HOUSE DOCKET, NO. 3653 FILED ON: 2/18/2015

HOUSE . . . . . No. 3200

The Commonwealth of Massachusetts

PRESENTED BY:

Aaron Michlewitz and 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 in the city of Boston.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Aaron Michlewitz	*3rd Suffolk*	*2/18/2015*
Nick Collins	*4th Suffolk*	*2/25/2015*

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HOUSE . . . . . No. 3200

By Messrs. Michlewitz of Boston and Collins of Boston, a petition (accompanied by bill, House, No. 3200) of Aaron Michlewitz and Nick Collins (with the approval of the mayor and city council) that the city of Boston be authorized to implement a property tax deferral program for long-term residence of said city. Revenue. [Local Approval Received.]

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act concerning long-term homeowners in the city of Boston.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding section 5 of chapter 59 of the General Laws or any general or special law to the contrary, the assessing department of the city of Boston shall implement a tax deferral program for long-term residents of the city of Boston.

SECTION 2. (a) The assessing department of the City of Boston shall defer the real estate property tax payment, to an amount determined as hereinafter provided, of a person who is 55 years of age or older as of July 1 of the tax year; or of a person who owns the same jointly with

his or her spouse, either of whom is 55 years of age or over; or of a person who owns the same

jointly or as a tenant in common with a person not his or her spouse, either of whom is 55 years

of age or over; provided, that such person has been domiciled in the commonwealth for the

preceding 10 years; and: (1) has so owned and occupied the same real property as his or her

domicile for 10 consecutive years; or (2) is a surviving spouse who inherits such real property

and has occupied such real property in the commonwealth as his or her domicile for 10

consecutive years and who otherwise qualifies under this act; provided, however, that said surviving spouse and his or her current spouse, if married, had during the preceding year gross receipts from all sources not in excess of the amount of income determined by the commissioner of revenue for the purposes of subsection (k) of section 6 of Chapter 62, for a single person who is not a head of household.

(b) To qualify for a tax deferral under this act the real estate tax due on the property for which the deferral is sought, as reduced by abatements and exemptions, if any, for the year in question shall have increased by at least 10 per cent over the prior year's real estate tax due, as reduced by abatements and exemptions, if any.

(c) An individual with an income that exceeds the amount determined under subsection (k) of section 6 of chapter 62 shall not be eligible for a tax deferral under this act.

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

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

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

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

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

interest which would otherwise have been due, and the payment of which has been postponed during the life of such surviving spouse, in determining the 50 per cent requirement of subparagraph (2);

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

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

(b) In the case of each tax deferral and recovery agreement entered into between the board of assessors of the city of Boston and the owner or owners of such real property, said board of assessors shall forthwith cause to be recorded in the registry of deeds of the county or district in which the city or town is situated a statement of their action which shall constitute a

lien upon the land covered by such agreement for such taxes as have been assessed under the provisions of this chapter, plus interest as hereinafter provided. A lien filed pursuant to this act shall be subsequent to any liens securing a reverse mortgage, excepting shared appreciation instruments. The statement shall name the owner or owners and shall include a description of the land adequate for identification. Unless such a statement is recorded the lien shall not be effective with respect to a bona fide purchaser or other transferee without actual knowledge of such lien. The filing fee for such statement shall be paid by the City of Boston and shall be added to and become a part of the taxes due.

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

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

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

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

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

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

Filed in City Council: January 14, 2015