

SENATE No. 1463

The Commonwealth of Massachusetts

PRESENTED BY:

Sal N. DiDomenico

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 improvement in the process for collecting delinquent property taxes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>
<i>Joseph W. McGonagle, Jr.</i>	<i>28th Middlesex</i>
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>

SENATE No. 1463

By Mr. DiDomenico, a petition (accompanied by bill, Senate, No. 1463) of Sal N. DiDomenico, Joseph W. McGonagle, Jr., Kevin G. Honan and Michelle M. DuBois for legislation relative to the improvement in the process for collecting delinquent property taxes. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to the improvement in the process for collecting delinquent property taxes.

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: Chapter 60 subsection 2 of the general laws is hereby amended by inserting
2 after “obligation to collect the tax so abated”: “The filing fees paid by any municipality for
3 recording any documents pursuant to any part of Chapter 60 of the General Laws shall be \$30.”

4 Section 2: Chapter 60 subsection 2C is hereby amended by striking subsection (c)(1) and
5 inserting: (1) The sale of tax receivables shall be by public sale to the most responsible and
6 responsive offeror taking into consideration the following evaluation criteria: (i) the price
7 proposed by the offeror; (ii) the offeror’s qualifications and experience; (iii) the offeror’s plan for
8 communicating with the taxpayers; (iv) whether the offeror has a regular place of business in the
9 Commonwealth; (v) whether the offeror is in good standing with the department of revenue; (vi)
10 only those offerors that are licensed as debt collectors by the Commonwealth shall be eligible to
11 participate in this sale; and (vii) other criteria determined by the commissioner and the
12 municipality. The sale shall provide for the option to purchase subsequent tax receivables subject

13 to subsection (h) and any regulations that may be promulgated by the commissioner pursuant
14 thereto.

15 Section 3: Chapter 60 subsection 2C is hereby amended by striking subsection (C)(9) and
16 inserting: “A purchaser owning any tax receivable shall give notice to a taxpayer within 12
17 business days of purchasing said tax receivable and to the appropriate municipality of the name,
18 address, telephone number and preferred method of communication with said purchaser and any
19 service agent acting on behalf of said purchaser within 12 business days of purchasing said tax
20 receivable and where the land is residential such notice shall be served in the manner required by
21 law for the service of subpoenas on witnesses in civil cases and shall include a uniform notice
22 approved by the Massachusetts Attorney General, in language understandable by a least
23 sophisticated consumer, together with a notice in the five most common languages in the
24 Commonwealth that this notice affects important legal rights and should be translated
25 immediately and such notice shall state that:

26 (i)That a complaint to foreclose the tax title may be filed on or after a specific date;

27 (ii)That the tax title has been sold to a third party;

28 (iii)Why the property was taken and that the owner may redeem the property and the date
29 when the redemption period expires;

30 (iv)The components of the amount required to redeem the property and the procedure for
31 redemption;

32 (v)That if a complaint to foreclose the tax title is filed and the owner does not respond by
33 filing an answer the Court may enter an order defaulting the order;

34 (vi) That if a complaint to foreclose the tax title is filed, the owner may respond by filing
35 an answer that requests that the Court set the terms by which the owner may redeem the
36 property;

37 (vii) That if the property is not redeemed, the town or purchaser is entitled to receive an
38 order from the Land Court that completes a transfer of ownership of the property to the town or
39 purchaser and permanently eliminates any rights the owner has in the property;

40 (viii) That if the property is not redeemed, the property may be sold at auction and the
41 owner will likely lose significant equity in the property, together with the name, address,
42 telephone number and preferred method of communication with said purchaser and any service
43 agent acting on behalf of said purchaser. (ix) Upon request by the taxpayer, the municipality
44 shall furnish a copy of such information to the taxpayer within 12 business days of receiving
45 such request. Whenever the purchaser or the service agent of such tax receivables shall change,
46 the new purchaser or service agent shall provide the notice required herein within 12 business
47 days of the effective date of such change.”

48 Section 4: Chapter 60 subsection 2C is hereby amended by inserting: “(k) If the purchaser
49 of a tax receivable on any parcel of real estate subsequently forecloses upon the property, it shall
50 request that the Land Court approve all reasonable expenses it has incurred and shall provide a
51 notice to the former owner of the right to redeem for this amount within one year. If the land is
52 residential such notice shall be served in the manner required by law for the service of subpoenas
53 on witnesses in civil cases and shall include a uniform notice approved by the Massachusetts
54 Attorney General, in language understandable by a least sophisticated consumer, together with a

55 notice in the five most common languages in the Commonwealth that this notice affects
56 important legal rights and should be translated immediately and such notice shall state that:

57 (i)The land has been foreclosed upon and may be redeemed for a specific amount by a
58 date certain that shall be listed, and shall attach all documents filed at Land Court related to the
59 foreclosure of the property and that if it is not redeemed it will be sold at public auction.

