

**HOUSE . . . . . No. 4522**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Nick Collins*

*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 concerning long-term homeowners.**

PETITION OF:

NAME:

DISTRICT/ADDRESS:

*Nick Collins*

*4th Suffolk*

*Aaron Michlewitz*

*3rd Suffolk*

**HOUSE . . . . . No. 4522**

By Mr. Collins of Boston, a petition (accompanied by bill, House, No. 4522) of Nick Collins and Aaron Michlewitz (with the approval of the mayor and city council) that the city of Boston be authorized to implement a tax deferral program for long-term residents of said city. Revenue. [Local Approval Received.]

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Fourteen**

An Act concerning long-term homeowners.

*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. Notwithstanding section 5 of chapter 59 of the General Laws or any  
2 general or special law to the contrary, the assessing department of the city of Boston shall  
3 implement a tax deferral program for long-term residents of the city of Boston.

4 SECTION 2. Real property, to an amount determined as hereinafter provided, of a person  
5 who is 55 years of age or older as of July 1 of the tax year, of a person who owns the same  
6 jointly with his spouse, either of whom is 55 years of age or over, or of a person who owns the  
7 same jointly or as a tenant in common with a person not his spouse, either of whom is 55 years  
8 of age or over; provided, that such person has been domiciled in the commonwealth for the  
9 preceding 10 years; and

10 (1) has so owned and occupied the same real property as his domicile for 10 consecutive  
11 years; or

12 (2) is a surviving spouse who inherits such real property and has occupied such real  
13 property in the commonwealth as his or her domicile for 10 consecutive years and who otherwise  
14 qualifies under this act; provided, that such person, and such person and his spouse, if married,  
15 had, during the preceding year gross receipts from all sources not in excess of the amount of  
16 income determined by the commissioner of revenue for the purposes of subsection (k) of section  
17 6 of Chapter 62, for a single person who is not a head of household. The income limit established  
18 by subsection (k) of section 6 of chapter 62 is the circuit breaker state income tax credit for  
19 seniors. The income limits for the circuit breaker state income tax credit are adjusted annually

20 by the commissioner of revenue based on changes in the cost of living. The new limits are  
21 announced in the fall of the calendar year in a Technical Information Release. An individual that  
22 qualifies for a tax deferral under this act shall not have an income that exceeds the amount of  
23 income determined by the commissioner of revenue for purposes of subsection (k) of section 6 of  
24 chapter 62.

25 To qualify for this deferral, the real estate tax due, as reduced by abatements and  
26 exemptions, if any, for the year in question shall have increased by 10 per cent over the prior  
27 year's real estate tax due, as reduced by abatements and exemptions, if any.

28 In determining the total period ownership of an applicant for deferral under this act, the  
29 time during which the same property was owned by a husband or wife individually shall be  
30 added to the period during which such property was owned by said husband and wife jointly.

31 SECTION 3. (a) Any person eligible for the tax deferral program authorized by this act  
32 may, within 3 months after the date on which the bill or notice of assessment was sent or by  
33 April 1 of the tax year, whichever is later, apply to the board of assessors of the city of Boston  
34 for a deferral of all or part of such real property from taxation during such year; provided,  
35 however, that in the case of real estate owned by a person jointly or as a tenant in common with a  
36 person not his spouse, the deferral shall not exceed that proportion of total valuation which the  
37 amount of his interest in such property bears to the whole tax due. The board of assessors shall  
38 grant such deferral; provided, that the owner or owners of such real property have entered into a  
39 tax deferral and recovery agreement with said board of assessors on behalf of the city of Boston.  
40 The tax deferral and recovery agreement shall provide:

41 (1) that no sale or transfer of such real property may be consummated unless the taxes  
42 which would otherwise have been assessed on the exempt portion of the real property have been  
43 paid, with interest at the rate of 4 per cent per annum or such lesser or higher rate as may be  
44 determined by the legislative body of the city of Boston, subject to its charter, no later than the  
45 beginning of the fiscal year to which the tax relates;

46 (2) that the total amount of such taxes due, plus interest, for the current and prior years  
47 does not exceed 50 per cent of the owner's proportional share of the full and fair cash value of  
48 such real property;

49 (3) that upon the demise of the owner of such real property, the heirs-at-law, assignees or  
50 devisees shall have first priority to said real property by paying in full the total taxes which  
51 would otherwise have been due, plus interest; provided, however, that if such heir-at-law,  
52 assignee or devisee is a surviving spouse who enters into a tax deferral and recovery agreement  
53 under this act, payment of the taxes and interest due shall not be required during the life of such  
54 surviving spouse. Any additional taxes deferred, plus interest, on said real property under a tax  
55 deferral and recovery agreement signed by a surviving spouse shall be added to the taxes and  
56 interest which would otherwise have been due, and the payment of which has been postponed

57 during the life of such surviving spouse, in determining the 50 per cent requirement of  
58 subparagraph (2);

59 (4) that if the taxes due, plus interest, are not paid by the heir-at-law, assignee or devisee  
60 or if payment is not postponed during the life of a surviving spouse, such taxes and interest shall  
61 be recovered from the estate of the owner; and

62 (5) that any joint owner or mortgagee holding a mortgage on such property has given  
63 written prior approval for such agreement, which shall be made a part of such agreement.

64 (b) In the case of each tax deferral and recovery agreement entered into between the  
65 board of assessors of the city of Boston and the owner or owners of such real property, said  
66 board of assessors shall forthwith cause to be recorded in the registry of deeds of the county or  
67 district in which the city or town is situated a statement of their action which shall constitute a  
68 lien upon the land covered by such agreement for such taxes as have been assessed under the  
69 provisions of this chapter, plus interest as hereinafter provided. A lien filed pursuant to this  
70 act shall be subsequent to any liens securing a reverse mortgage, excepting shared appreciation  
71 instruments. The statement shall name the owner or owners and shall include a description of the  
72 land adequate for identification. Unless such a statement is recorded the lien shall not be  
73 effective with respect to a bona fide purchaser or other transferee without actual knowledge of  
74 such lien. The filing fee for such statement shall be paid by the City of Boston and shall be added  
75 to and become a part of the taxes due.

76 (c) In addition to the remedies provided by this act, the recorded statement of the  
77 assessors provided for in this clause shall have the same force and effect as a valid taking for  
78 nonpayment of taxes pursuant to section 53 of chapter 60 of the General Laws, provided that:

79 (1) interest shall accrue at the rate provided in this act until the conveyance of the  
80 property or the death of the person whose taxes have been deferred, after which time interest  
81 shall accrue at the rate provided in section 62 of said chapter 60;

82

83 (2) no assignment of the City of Boston's interest under this clause may be made pursuant  
84 to section 52 of said chapter 60; and

85 (3) no petition under section 65 of chapter 60 to foreclose the lien may be filed before the  
86 expiration of 6 months from the conveyance of the property or the death of the person whose  
87 taxes have been deferred.

88 SECTION 4. This act shall take effect on July 1, 2015.

89 SECTION 5. The authority to grant a deferral under this act shall expire on June 30, 2017  
90 unless extended by a vote of the City of Boston City Council and approval of the Mayor.