

SENATE No. 1257

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act establishing residential tax abatement zones in Gateway Cities..

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 23B of the General Laws is hereby amended by inserting after
2 paragraph (v) a new paragraph:-

3 (w) the Executive Office of Housing and Economic Development shall provide technical
4 assistance to Gateway Cities who adopt Residential Tax Abatement Zones, as defined by Section
5 59B of Chapter 59 of the General Laws, and shall monitor the impacts of the program.

6 SECTION 2. Chapter 59 of the General Laws is hereby amended by inserting after
7 Section 59A the following new section:-

8 SECTION 59B. Property Tax Abatement Zones in Gateway Cities

9 (a) As used in this section, the following terms shall, unless the context clearly requires
10 otherwise, have the following meanings:-

11 "Gateway Cities", as defined by the Department of Housing and Community
12 Development, the cities of Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River,

13 Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New
14 Bedford, Pittsfield, Revere, Salem, Springfield, Taunton, Westfield and Worcester.

15 “Residential Tax Abatement Zone”, a housing development zone in a Gateway City, to
16 be designated by the mayor or manager and the city council, for the purpose of providing
17 residential property tax abatement on all owner-occupied properties.

18 “Under-utilized property”, a lot or part of a building in which the maximum number of
19 residential units permitted under existing zoning regulations, building codes or approved
20 variances has not been met.

21 “Occupied Residential Unit”, a residential unit that is presently occupied or has been
22 vacant for less than two years.

23 “Incremental improvements”, an increased property value created by the construction of
24 new residential units or improvements to a property

25 (b) There is hereby established a Residential Tax Abatement Zone program available to
26 all Gateway Cities. No later than July 1, 2010, the mayor or manager and city council for each
27 Gateway City are authorized to designate a specific area located in or around the Gateway City
28 downtown as the Residential Tax Abatement Zone.

29 (c) All property located within the zone is eligible for this program with the exception of
30 any occupied residential unit.

31 (d) Gateway Cities may offer full or partial property tax abatement within Residential
32 Tax Abatement Zones on any incremental improvements to vacant or under-utilized property.

33 (e) The length of the abatement period will be designated for not fewer than ten years and
34 not greater than twelve years.

35 (f) At the conclusion of the abatement period, Gateway Cities may offer a reduced
36 property tax rate in the Residential Tax Abatement Zone for a period of up to three years. During
37 each year of this period, Gateway Cities may incrementally increase the abatement tax rate in
38 order to ease the transition back to the full property tax burden.

39 (g) The Department of Revenue shall promulgate rules and regulations, including the
40 above referenced guidelines.