

HOUSE No. 2920

The Commonwealth of Massachusetts

PRESENTED BY:

Kenneth I. Gordon and Cindy F. Friedman

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the property tax classification in cities and towns.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	<i>2/9/2021</i>
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	<i>2/9/2021</i>
<i>Jessica Ann Giannino</i>	<i>16th Suffolk</i>	<i>2/10/2021</i>
<i>Tommy Vitolo</i>	<i>15th Norfolk</i>	<i>2/17/2021</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/24/2021</i>

HOUSE No. 2920

By Representative Gordon of Bedford and Senator Friedman, a joint petition (accompanied by bill, House, No. 2920) of Kenneth I. Gordon, Cindy F. Friedman and others relative to the property tax classification in cities and towns. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act relative to the property tax classification in cities and towns.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. (a) Notwithstanding section 1A of chapter 58 of the General Laws or any
2 other general or special law to the contrary, the commissioner of revenue shall further adjust the
3 minimum residential factor of any city or town determined under said section 1A of said chapter
4 58 for fiscal years 2022, 2023, 2024 and 2025, if adoption of such factor for any such year would
5 result in the residential property class bearing a higher percentage of the total property tax levy
6 than the percentage of the total property tax levy imposed on the residential property class in the
7 prior fiscal year. The new minimum residential factor for such year shall be: (i) for fiscal year
8 2022, 45 per cent subject to such adjustment upward as may be required to provide that the
9 percentage of the total tax levy imposed on any class of real or personal property shall not
10 exceed 200 per cent of the full and fair cash valuation of the taxable property of the class divided
11 by the full and fair cash valuation of all taxable real and personal property in the city or town; (ii)
12 in fiscal year 2023, 47 per cent subject to such adjustment upward as may be required to provide
13 that the percentage of the total tax levy imposed on any class of real or personal property shall

14 not exceed 197 per cent of the full and fair cash valuation of the taxable property of the class
15 divided by the full and fair cash valuation of all taxable real and personal property in the city or
16 town; (iii) in fiscal year 2024, 49 per cent subject to such adjustment upward as may be required
17 to provide that the percentage of the total tax levy imposed on any class of real or personal
18 property shall not exceed 190 per cent of the full and fair cash valuation of the taxable property
19 of the class divided by the full and fair cash valuation of all taxable real and personal property in
20 the city or town; (iv) in fiscal year 2025, 50 per cent subject to such adjustment upward as may
21 be required to provide that the percentage of the total tax levy imposed on any class of real or
22 personal property shall not exceed 183 per cent of the full and fair cash valuation of the taxable
23 property of that class divided by the full and fair cash valuation of all taxable real and personal
24 property in the city or town; and (v) in fiscal year 2026, 50 per cent subject to such adjustment
25 upward as may be required to provide that the percentage of the total tax levy imposed on any
26 class of real or personal property shall not exceed 175 per cent of the full and fair cash valuation
27 of the taxable property of that class divided by the full and fair cash valuation of all taxable real
28 and personal property in the city or town.

29 (b) Any city or town which makes use of this section shall include a letter from the
30 commissioner of revenue in each tax bill. The letter shall describe the divergent trends in
31 residential and commercial property valuations, and how the general court has mitigated the
32 negative impact of these trends on residential tax bills with this section.

33 SECTION 2. (a) The department of revenue, with the assistance of state agencies and
34 political subdivisions that the department deems necessary to complete its charge, shall study the
35 current property tax classification system and to determine sustainable and equitable methods for
36 addressing the current and any future divergence in residential and commercial and industrial

37 property values that result in an abrupt shift of the tax levy onto one class of property taxpayers.
38 The department shall examine ways to provide temporary tax relief to residential ratepayers
39 unable to pay the tax increases resulting from said shifts in the property tax burden, including
40 increasing the residential exemption for people of limited financial means, allowing abatements
41 for the elderly or others who can prove through income tax returns or other documents they do
42 not have the financial resources to pay the tax increases, increasing the income tax deduction for
43 renters, extending the period allowed for payment of property taxes, and other methods of
44 providing targeted tax relief on a temporary basis.

45 (b) Each city and town for which the commissioner of revenue has determined a
46 minimum residential factor shall provide the department of revenue with the following
47 information on a fiscal year basis: (i) the total tax levy of the city or town; (ii) the percentage of
48 the total tax levy of each of the classes of property by valuation and dollar amount; (iii) the tax
49 rate on each of the classes of property; (iv) the number of outstanding tax delinquencies by
50 property class and the dollar amount of those delinquencies; (v) all agreements relative to
51 payments in lieu of taxes; (vi) all agreements pursuant to chapter 121A of the General Laws;
52 (vii) all tax relief programs offered by the city or town, the efforts used to promote them, the
53 standards for participation, the processes for applying, the number of individuals that applied and
54 the number that were actually accepted into the tax relief program; and (viii) any other
55 information as the department of revenue deems necessary to determine if further changes to the
56 cap are necessary and appropriate.

57 (c) The department of revenue shall report its findings and any recommendations for
58 legislation to the joint committee on taxation and the clerks of the house of representatives and
59 the senate not later than December 1, 2021.

60 SECTION 3. The joint committee on revenue shall study and make recommendations for
61 targeted property tax relief to businesses disproportionately impacted by dual tax rates in
62 communities. The committee shall hold at least 1 public hearing to take testimony concerning
63 such relief. The committee shall file a report of its findings and recommendations with the house
64 and senate clerks and the house and senate committees on ways and means not later than April
65 30, 2022.

66 SECTION 4. The joint committee on environment, natural resources and agriculture shall
67 study and make recommendations for the reclassification for property tax purposes of
68 agricultural and horticultural land, and for legislation, if any, carrying out those
69 recommendations. The committee shall hold at least 1 public hearing to take testimony
70 concerning reclassification. The committee shall file a report of its findings and
71 recommendations with the house and senate clerks and the house and senate committees on ways
72 and means not later than April 30, 2022.