60 If the land is redeemed, the foreclosing entity shall take whatever action is necessary to
61 vacate and rescind the foreclosure in Land Court and record that the title has been redeemed by
62 filing a document at the Registry of Deeds for the district in which the land lies entitled
63 ‘Satisfaction of Tax Title Liability.’

64 If the land is not redeemed within one year, then the foreclosing entity shall publish a
65 notice of auction of the land in each of 3 successive weeks, the first publication of which shall be
66 not less than 21 days before the day of sale, in a newspaper published in the city or town where
67 the land lies or in a newspaper with general circulation in the city or town where the land lies and
68 notice of the sale has been sent by registered mail to the owner or owners of record. If the
69 purchaser sells the land at auction, the balance of any proceeds above and beyond reasonable
70 expenses as approved by the Land Court shall be equally divided between the owner(s) and the
71 municipality that sold the tax title with a detailed accounting of these expenses within 60 days of
72 such sale.”

73 Section 5: Chapter 60 subsection 16 is hereby amended by striking the words "or
74 arresting him for his tax"

75 Section 6: Chapter 60 subsection 16 is hereby amended by striking the sentence:
76 "Demand shall be made by the collector by mailing the same to the last or usual place of

77 business or abode, or to the address best known to him, and failure to receive the same shall not
78 invalidate a tax or any proceedings for the enforcement or collection of the same," and inserting
79 the sentence: "Demand shall be made by the collector by mailing the same to the last or usual
80 place of business or abode, or to the address best known to him or her, and failure to receive the
81 same shall not invalidate a tax or any proceedings for the enforcement or collection of the same,
82 provided that if the land is residential a uniform notice approved by the Massachusetts Attorney
83 General, in language understandable by a least sophisticated consumer, together with a notice in
84 the five most common languages in the Commonwealth shall be used that states that this notice
85 affects important legal rights and should be translated immediately, and provides clear notice
86 that the non-payment of property taxes can result in the taking of the property and that the
87 property owner may be eligible for exemptions, abatements and tax deferrals and other assistance
88 and should contact the Collector of Taxes office together with the address, telephone number,
89 email address (if available) and internet address for further information."

90 Section 7: Chapter 60 is amended by striking subsection 52 and inserting: "Cities and
91 towns may make regulations for the possession, management and sale of land purchased or taken
92 for taxes, not inconsistent with law, regulations promulgated by the department of revenue or the
93 right of redemption. The treasurer of any city or town holding 1 or more tax titles may assign and
94 transfer such tax title or titles, individually or bundled, to the highest bidder after a public
95 auction, after having given 60 days' notice of the time and place of such public auction by
96 publication, which shall conform to the requirements of section 40, and having posted such
97 notice in 2 or more convenient and public places in said city or town, provided that the sum so
98 paid for such assignment is not less than the amount necessary for redemption, and may execute
99 and deliver on behalf of the city or town any instrument necessary therefor. Only those bidders

100 that are licensed as debt collectors by the Commonwealth shall be eligible to participate in this
101 sale. Regardless of whether the assignment is pursuant to this section or Mass. Gen. Laws Ann.
102 60 § 2C, the treasurer shall send notice of the intended assignment to the owner of record of each
103 parcel at his last known address not less than 10 days prior to the assignment, where the land is
104 residential such notice shall be served in the manner required by law for the service of subpoenas
105 on witnesses in civil cases and shall include a uniform notice approved by the Massachusetts
106 Attorney General, together with a notice in the five most common languages in the
107 Commonwealth that this notice affects important legal rights and should be translated
108 immediately in language understandable by a recipient with a least sophisticated consumer that
109 the Treasurer intends to sell the tax title to the homeowner's property and provides clear notice
110 that the non-payment of property taxes can result in the loss of the property and that the property
111 owner may be eligible for exemptions, abatements and tax deferrals and other assistance and
112 should contact the Collector of Taxes office together with the telephone number, email address
113 (if available) and internet address for further information.

114 The instrument of assignment shall be in a form approved by the commissioner and shall
115 be recorded within 60 days from its date and if so recorded shall provide a rebuttable
116 presumption as to all facts essential to its validity. The instrument of assignment shall, for each
117 parcel assigned thereunder, state the amount for which the tax title on the parcel could have been
118 redeemed on the date of the assignment, separately stating for each parcel the principal amount
119 and the total interest accrued until the date of assignment. The principal amount shall be the sum
120 of the amounts for which the parcel was taken and amounts subsequently certified under section
121 61 and costs of service if applicable.

