

**SENATE . . . . . No. 1355**

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The Commonwealth of Massachusetts

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**In the Year Two Thousand Nine**  
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An Act relative to the collection of personal property taxes..

*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 60 of the General Laws is hereby amended by inserting the  
2 following new section:--Section 37C Security Interest on taxable personal property

3 Taxes assessed upon personal property under the provisions of chapter fifty-nine,  
4 including section eighteen, with all accrued interest, incidental charges and fees provided for in  
5 chapter fifty-nine, and other provisions of this chapter shall be a security interest in the personal  
6 property so taxed, as well as all after acquired consumer goods, equipment and inventory and the  
7 proceeds from the sale of any such personal property until the security interest is terminated as  
8 provided in this section.

9 The assessment of personal property taxes by a municipal board of assessors shall have  
10 the force and effect of a signed security agreement under the provisions of chapter one hundred-  
11 six, hereinafter referred to in this section as “the Uniform Commercial Code.” The security  
12 interest shall have the force and effect of an unperfected security interest in accordance with the  
13 provisions of the Uniform Commercial Code and once perfected shall have the force and effect

14 of a perfected security interest in accordance with the provisions of the Uniform Commercial  
15 Code.

16 The unperfected security interest shall be perfected upon: (1) nonpayment of the tax,  
17 including partial nonpayment, fourteen days after the mailing of a demand in accordance with  
18 section sixteen of this chapter; and, (2) the filing of a financing statement by the municipal  
19 collector at the office of the state secretary in accordance with the provisions of the Uniform  
20 Commercial Code, provided that the collector may file a financing statement no earlier than  
21 fourteen days following the mailing of a demand to the taxpayer.

22 The collector shall, upon perfection of the security interest, add the cost of filing the  
23 financing statement and the cost of filing a termination statement plus an additional fee of five  
24 dollars for the preparation of the financing statement and an additional fee of five dollars for the  
25 preparation of a termination statement to the balance due.

26 If it appears to the collector that a filed financing statement is going to lapse, the collector  
27 shall file a continuation statement, as well as succeeding continuation statements in accordance  
28 with the provisions of the Uniform Commercial Code, to continue the effectiveness of the initial  
29 financing statement, adding to the balance due the cost of filing each necessary continuation  
30 statement plus a fee of five dollars for their preparation.

31 Once the balance due, including the tax, accrued interest, incidental charges, and fees as  
32 provided by chapter fifty-nine and other provisions of this chapter have been fully abated or fully  
33 paid the security interest provided for under this section shall terminate, and if the security  
34 interest was perfected, the collector or an assignee of the collector shall file a termination

35 statement at the office of the state secretary in accordance with the provisions of the Uniform  
36 Commercial Code.

37         The collector may assign an underlying personal property tax receivable in accordance  
38 with the procedures provided for in section 2C of this chapter provided that the provisions of the  
39 Uniform Commercial Code governing the assignment of a security interest are also followed. In  
40 the event of a direct conflict between section 2C of this chapter and the provisions of the  
41 Uniform Commercial Code, the provisions of the Uniform Commercial Code shall control as to  
42 the assignment of the security interest and the provisions of this chapter shall control as to the  
43 assignment of the tax receivable.

44         If a tax receivable and security interest has not previously been assigned, the collector  
45 shall assign the tax receivable and the security interest, in accordance with the provisions of the  
46 Uniform Commercial Code, to any other secured party holding a concurrent security interest in  
47 the same personal property, regardless of when the other secured party's interest was perfected,  
48 if that secured party fully pays the balance due to the collector.

49         All remedies available to holders of secured interests under the provisions of the Uniform  
50 Commercial Code for default of an underlying obligation shall be available to the collector or to  
51 an assignee to collect the balance due and the use of the provisions of the Uniform Commercial  
52 Code by the collector or an assignee shall not interfere with the ability of the collector or an  
53 assignee to use other remedies, including the further accrual of interest on the tax receivable, as  
54 provided in chapter fifty-nine, this chapter or any other applicable provision of law to collect the  
55 balance due.

56 All terms used in this section shall be defined by reference to those terms as they are used  
57 under the Uniform Commercial Code unless specific reference is made in this section to another  
58 provision of law.

59 SECTION 2. Section 95 of Chapter 60 is hereby amended by inserting at the end of the  
60 first sentence the words:-- “; and upon the filing of a financing statement in accordance with the  
61 provisions of Section 37C and the provisions of the Uniform Commercial Code, with the amount  
62 of uncollected personal property taxes represented by the financing statement.”

63 SECTION 3. This Act shall take effect on January 1, 2011.