

SENATE No. 2135

Senate July 27, 2017, – Text of the Senate Bill improving real property tax abatements, application deadlines, and deferrals (being the text of Senate document number 2124, printed as amended)

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act improving real property tax abatements, application deadlines, and deferrals

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. Section 5 of chapter 59 of the General Laws, as appearing in the 2016
2 Official Edition, is hereby amended by striking out, in line 11, the words “or Fifty-seventh” and
3 inserting in place thereof the following words:- , Fifty-seventh, Fifty-ninth or Sixtieth.

4 SECTION 2. Said section 5 of said chapter 59, as so appearing, is hereby amended by
5 inserting after clause Eighteenth the following clause:-

6 Eighteenth $\frac{1}{2}$, In a city or town that accepts this clause, any portion of the estates of
7 persons who by reason of age, infirmity or poverty or financial hardship resulting from a change
8 to active military status, not including initial enlistment, are in the judgment of the assessors
9 unable to contribute fully toward the public charges.

10 SECTION 3. Said section 5 of said chapter 59, as so appearing, is hereby further
11 amended by striking out, in line 486, the figure "10 " and inserting in place thereof the following
12 words:- 7.

13 SECTION 4. Clause Eighteenth A of said section 5 of said chapter 59, as so appearing, is
14 hereby amended by striking out the last paragraph and inserting in place thereof the following
15 paragraph:-

16 In addition to the remedies provided by this clause, the recorded statement of the
17 assessors provided for in this clause shall have the same force and effect as a valid taking for
18 nonpayment of taxes pursuant to section 53 of chapter 60, except that: (i) interest shall accrue at
19 the rate provided in subclause (1) until the conveyance of the property or the death of the person
20 whose taxes have been deferred, after which time interest shall accrue at the rate provided in
21 section 62 of said chapter 60 or at a lesser rate as may be determined by the legislative body of
22 the city or town, subject to its charter, not later than the beginning of the fiscal year to which the
23 tax relates; provided, however, that a city or town may also, by vote of its legislative body, allow
24 the interest to accrue at the rate provided in said subclause (1) for 1 year after the death of the
25 person whose taxes have been deferred; (ii) no assignment of the municipality's interest under
26 this clause may be made pursuant to section 52 of said chapter 60; and (iii) a petition pursuant to
27 section 65 of said chapter 60 to foreclose the lien may be filed if at least 1 year has passed since
28 the conveyance of the property or the death of the person whose taxes have been deferred.

29 SECTION 5. Said section 5 of said chapter 59, as so appearing, is hereby further
30 amended by striking out, in line 1109, the word "ten" and inserting in place thereof the following
31 figure:- 7.

32 SECTION 6. Said section 5 of said chapter 59, as so appearing, is hereby further
33 amended by inserting after the word "household", in line 1124, the following words:- or \$80,000,
34 whichever is greater. .

35 SECTION 7. Said clause Forty-first A of said section 5 of said chapter 59, as so
36 appearing, is hereby further amended by striking out the last paragraph and inserting in place
37 thereof the following paragraph:-

38 In addition to the remedies provided by this clause, the recorded statement of the
39 assessors provided for in this clause shall have the same force and effect as a valid taking for
40 nonpayment of taxes pursuant to section 53 of chapter 60, except that: (i) interest shall accrue at
41 the rate provided in subclause (1) of the third paragraph until the conveyance of the property or
42 the death of the person whose taxes have been deferred, after which time interest shall accrue at
43 the rate provided in section 62 of said chapter 60 or at a lesser rate as may be determined by the
44 legislative body of the city or town, subject to its charter, not later than the beginning of the
45 fiscal year to which the tax relates; provided, however, that a city or town may also, by vote of
46 its legislative body, allow the interest to accrue at the rate provided in said subclause (1) of the
47 third paragraph for 1 year after the death of the person whose taxes have been deferred; (ii) no
48 assignment of the municipality's interest pursuant to this clause may be made pursuant to section
49 52 of chapter 60; and (iii) a petition pursuant to section 65 of chapter 60 to foreclose the lien may
50 be filed if at least 1 year has passed since the conveyance of the property or the death of the
51 person whose taxes have been deferred.

