

**HOUSE . . . . . No. 2756**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Chris Walsh*

*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 addressing inequities in property tax assessments.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Chris Walsh</i>	<i>6th Middlesex</i>	<i>1/17/2013</i>
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>	<i>1/31/2013</i>
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>	<i>1/23/2013</i>

**HOUSE . . . . . No. 2756**

By Mr. Walsh of Framingham, a petition (accompanied by bill, House, No. 2756) of Chris Walsh, Thomas P. Conroy and Tom Sannicandro relative to property tax assessments. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 4540 OF 2011-2012.]

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An act addressing inequities in property tax assessments.

*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 59 of the General Laws, as appearing in the 2010 Official Edition,  
2 is hereby amended by inserting after section 11 the following section:-

3 Section 11A (a) Upon acceptance of this section by a city or town, in the manner  
4 provided in section 4 of chapter 4, the board of assessors may assess a tax on real estate using the  
5 sale price of such real estate if such sale price exceeds the prior appraised value of such real  
6 estate; provided, however, that the provisions of this section shall be subject to section 11.

7 (b) This section shall take effect in a municipality on the first day of the calendar year  
8 following its acceptance by the municipality.

9 SECTION 2. The fourth paragraph of section 38D of chapter 59 of the General Laws, as  
10 appearing in the 2010 Official Edition, is hereby amended by striking out the figure “\$250”, in  
11 line 25, and inserting in place thereof the following words:- 10 per cent of the prior calendar  
12 year tax assessment.

13 SECTION 3. Said fourth paragraph of said section 38D, as so appearing, is hereby  
14 further amended by adding the following 2 sentences:- The owner or lessee shall be notified by  
15 registered mail that the required information, on a form provided by the commissioner, was not  
16 received when due and shall have 14 days to provide such information. Upon the expiration of

17 such 14 days, the commissioner shall notify the treasurer of the city or town of such failure and  
18 the penalty shall be assessed on the owner or lessee.

19 SECTION 4. Chapter 59 of the General Laws is hereby amended by adding the  
20 following section:-

21 Section 95. (a) Upon acceptance of this section by a city or town, in the manner provided  
22 in section 4 of chapter 4, the board of assessors may assess a tax on residential real property  
23 containing 4 or more dwelling units for rent or lease at the Class Three, Commercial assessment.

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25 (b) This section shall take effect in a municipality on the first day of the calendar year  
26 following its acceptance by the municipality.

27 SECTION 5. Chapter 59 of the General Laws, as appearing in the 2010 Official Edition  
28 is hereby amended by adding the following section:-

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30 Section 96. (a) Upon acceptance of this section by a city or town, the assessors may  
31 establish an assessment procedure to consider the compulsory sales of residential real property.  
32 For the purposes of this section the term "compulsory sale" shall mean (i) the sale of residential  
33 real estate for less than the amount owed to the mortgage lender or mortgagor, if the lender or  
34 mortgagor has agreed to the sale, commonly referred to as a "short sale" and (ii) the first sale of  
35 real estate owned by a financial institution as a result of a foreclosure by sale or entry, transfer  
36 pursuant to a deed in lieu of foreclosure, or any judgment occurring after the foreclosure action  
37 or proceeding is complete.

38 (b) The assessors shall include compulsory sales in reviewing and correcting assessments,  
39 including, but not limited to, those compulsory sales submitted by the taxpayer, if the assessors  
40 determine that those sales reflect the same property characteristics and condition as those  
41 originally used to make the assessment. The board shall also consider whether the compulsory  
42 sale would otherwise be considered an arm's length transaction.

43 (c) The assessors shall determine the number of compulsory sales from the prior year for  
44 the purpose of revising and correcting assessments. The assessors shall determine if the number  
45 of compulsory sales is at least 25 per cent of all property transfers within the neighborhood or  
46 other specific geographic region in the city or town for Class One, residential property, but shall  
47 exclude from the calculation (i) all property transfers for which the property characteristics and  
48 condition are not the same as those characteristics and condition used to determine the assessed  
49 value and (ii) any property transfer that is not an arm's length transaction based on existing sales  
50 ratio study standards; provided, however, that compulsory sales shall not be included. If the  
51 board determines that the number of compulsory sales is at least 25 per cent of all property

52 transfers within the defined geographic region for that Class One, residential property, then the  
53 assessors shall determine (i) the median assessment level of arm's length transactions and (ii) the  
54 median assessment level of compulsory sales. If the median assessment level of compulsory  
55 sales is higher than the median assessment level of arm's length transactions, then compulsory  
56 sales shall be included in the arm's length transaction study and the board shall calculate the new  
57 median assessment level. Assessed values of properties within the specific geographic area for  
58 that class of property shall be revised to reflect this new median assessment level.

59 SECTION 6. Chapter 59 of the General Laws is hereby amended by adding the  
60 following section:-

61 Section 97. Upon acceptance of this section by a city or town, the assessors may  
62 establish an assessment procedure that limits the annual increase in the amount of property tax  
63 payable to 10 per cent over the property tax for the previous year on such property; provided,  
64 however, that no enhancements to the property were made. Any tax assessed in excess of 110  
65 per cent of such prior year's tax assessment may be allowed as an abatement. If the total of all  
66 abatements exceeds the budget, the excess would be an expense in the following year's budget.