

SUBJECT: THE SALE OF REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAX YEAR 2017 AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.

AGENDA OF: July 19, 2022

ASSEMBLY ACTION:

Adopted without objection  
8-2-22 (BSC)

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED <sup>for</sup> BY MICHAEL BROWN, BOROUGH MANAGER: George W. Brown

Route To:	Department/Individual	Initials	Remarks
	Originator	al	
	Community Development Director	ep	
	Finance Director	mw	FOR CH
	Borough Attorney	NS	
	Borough Clerk	BSC for JRM	

ATTACHMENT(S): Fiscal Note: YES X NO \_\_\_\_\_  
Exhibit "A" (1 pp)  
Ordinance Serial No. 22-085 (2 pp)

SUMMARY STATEMENT:

On June 21, 2022, the Borough Assembly approved Ordinance Serial No. 2022-069 which approved the list of properties to be included in the 2022 Annual Tax and LID Foreclosure Sale, Tax Sale 43 (TS43), which is scheduled to be held October 29, 2022. The Land and Resource Management Division proposes adding a parcel that the Borough owns through Clerk's Deed to TS43.

The property described as Williwaw #2 Block 04 Lot 015 (tax account 51069B04L015 / 1524 N Pioneer Peak Drive) has been foreclosed upon for non-payment of taxes. Title to this parcel was transferred by the Superior Court to the Borough by Clerk's Deed on March 24, 2022.

This property was tentatively scheduled to be offered at the fall 2024 tax & LID foreclosure sale with Assembly approval. Land Management is proposing to offer this property for sale earlier because of public health and safety issues. Code Compliance has had several complaints, spanning several years, against the property for junk and trash. The junk and trash has migrated from the property and is encroaching in the right of way, causing safety issues for other vehicles. There are multiple people staying on the property, living in the vehicles and shed. This property has become a gathering ground for vagrants, and is subjected to the activities that come with this, to include drug activity, theft, and warrant violations.

The cost to the Borough to clean up this property would greatly exceed the amount owed in delinquent taxes, plus interest owed through the date of the sale, penalties, costs of maintaining and managing the property, and costs of foreclosure and sale, which make up the minimum bid for selling a tax foreclosed property per Alaska Statute 29.45.470.

The tax appraised value of the property is \$55,100.00. Offering the property for sale prior to the fall of 2024 will return the property back to the private sector for the health and safety issues to be addressed by the private sector.

When the Borough was granted the Clerk's Deed to this property every right, title, and interest of a person in the tax and LID foreclosed property was forfeited forever to the Borough subject only to repurchase rights of the former owner. That is, the prior record owner has the statutory right to repurchase the property prior to the sale of the property for delinquent taxes, special assessments, plus interest, penalties, costs of foreclosure and sale, and costs of maintaining and managing the property.

The former property owner has had several opportunities to stop the foreclosure process prior to the Borough receiving Clerk's Deed to the property. First, the owner is notified of a potential foreclosure action by a pre-foreclosure courtesy notice mailed about two months prior to the Borough filing its petition to foreclose on the property in court. This was the easiest and least expensive time to stop foreclosure by paying delinquent taxes, special assessments, penalties, interest and fees.

Thereafter, the Borough presented a petition to foreclose on the property for taxes that had been delinquent for at least two years. At this time the last known owner of the property was mailed a notice advising of the foreclosure proceeding. The foreclosure list was also published for four consecutive weeks in the local newspaper. This was the second opportunity for the owner to stop foreclosure and keep their property by paying delinquent taxes,

special assessments, penalties, interest and fees.

After sixty days, the court signed the judgment and decree of foreclosure on this property for the delinquent taxes, special assessments, penalties, interest, and fees that remained unpaid, which was recorded at the state recorders' office. Upon the courts execution of the judgment, the right of redemption period began and the Borough had to hold this delinquent property for at least one year. During the redemption period the prior record owner or their assigns had the right to redeem the property by paying the amounts owed under the judgement and interest and penalties. This did not affect the property owner's right to possession during this time.

At least thirty days before the one-year right of redemption period ended, the Borough published in the newspaper a redemption period expiration notice and sent a copy of the notice by certified mail to the record owner. The notice stated that unless redeemed, the property shall be deeded to the Matanuska-Susitna Borough immediately on expiration of the period of redemption, and that every right or interest of a person in the property would be forfeited forever to the Matanuska-Susitna Borough, subject only to repurchase rights. This is the last opportunity to stop the Borough from becoming permanent owner of the property by the owner paying the delinquent taxes, special assessments, penalties, interest and fees owing under the judgement.

Thereafter, the Borough received deed from the court and the prior owner has the right to repurchase within ten years and before the sale or contract of sale of the property. The Borough has followed a policy of not evicting occupants of tax and LID foreclosed properties upon receipt of the Clerk's Deed which it could legally pursue otherwise.

Tax and LID Foreclosure Sale TS43 is scheduled to be held on October 29, 2022, in the Dorothy Swanda Jones Building. The sale will be conducted according to Alaska State Statutes (AS 29.45.460-480) and Matanuska-Susitna Borough Code (23.10.220). The property will first be offered by sealed bid, followed by an outcry auction if the parcel does not receive a sealed bid.

If this property does not sell in Tax and LID Foreclosure Sale TS43, it may be offered in subsequent over-the-counter tax and LID foreclosure sales on a first-come, first-served basis until sold, or until the 10-year repurchase rights expire. At such time as the 10-year repurchase rights expire and the former record owner loses all right to the property, the properties may be sold at fair market value.

**RECOMMENDATION OF ADMINISTRATION:**

Adoption of Ordinance 22-085 authorizing the inclusions of Williwaw #2 Block 04 Lot 015 (tax account 51069B04L015 / 1524 N Pioneer Peak Drive) in the upcoming 2022 Tax and LID Foreclosure Sale (TS43).

MATANUSKA-SUSITNA BOROUGH  
FISCAL NOTE

Agenda Date: 7/19/2022

SUBJECT: THE SALE OF REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAX YEAR 2017 AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.

ORIGINATOR: Jill Irsik

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>\$</u>	FUNDING SOURCE <u>Land sale revenue</u>
FROM ACCOUNT #	PROJECT
TO ACCOUNT: <u>203.000.000 3XX.XXX</u>	PROJECT #
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>7/6/22</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE			<u>\$</u>			
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other			<u>\$</u>			
TOTAL			<u>\$</u>			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) \$ amount depends on sale price of property.

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED BY: [Signature] DATE: 7-6-22



Tax Sale 43  
Sale Parcel Listing - Additional parcel added 8/2/2022  
IM 22-152 OR 22-085

Tax ID No.	Former Owner	Legal Description / Address	Clerk's Deed	Parcel Size	Improvement	2022 Appraised Value	Last Payment Made	Last Payment Amount	Repurchase Amount as of 8-15-22	Occupant / Notes
51069B04L015	TUCKER BOBBY D & BEVERLY	Williwaw #2 Block 04 Lot 015 1524 N Pioneer Peak Drive	2017	0.36	trailer	\$ 55,100.00	6/30/2016	\$ 875.34	\$ 6,732.74	Occupied by former owners son

Exhibit A

Or 22-085  
IM 22-152