52 SECTION 8. Said section 5 of said chapter 59, as so appearing, is hereby further
53 amended by adding the following 3 clauses:-

54 Fifty-ninth, Real property, to the amount of \$5,000 of the taxable valuation of that
55 property, or the sum of \$437.50, whichever would result in an abatement of the greater amount
56 of actual taxes due, of a person who is deaf, as defined in section 191 of chapter 6, and is a legal

57 resident of the commonwealth, whether that property is owned by that person separately or
58 jointly or as a tenant in common, if that property is occupied by that person as the person's
59 domicile. Such property shall not be exempt if it was conveyed to the deaf person to evade
60 taxation. This clause shall take effect upon its acceptance by a city or town.

61 Sixtieth, The sum of \$500 of the actual taxes due on the real property of a person who is
62 deaf, as defined in section 191 of chapter 6, and is a legal resident of the commonwealth,
63 whether that property is owned by that person separately or jointly or as a tenant in common, if
64 that property is occupied by that person as the person's domicile. No such property shall be
65 exempt if it was conveyed to the person who is deaf to evade taxation. This clause shall take
66 effect upon its acceptance by a city or town. In a city or town that accepts this clause, clause
67 Fifty-ninth shall not apply.

68 Sixty-first, In a city or town which accepts this clause, the board of selectmen of a town
69 or, in a municipality having a town council form of government, the town council or the mayor
70 with the approval of the city council in a city may establish a program to allow veterans, as
71 defined in clause Forty-third of section 7 of chapter 4 of the General Laws, to volunteer to
72 provide services to that city or town. In exchange for such volunteer services, the city or town
73 shall reduce the real property tax obligations of that veteran on their tax bills, and any reduction
74 so provided shall be in addition to any exemption or abatement to which the person is otherwise
75 entitled. No person shall receive a rate of, or be credited with, more than the current minimum
76 wage of the commonwealth per hour for up to 175 hours of volunteer services provided in a
77 given tax year; provided, that a city or town may limit the number of hours of volunteer services
78 for which a person may receive a reduction on their tax bills to fewer than 175. A city or town
79 may, by vote of its legislative body, subject to its charter, adjust the exemption in this clause by

80 allowing an approved representative, for persons physically unable, to provide such services to
81 the city or town.

82 SECTION 9. Section 5N of said chapter 59, as so appearing, is hereby amended by
83 striking out, in lines 16 and 43, the figure “\$1,000” and inserting in place thereof, in each
84 instance, the following figure:- \$1,500.

85 SECTION 10. Section 59 of said chapter 59, as so appearing, is hereby amended by
86 striking out, in line 48, the words “and Fifty-seventh” and inserting in place thereof the following
87 words:- , Fifty-seventh, Fifty-ninth and Sixtieth.

88 SECTION 11. Said chapter 59 of the General Laws is hereby amended by adding the
89 following section:-

90 Section 95. (a) Notwithstanding any general or special law to the contrary, a city, town or
91 district which accepts this section in the manner provided in section 4 of chapter 4 may establish
92 a program for volunteer, call or auxiliary firefighters or volunteer, call or auxiliary emergency
93 medical technicians of that city, town or district to reduce the real property tax obligations of
94 those volunteers in exchange for their volunteer services. Any reduction so provided shall be in
95 addition to any exemption or abatement to which such person is otherwise entitled; provided,
96 however, that no reduction of a real property tax bill shall be granted if that reduction exceeds
97 \$2,500 in a tax year.

98 (b) A city, town or district shall maintain a record for each participant in a program
99 established pursuant to subsection (a) including, but not limited to, the total amount by which an
100 associated tax obligation was reduced and the criteria used to determine the tax reduction. The
101 city, town or district shall provide a copy of the record to the assessor so that the participant’s tax

102 bill reflects the reduced rate. The city, town or district shall also provide a copy of the record to
103 the program participant receiving the reduced tax rate prior to the issuance of a tax bill. Cities,
104 towns and districts shall have the power to adopt rules and procedures to implement this section
105 in any way consistent with the intent of this section.

106 (c) In no instance shall the amount by which a person's property tax liability is reduced in
107 exchange for the provision of services as a volunteer, call or auxiliary firefighter or volunteer,
108 call or auxiliary emergency medical technician be considered income, wages, or employment for
109 purposes of taxation as provided in chapter 62, for the purposes of withholding taxes as provided
110 in chapter 62B, for the purposes of workers' compensation as provided in chapter 152 or any
111 other general law to the contrary.

112 A person participating in a program established pursuant to subsection (a) shall be a
113 public employee for the purposes of chapter 258 of the General Laws.

114 (d) A city, town or district that has accepted this section may in the same manner revoke
115 its acceptance.

116 SECTION 12. Section 2 of chapter 61 of the General Laws, as appearing in the 2016
117 Official Edition, is hereby amended by striking out the second paragraph and inserting in place
118 thereof the following paragraph:-

119 When, in the judgment of the assessors, land which is classified as forest land or which is
120 the subject of an application for such classification is not being managed under a program, is
121 being used for purposes incompatible with forest production or does not otherwise qualify under
122 this chapter, the assessors may, not later than February 1 in any year, file an appeal in writing

123 mailed by certified mail to the state forester requesting a denial of application or, in the case of
124 classified forest land, requesting removal of the land from such classification. The appeal shall
125 state the reasons for the request. A copy of the appeal shall be mailed by the assessors by
126 certified mail to the owner of the land. The state forester may initiate, not later than December 1
127 of any year, a proceeding to remove land from classification, sending notice of the action by
128 certified mail to the assessors and the owner of the land. The state forester may deny the owner's
129 application, may withdraw all or part of the land from classification or may grant the application,
130 imposing terms and conditions that the state forester deems reasonable to carry out this chapter,
131 and shall notify the assessors and the owner of that decision not later than March 1 of the
132 following year. If the owner or the assessors are aggrieved by a decision of the state forester they
133 may, not later than June 15, give notice to the state forester of a claim of appeal. Not later than
134 30 days after receipt of a notice of appeal, the state forester shall convene a panel in the region in
135 which the land is located. The panel shall consist of 3 members, 1 of whom shall be named by
136 the state forester, 1 of whom shall be named by the assessors and 1 of whom shall be named by
137 the state forester and the assessors. The panel shall give notice of the date, time and place of the
138 hearing in writing to the parties not less than 7 days before the date of that hearing. The panel
139 shall furnish the parties, in writing, with a notice of its decision not later than 10 days after the
140 adjournment of the hearing. Decisions of the panel shall be by majority vote of its members. If
141 the owner or the assessors are aggrieved by a decision of the panel, they may, not more than 45
142 days after receipt of the decision, petition either the superior court in the county in which the
143 land is located for a review of the decision, pursuant to chapter 30A, or the appellate tax board,
144 pursuant to chapter 58A; provided further, that the land shall not be classified or withdrawn from

145 classification until the final determination of such petition. The state forester may adopt such
146 regulations as the state forester deems necessary to carry out this chapter.

147 SECTION 13. Said section 2 of said chapter 61, as so appearing, is hereby further
148 amended by striking out, in line 40, the word "October" and inserting in place thereof the
149 following word:- December.

150 SECTION 14. Chapter 61A of the General Laws is hereby amended by striking out
151 section 6, as so appearing, and inserting in place thereof the following section:-

152 Section 6. The eligibility of land for valuation, assessment and taxation pursuant to
153 section 4 shall be determined separately for each tax year. An application for eligibility shall be
154 submitted to the board of assessors in the city or town in which the land is situated by not later
155 than December 1 preceding each tax year for which the valuation, assessment and taxation are
156 being sought. The application shall not be withdrawn after it is submitted. An application shall
157 be made on a form prescribed by the commissioner of revenue and provided to applicants by the
158 board of assessors. The form shall provide for the reporting of information pertinent to this
159 chapter and to Article XCIX of the Articles of Amendment to the Constitution of the
160 Commonwealth and for certification by the applicant that the applicant will immediately, but not
161 later than December 1 of the following year, notify the board of assessors in writing of any
162 subsequently developing circumstance within the applicant's control or knowledge which may
163 cause a change in use of the land covered by the form. An application submitted pursuant to this
164 section for leased land shall be accompanied by a written statement of the lessee's intent to use
165 the land for the purposes in the application and shall be signed by the lessee. The landowner shall
166 certify, in a manner prescribed by the commissioner, that under the penalties of perjury the

167 information in the landowner's application is true. If the application is allowed pursuant to
168 section 9, then the classification of the land as actively devoted to agricultural, horticultural or
169 agricultural and horticultural use shall take effect on January 1 preceding the beginning of the tax
170 year to which the application relates and taxation pursuant to this chapter shall commence with
171 that tax year.

172 SECTION 15. Section 7 of said chapter 61A, as so appearing, is hereby amended by
173 striking out, in line 3, the words "October first and June thirtieth of the year" and inserting in
174 place thereof the following words:- December 1 and June 30.

175 SECTION 16. Said chapter 61A is hereby further amended by striking out section 8, as
176 so appearing, and inserting in place thereof the following section:-

177 Section 8. Notwithstanding any provision of this chapter to the contrary, in any tax year
178 for which a city or town has undertaken and completed a program of revaluation of all property
179 in that city or town and the commissioner of revenue has certified that revalued property is
180 assessed by the board of assessors at full and fair cash valuation, applications by landowners for
181 the valuation, assessment and taxation of their lands on the basis of being actively devoted to
182 agricultural, horticultural or agricultural and horticultural use that are filed with the board of
183 assessors by not later than the last day for filing an application for abatement of the tax assessed
184 on the new valuation shall be deemed to have been timely made for the tax year of the
185 revaluation program. If the application is approved and the lands qualify for valuation,
186 assessment and taxation as lands actively devoted to agricultural, horticultural or agricultural and
187 horticultural use in that tax year, then the portion of any tax assessed for that year which is in

188 excess of the tax that would have been assessed on the lands, if the application had been timely
189 made and approved, shall be abated.

190 SECTION 17. Section 14 of said chapter 61A, as so appearing, is hereby amended by
191 striking out the eighteenth paragraph and inserting in place thereof the following paragraph:-

192 The assignment shall be for the purpose of maintaining not less than 70 per cent of the
193 land in use as forest land as defined in section 1 of chapter 61, as land in agricultural or
194 horticultural use as defined in sections 1 and 2 or as recreational land as defined in section 1 of
195 chapter 61B, and in no case shall the assignee develop a greater proportion of the land than was
196 proposed by the developer whose offer gave rise to the assignment. All land other than land that
197 is to be developed shall then be bound by a permanent deed restriction that meets the
198 requirements of chapter 184.

199 SECTION 18. Chapter 61B of the General Laws is hereby amended by striking out
200 section 3, as so appearing, and inserting in place thereof the following section:-

201 Section 3. The eligibility of land for valuation, assessment and taxation pursuant to this
202 chapter shall be determined separately for each tax year. An application for eligibility shall be
203 submitted to the board of assessors in the city or town in which the land is situated by not later
204 than December 1 preceding each tax year for which the valuation, assessment and taxation is
205 being sought. The application shall be made on a form prescribed by the commissioner of
206 revenue and provided to applicants by the board of assessors. The form shall provide for the
207 reporting of information pertinent to this chapter and for certification by the applicant that the
208 applicant will immediately, but not later than the December 1 of the following year, notify the
209 board of assessors in writing of any subsequent circumstance within the applicant's control or

210 knowledge which may cause a change in use of the land covered by the form. An application
211 submitted pursuant to this section for leased land shall be accompanied by a written statement of
212 the lessee's intent to use the land for the purposes in the application and shall be signed by the
213 lessee. The landowner shall certify, in a manner prescribed by the commissioner, that under the
214 penalties of perjury the information in the landowner's application is true. If the application is
215 allowed pursuant to section 6, then the classification of the land as recreational land shall take
216 effect on January 1 preceding the beginning of the tax year to which the application relates and
217 taxation pursuant to this chapter shall commence with that tax year.

218 SECTION 19. Section 4 of said chapter 61B, as so appearing, is hereby amended by
219 striking out, in lines 2 and 3, the words "October first and June thirtieth " and inserting in place
220 thereof the following words:- December 1 and June 30.

221 SECTION 20. Said chapter 61B is hereby further amended by striking out section 5, as so
222 appearing, and inserting in place thereof the following section:-

223 Section 5. Notwithstanding any provision of this chapter to the contrary, in any tax year
224 for which a city or town has undertaken and completed a program of revaluation of all property
225 in that city or town and the commissioner of revenue has certified that revalued property is
226 assessed by the board of assessors at full and fair cash valuation, applications by landowners for
227 the valuation, assessment and taxation of their lands on the basis of being maintained in
228 recreational use, if filed with the board of assessors by not later than the last day for filing an
229 application for abatement of the tax assessed on the new valuation, shall be deemed to have been
230 timely made for the tax year of the revaluation program. If the application is approved and the
231 lands qualify for valuation, assessment and taxation as lands actively devoted to agricultural,

232 horticultural or agricultural and horticultural use in that tax year, then the portion of a tax
233 assessed for that year which is in excess of the tax which would have been assessed on the lands,
234 if the application had been timely made and approved, shall be abated.

235 SECTION 21. Section 6 of said chapter 61B, as so appearing, is hereby amended by
236 striking out, in line 13, the words “a disallowance” and inserting in place thereof the following
237 words:- an allowance.

238 SECTION 22. Section 9 of said chapter 61B, as so appearing, is hereby amended by
239 striking out the eighteenth paragraph and inserting in place thereof the following paragraph:-

240 The assignment shall be for the purpose of maintaining not less than 70 per cent of the
241 land in use as forest land as defined in section 1 of chapter 61, as land in agricultural or
242 horticultural use as described in sections 1 and 2 of chapter 61A or as recreation land as
243 described in section 1 and the assignee shall not develop a greater proportion of the land than
244 was proposed by the developer whose offer gave rise to the assignment. All land other than land
245 that is to be developed shall then be bound by a permanent deed restriction that meets the
246 requirements of chapter 184.

247 SECTION 23. Subsection (k) of section 6 of chapter 62 of the General Laws, as so
248 appearing, is hereby amended by adding the following paragraph:-

249 (10) The commissioner shall annually, not later than November 1, file a report with the
250 house and senate committees on ways and means, the joint committee on elder affairs and the
251 joint committee on revenue identifying, by community, the total amount of tax credits claimed
252 and the total number of tax filers who received the tax credits for the preceding fiscal year.

253 SECTION 24. There shall be a special commission, pursuant to section 2A of chapter 4
254 of the General Laws, to determine the feasibility of establishing local option property tax
255 deduction programs for: (i) persons with an intellectual or developmental disability, as defined
256 by section 1 of chapter 123B of the General Laws; (ii) individuals eligible under Title II or Title
257 XVI of the federal Social Security Act for benefits to the disabled; or (iii) individuals providing
258 and paying for full-time care within their private residence for an individual with intellectual and
259 developmental disabilities who is over the age of 22.

260 The commission shall review and evaluate the experiences and policy efforts of other
261 states and consider ways to enhance existing state laws as it relates to establishing and providing
262 property tax reductions to individuals with disabilities.

263 Topics of discussion for the commission shall include, but not be limited to: (i) the effects
264 that changes to tax laws would have on eligible taxpayers at all income levels; (ii) the number of
265 individuals with disabilities residing in the commonwealth who may benefit from potential
266 changes to property tax laws considered by the commission; (iii) comparative costs of respite
267 care through a state-subsidized organization and the costs of independent respite care for a
268 relative within a private residence, (iv) any cost savings to the commonwealth and host
269 municipalities as a result of individuals assuming the costs of full-time care for persons with
270 intellectual and developmental disabilities who are over the age of 22; (v) any additional
271 expenses of remodeling a residential property to include adequate accommodations to meet the
272 needs of a relative with intellectual and developmental disabilities, including, but not limited to,
273 handicap accessible ramps and medical machinery; (vi) consideration of ways to provide tax
274 relief in connection with modifications to residential property that ensures adequate
275 accommodations and improves accessibility to allow individuals with disabilities to live

276 independently; (vii) consideration of any eligibility requirements relating to residency, domicile,
277 ownership and disability for any local option property tax reduction that may be recommended to
278 be established pursuant to this section; and (viii) consideration of the use of a formula to
279 determine the appropriate amount an eligible taxpayer may receive in property tax reductions.

280 The special commission shall consist of: the house and senate chairs of the joint
281 committee on revenue or their designees, who shall serve as co-chairs of the commission; the
282 house and senate chairs of the joint committee on children, families and persons with disabilities
283 or their designees; the house and senate chairs of the joint committee on elder affairs or their
284 designees; the commissioner of the department of developmental services or a designee; the
285 commissioner of the department of revenue or a designee; the commissioner of the
286 Massachusetts rehabilitation commission; the minority leader of the house of representatives or a
287 designee; the minority leader of the senate or a designee; a representative of the ARC of
288 Massachusetts; a representative from the Advocates for Autism of Massachusetts; a
289 representative from the Massachusetts Down Syndrome Congress, Inc.; a representative from the
290 Massachusetts Statewide Independent Living Council; a representative from the Massachusetts
291 Association of Councils on Aging; and a representative from the Disability Law Center, Inc.

292 The first meeting of the commission shall take place not later than March 1, 2018. The
293 commission shall submit its recommendations, together with drafts of any legislation, to the
294 clerks of the senate and the house of representatives, the chairs of the joint committee on
295 revenue, the chairs of the joint committee on rules and the chairs of the joint committee on
296 children, families and persons with disabilities not later than December 1, 2018

297 SECTION 25. There shall be a commission to study the viability of achieving property
298 tax relief for residents and businesses of the commonwealth pursuant to section 2A of chapter 4
299 of the General Laws. The commission shall review and evaluate all property tax laws and the
300 impact of those laws on local governments, residents and businesses. The commission shall
301 examine the experiences and policy efforts of other states relating to property tax relief and
302 review existing state laws relative to the assessment and abatement of local property taxes.

303 The commission shall file a report, together with any drafts of proposed legislation to
304 reduce property taxes and provide tax relief for residents and businesses of the commonwealth,
305 with the clerks of the senate and house of representatives not later than February 15, 2018.

306 The commission shall consist of the senate and house chairs of the joint committee on
307 revenue or their designees, who shall serve as co-chairs of the commission; the secretary of
308 administration and finance or a designee; the senate and house chairs of the joint committee on
309 municipalities and regional government or their designees; the minority leader of the house of
310 representatives or a designee; the minority leader of the senate or a designee; a representative of
311 the Massachusetts Municipal Association, Inc.; a representative of the Massachusetts Budget and
312 Policy Center, Inc.; a representative of the Massachusetts Association of Assessing Officers,
313 Inc.; and a representative of the Massachusetts Taxpayers Foundation, Inc

314 SECTION 26. The department of veterans' services, in conjunction with the department
315 of revenue, shall study the feasibility and analyze the merits of implementing a sliding scale
316 property tax abatement for veterans and veterans' spouses, currently implemented under clause
317 Twenty-second of section 5 of chapter 59 of the General Laws based upon a percentage of
318 disability as defined by the United States Department of Veterans Affairs. The study shall

319 include, but not be limited to, the methodology used in granting such an exemption in other
320 states, the utilization of a sliding scale based on the percentage of disability of a veteran when
321 awarding such an exemption to a veteran and a veteran's spouse and the impact on disabled
322 veterans and any anticipated monetary cost to the commonwealth or to municipalities that may
323 be caused by such an exemption. The department of veterans' services, in conjunction with the
324 department of revenue, shall submit its findings and legislative recommendations to the clerks of
325 the senate and house of representatives, the house and senate committees on ways and means and
326 the joint committee on veterans and federal affairs not later than March 15, 2018.

327 SECTION 27. Sections 1 and 10 shall take effect on July 1, 2018.