

SENATE No. 1841

The Commonwealth of Massachusetts

PRESENTED BY:

Adam Gomez

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 establishing a senior property tax deferral pilot program.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Adam Gomez

Hampden

Adam Scanlon

14th Bristol

SENATE No. 1841

By Mr. Gomez, a petition (accompanied by bill, Senate, No. 1841) of Adam Gomez and Adam Scanlon for legislation to establish a senior property tax deferral pilot program. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act establishing a senior property tax deferral pilot program.

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. To provide for a senior tax deferral pilot program, the sum set forth in
2 section 2, for the purposes and subject to the conditions specified in this act, are hereby made
3 available, subject to the laws regulating the disbursement of public funds.

4 SECTION 2. MASSACHUSETTS DEPARTMENT OF REVENUE

5 XXXX-XXXX. For the Senior Property Tax Deferral Pilot Program established pursuant
6 to section 15 of chapter 14 of the General Laws, which amounts shall be expended in the
7 following tax years: (i) \$8,700,000 for tax year 2023; (ii) \$8,900,00 for tax year 2024; (iii)
8 \$8,900,000 for tax year 2025; (iv) \$8,700,000 for tax year 2026; (v) \$8,300,000 for tax year
9 2027; (vi) \$7,800,00 for tax year 2028; (vii) \$7,200,000 for tax year 2029; (viii) \$6,600,000 for
10 tax year 2030; (ix) \$6,000,000 for tax year 2031; (x) \$5,500,000 for tax year 2032; and (xi)
11 \$4,900,000 for tax year 2033.....\$81,500,000

12 SECTION 3. Chapter 14 of the General Laws is hereby amended by adding the following
13 section:-

14 Section 15. (a) The division of local services shall establish a senior property tax deferral
15 pilot program pursuant to this section. The senior property tax deferral pilot program shall be
16 comprised of a set of municipalities that amounts to approximately 10,000 households eligible
17 for participation pursuant to this section in the pilot program and shall permit approximately
18 2,000 participants. In order for the senior property tax deferral pilot program to be representative
19 of the Massachusetts population, the following criteria shall be met:

20 (1) the demographic makeup of the program participants shall be representative of the
21 broader homeownership demographics in the commonwealth;

22 (2) the median household income of the participants shall be approximately the median
23 household income for all Massachusetts homeowners; and

24 (3) the set of municipalities in the program shall consist of municipalities from various
25 regions of the commonwealth.

26 (b) Notwithstanding any general or special law to the contrary, taxes on real property: (i)
27 of a person 65 years of age or over and occupied by them as their domicile, (ii) of a person who
28 owns the same jointly with their spouse, either of whom is 65 years of age or over, and occupied
29 as their domicile, or (iii) of a person 65 years of age or over who owns the same jointly or as a
30 tenant in common with a person not their spouse and occupied by them as their domicile, may be
31 deferred to an amount determined as hereinafter provided; provided, however, that such person:

32 (1) has so owned and occupied as their domicile such real property or other real property
33 in the commonwealth for 5 years; or

34 (2) is a surviving spouse who inherits such real property and has occupied such real
35 property or other real property in the commonwealth as their domicile for 5 years and who
36 otherwise qualifies pursuant to this clause.

37 In determining the total period of ownership of an applicant for exemption pursuant to
38 this clause, the time during which the same property was owned by a spouse individually shall be
39 added to the period during which such property was owned by said spouses jointly.

40 The board of assessors for each municipality shall include on every first-quarter property
41 tax bill a check-box where homeowners may certify their eligibility for the deferral of taxation
42 on real property and opt-in to deferral of taxes on said real property; provided, however, that in
43 the case of real estate owned by a person jointly or as a tenant in common with a person not such
44 person's spouse, the exemption shall not exceed that proportion of total valuation which the
45 amount of such person's interest in such property bears to the whole tax due. Homeowners shall
46 be required to opt-in and certify their eligibility for this program annually. The board of assessors
47 shall grant such exemption provided that the owner or owners of such real property have entered
48 into a tax deferral and recovery agreement with said board of assessors on behalf of the city or
49 town. The said agreement shall provide:

50 (1) that no sale or transfer of such real property may be consummated unless the taxes
51 which would otherwise have been assessed on such portion of the real property as is so exempt
52 have been paid, with interest, at a rate to be calculated by the division which shall be equal to the

53 borrowing and administrative costs of the program plus 0.5 per cent, no later than the beginning
54 of the fiscal year to which the tax relates;

55 (2) that the total amount of such taxes due, plus interest, for the current and prior years
56 does not exceed 60 per cent of the owner's proportional share of the first \$1,000,000 of the
57 assessed value of such real property;

