

**SENATE . . . . . No. 1551**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*James E. Timilty*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to reducing the tax burden on seniors.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

*James E. Timilty*

*Robert L. Hedlund*

**SENATE . . . . . No. 1551**

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By Mr. Timilty, a petition (accompanied by bill, Senate, No. 1551) of James E. Timilty and Robert L. Hedlund for legislation relative to reducing the tax burden on seniors. Revenue.

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Eleven**  
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An Act relative to reducing the tax burden on seniors.

*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  
2   2004 Official Edition, is hereby amended by inserting after the word “agreement.”, in line 1018,  
3   the following paragraph:-

4                   A city or town which accepts this paragraph may enter into a tax deferral plan  
5   with the commonwealth under which the commonwealth shall pay to the city or town the amount  
6   of the exemption granted under the tax deferral and recovery agreement between the board of  
7   assessors and the owner or owners of the real property, but that agreement shall provide for  
8   annual interest at the rate of 5 per cent. Upon the death of the owner of the property, or upon the  
9   death of the surviving spouse where applicable under clause (3) of the previous paragraph,  
10   payment of the deferred taxes, plus accrued interest, shall be made to the commonwealth.

11                   and is further amended by adding the following paragraph: -

12                   Notwithstanding any general or special law to the contrary, upon acceptance  
13   of this paragraph by a city or town, the board of assessors shall annually reduce the property tax

14 on the real property of a person who has reaches his seventieth birthday before the fiscal year for  
15 which the tax is due, and has lived in the municipality for 30 years or longer, to the amount of  
16 tax due on the property in the fiscal year prior to the person reaching the age of 70, if the person  
17 occupies the real estate as his domicile or occupies the same jointly with his spouse.

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

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

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

33 The unperfected security interest shall be perfected upon: (1) nonpayment of  
34 the tax, including partial nonpayment, fourteen days after the mailing of a demand in accordance  
35 with section sixteen of this chapter; and, (2) the filing of a financing statement by the municipal

36 collector at the office of the state secretary in accordance with the provisions of the Uniform  
37 Commercial Code, provided that the collector may file a financing statement no earlier than  
38 fourteen days following the mailing of a demand to the taxpayer.

39           The collector shall, upon perfection of the security interest, add the cost of  
40 filing the financing statement and the cost of filing a termination statement plus an additional fee  
41 of five dollars for the preparation of the financing statement and an additional fee of five dollars  
42 for the preparation of a termination statement to the balance due.

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

48           Once the balance due, including the tax, accrued interest, incidental charges,  
49 and fees as provided by chapter fifty-nine and other provisions of this chapter have been fully  
50 abated or fully paid the security interest provided for under this section shall terminate, and if the  
51 security interest was perfected, the collector or an assignee of the collector shall file a  
52 termination statement at the office of the state secretary in accordance with the provisions of the  
53 Uniform Commercial Code.

54           The collector may assign an underlying personal property tax receivable in  
55 accordance with the procedures provided for in section 2C of this chapter provided that the  
56 provisions of the Uniform Commercial Code governing the assignment of a security interest are  
57 also followed. In the event of a direct conflict between section 2C of this chapter and the

58 provisions of the Uniform Commercial Code, the provisions of the Uniform Commercial Code  
59 shall control as to the assignment of the security interest and the provisions of this chapter shall  
60 control as to the assignment of the tax receivable.

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

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

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

76           SECTION 3. Section 95 of Chapter 60 is hereby amended by inserting at the  
77 end of the first sentence the words:-- “; and upon the filing of a financing statement in  
78 accordance with the provisions of Section 37C and the provisions of the Uniform Commercial

79 Code, with the amount of uncollected personal property taxes represented by the financing  
80 statement.”

81 SECTION 4. This Act shall take effect on January 1, 2013.