

**HOUSE . . . . . No. 2994**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***John J. Mahoney***

*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 the improvement in the process for collecting delinquent property taxes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>John J. Mahoney</i>	<i>13th Worcester</i>	<i>2/18/2021</i>

**HOUSE . . . . . No. 2994**

By Mr. Mahoney of Worcester, a petition (accompanied by bill, House, No. 2994) of John J. Mahoney relative to the collection, assignment or transfer of delinquent property taxes by cities and towns. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 2549 OF 2019-2020.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
\_\_\_\_\_

An Act relative to the improvement in the process for collecting delinquent property taxes.

*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 2 of chapter 60 of the General Laws, as appearing in the 2012  
2 Official Edition, is hereby amended by adding the following paragraph:-

3 The filing fees paid by any municipality for recording any documents pursuant to this  
4 chapter shall be \$30.

5 SECTION 2. Subsection (c) of section 2C of said chapter 60, as so appearing, is hereby  
6 amended by striking out paragraph (1) and inserting in place thereof the following paragraph:-

7 (1) The sale of tax receivables shall be by public sale to the most responsible and  
8 responsive offeror taking into consideration the following evaluation criteria: (i) the price  
9 proposed by the offeror; (ii) the offeror’s qualifications and experience; (iii) the offeror’s plan for

10 communicating with the taxpayers; (iv) whether the offeror has a regular place of business in the  
11 commonwealth; (v) whether the offeror is in good standing with the department of revenue; (vi)  
12 only those offerors that are licensed as debt collectors by the commonwealth shall be eligible to  
13 participate in this sale; and (vii) other criteria determined by the commissioner and the  
14 municipality. The sale shall provide for the option to purchase subsequent tax receivables subject  
15 to subsection (h) and any regulations that may be promulgated by the commissioner pursuant  
16 thereto.

17 SECTION 3. Said subsection (c) of said subsection 2C of said chapter 60, as so  
18 appearing, is hereby further amended by striking out paragraph (9) and inserting in place thereof  
19 the following paragraph:-

20 (9) A purchaser owning any tax receivable (“tax purchaser”) shall give notice to a  
21 taxpayer within 12 business days of purchasing said tax receivable and to the appropriate  
22 municipality of the name, address, telephone number and preferred method of communication  
23 with said purchaser and any service agent acting on behalf of said purchaser within 12 business  
24 days of purchasing said tax receivable and where the land is residential such notice shall be  
25 served in the manner required by law for the service of subpoenas on witnesses in civil cases and  
26 shall include a uniform notice approved by the attorney general, in language understandable by a  
27 least sophisticated consumer, together with a notice in the 5 most common languages in the  
28 commonwealth that this notice affects important legal rights and should be translated  
29 immediately and such notice shall state:

30 (i) that a complaint to foreclose the tax title may be filed on or after a specific date;

31 (ii) that the tax title has been sold to a third party;

32 (iii) why the property was taken and that the owner may redeem the property and the date  
33 when the redemption period expires;

34 (iv) the components of the amount required to redeem the property and the procedure for  
35 redemption;

36 (v) that if a complaint to foreclose the tax title is filed and the owner does not respond by  
37 filing an answer the court may enter an order defaulting the owner;

38 (vi) that if a complaint to foreclose the tax title is filed, the owner may respond by filing  
39 an answer that requests that the court set the terms by which the owner may redeem the property;

40 (vii) that if the property is not redeemed, the town or tax purchaser is entitled to receive  
41 an order from the land court that completes a transfer of ownership of the property to the town or  
42 said purchaser and permanently eliminates any rights the owner has in the property;

43 (viii) that if the property is not redeemed, the property may be sold at auction and the  
44 owner will likely lose significant equity in the property, together with the name, address,  
45 telephone number and preferred method of communication with said purchaser and any service  
46 agent acting on behalf of said purchaser; and

47 (ix) that upon request by the taxpayer, the municipality shall furnish a copy of such  
48 information to the taxpayer within 12 business days of receiving such request.