58 (3) that upon the demise of the owner of such real property, the heirs-at-law, assignees or
59 devisees shall have first priority to said real property by paying in full the total taxes which
60 would otherwise have been due, plus interest; provided, however, if such heir-at-law, assignee or
61 devisee is a surviving spouse who enters into a tax deferral and recovery agreement pursuant to
62 this clause, payment of the taxes and interest due shall not be required during the life of such
63 surviving spouse. Any additional taxes deferred, plus interest, on said real property pursuant to a
64 tax deferral and recovery agreement signed by a surviving spouse shall be added to the taxes and
65 interest which would otherwise have been due, and the payment of which has been postponed
66 during the life of such surviving spouse, in determining the 60 per cent requirement of
67 subparagraph (2);

68 (4) that upon receipt of the taxes due, plus interest, the municipality shall remit the funds
69 to the division;

70 (5) that if the taxes due, plus interest, are not paid by the heir-at-law, assignee or devisee
71 or if payment is not postponed during the life of a surviving spouse, such taxes and interest shall
72 be recovered from the estate of the owner; and

73 (6) that any joint owner or mortgagee holding a mortgage on such property has given
74 written prior approval for such agreement, which written approval shall be made a part of such
75 agreement.

76 In the case of each tax deferral and recovery agreement entered into between the board of
77 assessors and the owner or owners of such real property, said board of assessors shall deliver a
78 copy of said agreement and a copy of the property tax bill for the fiscal year which is being
79 deferred to the division. Upon receipt of said agreement and said property tax bill, the division
80 shall send to the city or town an amount equal to the deferred taxes and record with the registry
81 of deeds of the county or district in which the city or town is situated a statement of their action
82 which shall constitute a lien, pursuant to section 37 of chapter 60, upon the land covered by such
83 agreement for such taxes as have been assessed pursuant to the provisions of this section, plus
84 interest as provided herein. Notwithstanding any special or general laws to the contrary, a lien
85 filed pursuant to this section shall continue until the deferred taxes, plus interest, have been
86 recovered pursuant to this clause. A lien filed pursuant to this section shall not be subsequent to
87 any other mortgage. The statement shall name the owner or owners and shall include a
88 description of the land adequate for identification. Unless such a statement is recorded the lien
89 shall not be effective with respect to a bona fide purchaser or other transferee without actual
90 knowledge of such lien. The filing fee for such statement shall be paid by the city or town and
91 shall be added to and become a part of the taxes due.

92 Nothing in this section shall prohibit the homeowner from paying the total taxes which
93 would have otherwise been due, plus interest, before such deferred taxes and interest would
94 otherwise become due pursuant to this section.

95 In addition to the remedies provided by this clause, the recorded statement of the
96 assessors provided for in this clause shall have the same force and effect as a valid taking for
97 nonpayment of taxes pursuant to section 53 of chapter 60, except that: (1) interest shall accrue at
98 the rate provided in this clause for 1 year following the conveyance of the property or the death
99 of the person whose taxes have been deferred, after which time interest shall accrue at the rate
100 provided in section 62 of chapter 60; (2) no assignment of the municipality's interest pursuant to
101 this clause may be made pursuant to section 52 of chapter 60; (3) no petition pursuant to section
102 65 of chapter 60 to foreclose the lien may be filed before the expiration of 1 year from the
103 conveyance of the property or the death of the person whose taxes have been deferred.

104 (c) The division shall report annually on the senior property tax deferral pilot program.
105 The report shall include, but not be limited to: (1) the revenue credited to the fund; (2) the
106 amount of fund expenditures attributable to the administrative costs of the fund; and (3) a list of
107 the funds loaned to and repaid by each municipality. The report shall be provided to the chairs of
108 the joint committee on municipalities and regional government and the clerks of the house of
109 representatives and the senate.

110 (d) The division shall terminate the senior property tax deferral pilot program upon the
111 enactment of a substantially similar statewide senior property tax deferral program; provided,
112 however, that any homeowner participating in the senior property tax deferral pilot program shall
113 automatically be enrolled in the senior property tax deferral program.

114 SECTION 4. To meet the expenditures necessary in carrying out this act, the state
115 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
116 amount to be specified by the governor from time to time but not exceeding, in the aggregate,

117 \$81,500,000. All such bonds issued by the commonwealth shall be designated on their face,
118 Senior Property Tax Deferral Pilot Program Act, and shall be issued for a maximum term of
119 years, not exceeding 30 years, as the governor may recommend to the general court pursuant to
120 section 3 of Article LXII of the Amendments to the Constitution. The bonds shall be payable not
121 later than June 30, 2057. All interest and payments on account of principal on these obligations
122 shall be payable from the General Fund. Bonds and interest thereon issued under this section
123 shall, notwithstanding any general or special law to the contrary, be general obligations of the
124 commonwealth.