

## MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM

IM 19-001

**SUBJECT:** The sale of real property acquired through tax foreclosure for delinquent real property tax year 2012 and prior, and not needed for public purpose.

**AGENDA OF:** December 18, 2018

## ASSEMBLY ACTION

Adopted without objection  
1-5-19 *(BOD)*

**MANAGER RECOMMENDATION:** Introduce and set for public hearing.

**APPROVED BY** *John Moosey* JOHN MOOSEY, BOROUGH MANAGER: *George E. Hays*

Route to:	Department/Individual	Initials	Remarks
1	Originator	<i>LD</i>	
2	Community Development Director	<i>EP</i>	
3	Finance Director	<i>OK</i>	
4	Borough Attorney	<i>Robert M.S.</i>	
5	Borough Clerk	<i>gmm</i>	12/10/18 <i>(Signature)</i>

**ATTACHMENTS:** Fiscal Note: Yes ☒ No ☐  
Exhibit "A" (1 pp)  
Ordinance Serial No. 19-001 (6 pp)

**SUMMARY STATEMENT:**

The Land and Resource Management Division proposes conducting tax foreclosure sale (TS038). TS038 will consist of one property described as Block 5, Lot 19 Island Lake Subdivision (tax account 51364B05L019 / 4261 N. Captain Circle / located in the Meadow Lakes Area) that has been foreclosed upon for taxes for which the borough has held a clerk's deed since February 2, 2017. This property was tentatively scheduled to be offered at the 2019 fall tax & LID foreclosure sale with Assembly approval. Land Management is proposing to offer this property earlier because of public health and safety issues. Code Compliance has an open case for junk and trash. Structures have burned in fires, one of the fires happened in October of 2018. The 2018 tax appraised value is \$21,500.00. The former record owner is Richard L. Beck and he along with other people currently occupy the property. The borough is just seeking to collect the unpaid taxes, penalties, interest and fees. Offering

the property for sale prior to the fall of 2019 will return the property back to the private sector for the health and safety issues to be addressed by the private sector.

Title to this parcel was transferred by the Superior Court to the borough by Clerk's Deed. When the borough was granted the clerk's deed to the property, every right, title, and interest of a person in the tax-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, plus interest, costs of foreclosure and sale, and costs of maintaining and managing the property.

The owner had several opportunities to stop the foreclosure process prior to the borough receiving the clerk's deed to this property. First, the owner was 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, penalties and interest, etc.

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, penalties and interest, etc.

After sixty days, the court signed the judgment and decree of foreclosure on this property for the delinquent taxes, penalties and interest, etc. that remained unpaid, which was recorded at the state recorders' offices. Upon the court's 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 amount owed under the judgment, 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 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 this

property would 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 was the last opportunity to stop the borough from receiving clerk's deed to the property by the owner exercising their right to redeem the property by paying the delinquent taxes, penalties and interest, etc. owing under the judgment.

Thereafter the court issued a clerk's deed to the borough for the property. Once the borough received clerk's deed to the property, the prior record owner had the right to repurchase the property within 10 years and before the sale or contract of sale of the property or dedication to a public purpose. The borough has followed a policy, like other municipalities in Alaska, of not evicting occupants of tax foreclosed properties upon receipt of a clerk's deed which it could otherwise legally pursue. The borough has not evicted the occupants of this property.

The tax sale is scheduled to open on March 8, 2019 and bids will be accepted between March 8, 2019 through April 8, 2019 at noon. The sale will be conducted according to Alaska State Statutes (AS 29.45.460-480) and Matanuska-Susitna Borough Code (23.10.220). The minimum bid for the property is the sum of the delinquent taxes and special assessments, penalties, interest owed through the date of the sale, costs of the foreclosure(s) through clerk's deed(s) and the costs incurred by the borough to sell the properties. The property will be offered by sealed bid.

If the property does not sell in Tax Foreclosure Sale TS038 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 18-108 authorizing Tax Foreclosure Sale TS038 and the sale of Block 5, Lot 19 Island Lake Subdivision (tax account 51364B05L019 / 4261 N. Captain Circle).



MATANUSKA-SUSITNA BOROUGH  
FISCAL NOTE

Agenda Date: December 18, 2018

SUBJECT: The sale of certain borough-wide real property acquired through tax foreclosure for delinquent real property tax year 2012 and prior, and not needed for public purpose.

ORIGINATOR: Community Development

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED *	FUNDING SOURCE
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <u>203,000,000 366,400</u>	PROJECT #
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>11-9-18</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE		*				
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		*				
TOTAL		*				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) \* The amount cannot be determined at this time as it is dependant upon the sale price of the property.

PREPARED BY:

DEPARTMENT:

APPROVED BY:

Cherylne Edmond

PHONE:

DATE:

DATE:

11/9/18

IM 19-001  
OR 19-001

## Tax Sale 38

<b>Tax Sale #</b>	<b>Tax ID No.</b>	<b>Former Record Owner</b>	<b>Improvement</b>	<b>2018 Certified Tax Appraised Value</b>	<b>2018 Certified Total Improved</b>	<b>Location &amp; Map</b>	<b>Legal Description</b>
TS38-02	51364B05L019	Richard L Beck	Yes	\$ 21,500.00	\$ 6,500.00	Meadow Lks Area HO 08	ISLAND LAKE SUBDIVISION, BLOCK 5, LOT 19, PLAT 1977-144, PALMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA