

HOUSE No. 4571

Substituted by the House, on motion of Mr. Speliotis of Danvers, for a bill with the same title (House, No. 3200). August 4, 2016.

The Commonwealth of Massachusetts

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

An Act concerning long-term homeowners in the city of Boston.

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. Notwithstanding section 5 of chapter 59 of the General Laws or any general
2 or special law to the contrary, the assessing department of the city of Boston shall implement a
3 tax deferral program for long-term residents of the city of Boston.

4 SECTION 2. (a) The assessing department of the city of Boston shall defer the real estate
5 property tax payment, to an amount determined as hereinafter provided, of a person who owns
6 real property in the city of Boston and is 55 years of age or older as of July 1 of the tax year; or
7 of a person who owns the same jointly with his or her spouse, either of whom is 55 years of age
8 or over; or of a person who owns the same jointly or as a tenant in common with a person not his
9 or her spouse, either of whom is 55 years of age or over; provided, that such person has been
10 domiciled in the commonwealth for the preceding 10 years; and: (1) has so owned and occupied
11 the same real property as his or her domicile for 10 consecutive years; or (2) is a surviving
12 spouse who inherits such real property and has occupied such real property in the commonwealth
13 as his or her domicile for 10 consecutive years and who otherwise qualifies under this act.

14 (b) To qualify for a tax deferral under this act the real estate tax due on the property for
15 which the deferral is sought, as reduced by abatements and exemptions, if any, for the year in
16 question shall have increased by at least 10 per cent over the prior year's real estate tax due, as
17 reduced by abatements and exemptions, if any.

18 (c) A tax deferral under this act shall not be allowed to an individual with an income that
19 exceeds the limit on taxpayer's total income established in clause (i) of paragraph (3) of
20 subsection (k) of section 6 of chapter 62 of the General Laws and adjusted pursuant to paragraph
21 (4) of said subsection (k) of said section 6 of said chapter 62, whichever such income limit
22 applies to the individual's filing status. As used in this act, income shall have the same meaning
23 as taxpayer's total income, as defined in paragraph (1) of said subsection (k) of said section 6 of
24 said chapter 62.

25 (d) In determining the total period of ownership of an applicant for deferral under this act,
26 the time during which the same property was owned by a husband or wife individually shall be
27 added to the period during which such property was owned by said husband and wife jointly.

28 SECTION 3. (a) Any person eligible for the tax deferral program authorized by this act
29 may, within 3 months after the date on which the bill or notice of assessment was sent or by
30 April 1 of the tax year, whichever is later, apply to the board of assessors of the city of Boston
31 for a deferral of all or part of such real property from taxation during such year; provided,
32 however, that in the case of real estate owned by a person jointly or as a tenant in common with a
33 person not his or her spouse, the deferral shall not exceed that proportion of total valuation which
34 the amount of his or her interest in such property bears to the whole tax due. The board of
35 assessors shall grant such deferral; provided, that the owner or owners of such real property have

36 entered into a tax deferral and recovery agreement with said board of assessors on behalf of the
37 city of Boston. The tax deferral and recovery agreement shall provide:

38 (1) that no sale or transfer of such real property may be consummated unless the taxes
39 which would otherwise have been assessed on the exempt portion of the real property have been
40 paid, with interest at the rate of 4 per cent per annum or such lesser or higher rate as may be
41 determined by the legislative body of the city of Boston, subject to its charter, no later than the
42 beginning of the fiscal year to which the tax relates;

43 (2) that the total amount of such taxes due, plus interest, for the current and prior years
44 does not exceed 50 per cent of the owner's proportional share of the full and fair cash value of
45 such real property;

46 (3) that upon the demise of the owner of such real property, the heirs-at-law, assignees or
47 devisees shall have first priority to said real property by paying in full the total taxes which
48 would otherwise have been due, plus interest; provided, however, that if such heir-at-law,
49 assignee or devisee is a surviving spouse who enters into a tax deferral and recovery agreement
50 under this act, payment of the taxes and interest due shall not be required during the life of such
51 surviving spouse. Any additional taxes deferred, plus interest, on said real property under a tax
52 deferral and recovery agreement signed by a surviving spouse shall be added to the taxes and
53 interest which would otherwise have been due, and the payment of which has been postponed
54 during the life of such surviving spouse, in determining the 50 per cent requirement of paragraph
55 (2);

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

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

61 (b) In the case of each tax deferral and recovery agreement entered into between the
62 board of assessors of the city of Boston and the owner or owners of such real property, said
63 board of assessors shall forthwith cause to be recorded in the registry of deeds of the county or
64 district in which the city or town is situated a statement of their action which shall constitute a
65 lien upon the land covered by such agreement for such taxes as have been assessed under the
66 provisions of this chapter, plus interest as hereinafter provided. A lien filed pursuant to this act
67 shall be subsequent to any liens securing a reverse mortgage, excepting shared appreciation
68 instruments. The statement shall name the owner or owners and shall include a description of the
69 land adequate for identification. Unless such a statement is recorded the lien shall not be
70 effective with respect to a bona fide purchaser or other transferee without actual knowledge of
71 such lien. The filing fee for such statement shall be paid by the city of Boston and shall be added
72 to and become a part of the taxes due.

73 (c) In addition to the remedies provided by this act, the recorded statement of the
74 assessors provided for in this section shall have the same force and effect as a valid taking for
75 nonpayment of taxes pursuant to section 53 of chapter 60 of the General Laws, provided that:

76 (1) interest shall accrue at the rate provided in this act until the conveyance of the
77 property or the death of the person whose taxes have been deferred, after which time interest
78 shall accrue at the rate provided in section 62 of said chapter 60;

79 (2) no assignment of the city of Boston's interest may be made pursuant to section 52 of
80 said chapter 60; and

81 (3) no petition under section 65 of chapter 60 to foreclose the lien may be filed before the
82 expiration of 6 months from the conveyance of the property or the death of the person whose
83 taxes have been deferred.

84 SECTION 4. This act shall take effect as of July 1, 2016.

85 SECTION 5. The authority to grant a deferral under this act shall expire on June 30, 2018
86 unless extended by a vote of the Boston city council and approval of the mayor.