

SENATE No. 1666

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:

James E. Timilty

DISTRICT/ADDRESS:

Bristol and Norfolk

SENATE No. 1666

By Mr. Timilty, a petition (accompanied by bill, Senate, No. 1666) of James E. Timilty for legislation relative to reducing the tax burden on seniors. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1610 OF 2015-2016.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

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 2014
2 Official Edition, is hereby amended by inserting after the word “agreement.”, in line 1018, the
3 following paragraph:-

4 A city or town which accepts this paragraph may enter into a tax deferral plan with the
5 commonwealth under which the commonwealth shall pay to the city or town the amount of the
6 exemption granted under the tax deferral and recovery agreement between the board of assessors
7 and the owner or owners of the real property, but that agreement shall provide for annual interest
8 at the rate of 5 per cent. Upon the death of the owner of the property, or upon the death of the
9 surviving spouse where applicable under clause (3) of the previous paragraph, payment of the
10 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 of this
13 paragraph by a city or town, the board of assessors shall annually reduce the property tax on the
14 real property of a person who has reaches his seventieth birthday before the fiscal year for which
15 the tax is due, and has lived in the municipality for 30 years or longer, to the amount of tax due
16 on the property in the fiscal year prior to the person reaching the age of 70, if the person occupies
17 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 the
19 following new section:--Section 37C Security Interest on taxable personal property

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

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

33 The unperfected security interest shall be perfected upon: (1) nonpayment of the tax,
34 including partial nonpayment, fourteen days after the mailing of a demand in accordance with
35 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 filing the
40 financing statement and the cost of filing a termination statement plus an additional fee of five
41 dollars for the preparation of the financing statement and an additional fee of five dollars for the
42 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, the collector
44 shall file a continuation statement, as well as succeeding continuation statements in accordance
45 with the provisions of the Uniform Commercial Code, to continue the effectiveness of the initial
46 financing statement, adding to the balance due the cost of filing each necessary continuation
47 statement plus a fee of five dollars for their preparation.

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

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

61 If a tax receivable and security interest has not previously been assigned, the collector
62 shall assign the tax receivable and the security interest, in accordance with the provisions of the
63 Uniform Commercial Code, to any other secured party holding a concurrent security interest in
64 the same personal property, regardless of when the other secured party's interest was perfected,
65 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 the Uniform
67 Commercial Code for default of an underlying obligation shall be available to the collector or to
68 an assignee to collect the balance due and the use of the provisions of the Uniform Commercial
69 Code by the collector or an assignee shall not interfere with the ability of the collector or an
70 assignee to use other remedies, including the further accrual of interest on the tax receivable, as
71 provided in chapter fifty-nine, this chapter or any other applicable provision of law to collect the
72 balance due.

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

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

80 SECTION 4. This Act shall take effect on January 1, 2021.