

HOUSE No. 2768

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act allowing municipalities to establish a pro enterprise tax..

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: This Act may also be called the “Pro-Enterprise Property Tax Act”. The
2 purpose of this Act is to permit local governments to raise revenue in a manner that stimulates
3 the private economy, encourages housing construction and repair, generates job opportunities,
4 and fosters development that reduces the premature invasion of farmland and open space.

5 SECTION 2: Definitions

6 (A) “Assessor” shall have the same meaning as in Chapter 4, Section 7.

7 (B) “Land” means the bare site disregarding any manmade structures as well as site
8 improvements that inosculate with the land after a period of time such as clearing, grading,
9 fertilizing, or draining.

10 (C) “Improvements” means houses, garages, barns, commercial buildings, factories,
11 orchards, private roads, and other manmade features on a site.

12 (D) “Tax rate” means the charge against the assessed value of the jurisdiction’s
13 taxable property imposed to produce revenues.

14 (E) “Two-rate tax” refers to the higher tax rates on land values and the lower tax rate
15 on improvements imposed by the differential rate structure of this Act.

16 SECTION 3: Enactment

17 The local appropriating authority of any municipality may, in any year, decide by
18 majority vote to have a two-rate tax, and may set the percentage of tax to be levied on land and
19 the percentage of tax to be levied on improvements, provided that the percentage of tax on
20 improvements is lower than the tax on land. The assessor shall set the rates accordingly. The
21 sum of the tax on land and the tax on improvements shall not exceed the state tax limit.

22 SECTION 4: A jurisdiction enacting the two-rate tax system shall apply the two-rate tax
23 system to the entire range of property taxes within that jurisdiction’s authority.