

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2015-12

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE CHAPTER 5.30 TO ACCOMMODATE SALE OF TAX FORECLOSED AND SIMILAR PROPERTY

WHEREAS, DMC 5.30 Disposal of Real Property sets forth requirements for disposal of City-owned real property; and

WHEREAS, Alaska Statute 29.45.460 and DMC 4.15.330 authorize the City to sell tax foreclosed property by an ordinance authorizing such sale and upon notice of the public hearing for said ordinance being sent to the former owner within five days of the publishing of the notice of public hearing; and

WHEREAS, real property obtained through tax foreclosures and other similar means is a special circumstance of property ownership; and

WHEREAS, the judicial foreclosure provides extensive public notice of the City's interest in the property and the debt to the City secured by the lien; and

WHEREAS, property obtained through foreclosures is often sold to satisfy the judgment; and

WHEREAS, foreclosed property may have current occupants other than the former record owner; and

WHEREAS, sale of the property directly to current occupants enables those occupants to maintain their occupancy and eliminates the need to pursue costly evictions and similar litigation; and

WHEREAS, efficient sale of foreclosed and similar property serves the interests of the City and the former property owner by reducing costs and more quickly satisfying the debt;

NOW, THEREFORE, BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a code ordinance.

Section 2. Amendment of Chapter 5.30, Disposal of Real Property. Chapter 5.30, Disposal of Real Property is hereby amended by adding a new Section 5.30.110, to read as follows:

5.30.110 Disposal of Foreclosed Property.

A. Property obtained by clerk's deed, foreclosure, or judicial order or decree is exempt from Sections 5.30.020 and 5.30.030 and subject to disposal according to the provisions of this section if disposal occurs within five years of the city obtaining the property or within ten years if the property is repurchased by the former record owner.

B. Other than repurchase by the former record owner, disposal under this section shall be by non-code ordinance conforming to the requirements of this section and other applicable code, statutory, or judicial requirements.

C. All ordinances required by this section must state:

1. The legal description of the property;
2. The address or a general description of the property sufficient to provide the public with notice of its location;
3. The name of the last known record owner of the property;
4. The means or action by which the City obtained the property; and
5. Whether the former owner shall be entitled to apply for remittal of any portion of sale proceeds.

D. An ordinance authorizing sale by auction must additionally state the method or methods of auction authorized. The ordinance may, but is not required to, state a minimum sale price.

E. An ordinance authorizing disposal of a type authorized by DMC 5.30.080(A) must additionally comply with the relevant requirements of that section. A disposal of this type is also considered property retained by the city for a public purpose.

F. Sale to the former record owner is authorized without ordinance if the former owner's statutory or code right to repurchase the property has not expired.

G. The city may sell property containing a residential building to a person, other than the former record owner or a person sharing a dwelling unit with the former record owner, who has a valid claim of a substantial equitable interest in the property or in a substantial improvement located upon the property for an amount equal to the tax assessed value of the property, or, if the property is sold by auction, and if the person otherwise is in full conformity with the invitation for bids, the recognized equitable interest holder shall be considered as high bidder if the interest holder's bid is no more than twenty percent less than the highest bid received from a bidder not having an equitable interest recognized by the city manager in accordance with this section.

1. The determination of a valid claim of a substantial equitable interest in the property or in a substantial improvement located upon the property shall be made by the city manager upon proof provided by the claimant and solely at the city manager's discretion.

2. A claimant who seeks a bidder preference under this subsection must present the claim and supporting evidence to the city manager no later than five business days after an ordinance authorizing disposal of the property is set for public hearing.

3. Under this subsection, occupancy of the property, or a portion thereof, as a primary residence for two years or more prior to the date the foreclosure action was filed may be considered a substantial equitable interest by the city manager.

4. In this subsection, "residential" means a building or area of buildings used primarily as dwelling units and "dwelling unit" means a room or group of rooms intended for use as living quarters for one family, including washing, sleeping, cooking and eating facilities.

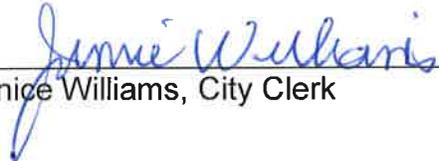
Section 3. Effective Date. This ordinance is effective upon passage.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on 7/13/15.


Alice Ruby, Mayor

ATTEST:

[SEAL]


Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: July 13, 2015

Attachment to:

Ordinance No. 2015-12 / Resolution No. _____

Subject:

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING DILLINGHAM MUNICIPAL CODE CHAPTER 5.30 TO ACCOMMODATE SALE OF TAX FORECLOSED AND SIMILAR PROPERTY

City Manager: Recommend Approval

Signature: Rose Roera

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- An advertisement for a Public Hearing on Ordinance No. 2015-12 was placed in the July 2, 2015 edition of the Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing, which is scheduled for July 13, 2015.

Summary Statement:

This ordinance was introduced June 18, 2015 and scheduled for a public hearing on July 13, 2015. This ordinance includes provisions that allow the City to sell foreclosed property to current occupants or those with bona fide interests in the property.

Attachment to: 2015-12 / Resolution No. _____
Ordinance No. _____

Summary Statement continued:

Route to	Department Head	Date
	Finance Director	
X	City Clerk	7/14/15