122 Except as hereinafter otherwise provided, all provisions of law applicable in cases where
123 the original purchaser at a tax sale is another than the city or town shall thereafter apply in the
124 case of such an assignment, as if the assignee had been a purchaser for the original sum at the
125 original sale or at a sale made at the time of the taking and had paid to the city or town the
126 subsequent taxes and charges included in the sum paid for the assignment. Any extension of the
127 time within which foreclosure proceedings may not be instituted granted by a municipality's
128 treasurer prior to assignment shall be included in the language of sale and be binding upon the
129 assignee. If the land is not redeemed within one year, then the foreclosing entity shall publish a
130 notice of auction of the land in each of 3 successive weeks, the first publication of which shall be
131 not less than 21 days before the day of sale, in a newspaper published in the city or town where
132 the land lies or in a newspaper with general circulation in the city or town where the land lies and
133 notice of the sale has been sent by registered mail to the owner or owners of record. If the
134 purchaser sells the land at auction, the balance of any proceeds above and beyond reasonable
135 expenses as approved by the Land Court shall be equally divided between the owner(s) and the
136 municipality that sold the tax title with a detailed accounting of these expenses within 60 days of
137 such sale.

138 If the land is redeemed, the foreclosing entity shall take whatever action is necessary to
139 vacate and rescind the foreclosure in Land Court and record that the title has been redeemed by
140 filing a document at the county Registry of Deeds entitled "Satisfaction of Tax Title Liability. "

141 Section 8: Chapter 60 subsection 53 is hereby amended by striking : "which notice may
142 be served in the manner required by law for the service of subpoenas on witnesses in civil cases
143 or may be published," and inserting: "which notice may be served in the manner required by law
144 for the service of subpoenas on witnesses in civil cases or may be published, where the land is

145 residential such notice shall be served in the manner required by law for the service of subpoenas
146 on witnesses in civil cases and published."

147 Section 9: Chapter 60 subsection 53 is hereby amended by inserting:

148 "Where the land is residential all notices sent pursuant to this section shall include a
149 uniform notice approved by the Massachusetts Attorney General, together with a notice in the
150 five most common languages in the Commonwealth that this notice affects important legal rights
151 and should be translated immediately. Such notice shall state in language understandable by a
152 least sophisticated consumer:

153 (i)That a complaint to foreclose the tax title may be filed on or after a specific date;

154 (ii)That the tax title may be sold to a third party;

155 (iii)Why the property was taken and that the owner may redeem the property and the date
156 when the redemption period expires;

157 (iv)The components of the amount required to redeem the property and the procedure for
158 redemption;

159 (v)That if a complaint to foreclose the tax title is filed and the owner does not respond by
160 filing an answer the Court may enter an order defaulting the order

161 (vi)That if a complaint to foreclose the tax title is filed, the owner may respond by filing
162 an answer that requests that the Court set the terms by which the owner may redeem the
163 property;

164 (vii) That if the property is not redeemed, the town or purchaser is entitled to receive an
165 order from the Land Court that completes a transfer of ownership of the property to the town or
166 purchaser and permanently eliminates any rights the owner has in the property; and

167 (viii) That if the property is not redeemed, the property may be sold at auction and the
168 owner will likely lose significant equity in the property.

169 Section 10: Chapter 60 is hereby amended by striking subsection 62A and inserting:
170 “Municipalities may by bylaw or ordinance authorize payment agreements between the treasurer
171 and persons entitled to redeem parcels in tax title. Such agreements shall be for a maximum term
172 of no more than 10 years and may waive not more than 50 per cent of the interest that has
173 accrued on the amount of the tax title account unless someone aged 60 or older or whose primary
174 source of income is disability benefits is on the deed for the parcel and the parcel is his or her
175 primary residence, in which case 75% of the interest that has accrued on the amount of the tax
176 title may be waived, subject to such lower limit as the ordinance or bylaw may specify. An
177 ordinance or bylaw under this section shall provide for such agreements and waivers uniformly
178 for classes of tax titles defined in the ordinance or bylaw. Any such agreement must require a
179 minimum payment at the inception of the agreement of 25 per cent of the amount needed to
180 redeem the parcel unless someone aged 60 or older or whose primary source of income is
181 disability benefits is on the deed for the parcel and the parcel is his or her primary residence, in
182 which case the minimum payment shall be no less than 10 per cent of the amount needed to
183 redeem the parcel of the interest that has accrued on the amount of the tax title may be waived,
184 subject to such lower limit as the ordinance or bylaw may specify. During the term of the
185 agreement the treasurer may not bring an action to foreclose the tax title unless payments are not

186 made in accordance with the schedule set out in the agreement or timely payments are not made
187 on other amounts due to the municipality that are a lien on the same parcel.”

188 Section 11: In Chapter 60, strike subsection 64 and insert: “The title conveyed by a tax
189 collector's deed or by a taking of land for taxes shall be absolute after foreclosure of the right of
190 redemption by decree of the land court as provided in this chapter. The land court shall have
191 exclusive jurisdiction of the foreclosure of all rights of redemption from titles conveyed by a tax
192 collector's deed or a taking of land for taxes, in a proceeding provided for in sections sixty-five
193 to seventy-five, inclusive. Except if the title was conveyed to a third party pursuant to Mass.
194 Gen. Laws Ann. 60 § 2C or § 52 then the title may be redeemed within one year of the
195 foreclosure.”

196 Section 12: In Chapter 60 subsection 65, strike: “after six months,” and insert: “after
197 twelve months”