the property, or partial interest therein, was vested at the time of the tax deed, and shall include any heir, successor, or assign of any former owner, provided, however, that any person to whom a former owner has attempted to convey or assign

any interest, lien, or expectancy in the property subsequent to the date of the tax deed shall not be deemed a former owner.

**Source.** 1998, 238:2. 2007, 42:2, eff. July 20, 2007. 2016, 37:2, eff. July 2, 2016.