49 Whenever the tax tax purchaser or the service agent of such tax receivables shall change,  
50 the new purchaser or service agent shall provide the notice required herein within 12 business  
51 days of the effective date of such change.

52 SECTION 4. Said section 2C of said chapter 60, as so appearing, is hereby further  
53 amended by adding the following subsection:-

54 (k) If the purchaser of a tax receivable on any parcel of real estate subsequently  
55 forecloses upon the property, it shall request that the land court approve all reasonable expenses  
56 it has incurred and shall provide a notice to the former owner of the right to redeem for this  
57 amount within 1 year. If the land is residential such notice shall be served in the manner required  
58 by law for the service of subpoenas on witnesses in civil cases and shall include a uniform notice  
59 approved by the attorney general, in language understandable by a least sophisticated consumer,  
60 together with a notice in the 5 most common languages in the commonwealth that this notice  
61 affects important legal rights and should be translated immediately and such notice shall state the  
62 following:- (i) that the land has been foreclosed upon and may be redeemed for a specific amount  
63 by a date certain that shall be listed, and shall attach all documents filed at land court related to  
64 the foreclosure of the property and (ii) that if it is not redeemed it will be sold at public auction.

65 If the land is redeemed, the foreclosing entity shall take whatever action is necessary to  
66 vacate and rescind the foreclosure in land court and record that the title has been redeemed by  
67 filing a document at the registry of deeds for the district in which the land lies entitled  
68 “Satisfaction of Tax Title Liability.”

69 If the land is not redeemed within 1 year, then the foreclosing entity shall publish a  
70 notice of auction of the land in each of 3 successive weeks, the first publication of which shall be  
71 not less than 21 days before the day of sale, in a newspaper published in the city or town where  
72 the land lies or in a newspaper with general circulation in the city or town where the land lies and  
73 notice of the sale has been sent at least 14 days prior to the date of sale by registered mail to the

74 owner or owners of record of the last deed prior to the tax taking, to the address set forth in  
75 section 61 of chapter 185, if the land is then registered or, in the case of unregistered land, to the  
76 address of the owner or owners as given on the deed or on the petition for probate by which the  
77 owner or owners acquired title, if any, or if in either case no owner appears, then mailed by  
78 registered mail to the address to which the tax collector last sent the tax bill for the premises  
79 scheduled to be sold.

80 If the tax purchaser sells the land at auction, the balance of any proceeds above and  
81 beyond reasonable expenses as approved by the land court shall be divided as follows: a third to  
82 said purchaser up to fifty thousand (\$50,000), the rest equally divided between the owner and the  
83 municipality that sold the tax title. A detailed accounting of these expenses will be provided by  
84 the tax purchaser within 60 days of such sale.

85 SECTION 5. Section 16 of said chapter 60, as so appearing, is hereby amended by  
86 striking out, in lines 2 to 3, inclusive, the words “or arresting him for his tax”

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88 SECTION 6. Said section 16 of said chapter 60, as so appearing, is hereby further  
89 amended by striking out the seventh sentence and inserting in place thereof the following  
90 sentence:- Demand shall be made by the collector by mailing the same to the last or usual place  
91 of business or abode, or to the address best known to him or her, and failure to receive the same  
92 shall not invalidate a tax or any proceedings for the enforcement or collection of the same;  
93 provided, that if the land is residential a uniform notice approved by the attorney general, in  
94 language understandable by a least sophisticated consumer, together with a notice in the 5 most  
95 common languages in the commonwealth shall be used that states that this notice affects

96 important legal rights and should be translated immediately, and provides clear notice that the  
97 non-payment of property taxes can result in the taking of the property and that the property  
98 owner may be eligible for exemptions, abatements and tax deferrals and other assistance and  
99 should contact the collector of taxes office together with the address, telephone number, email  
100 address, if available, and internet address for further information.

101 SECTION 7. Said chapter 60 is hereby further amended by striking out section 52 and  
102 inserting in place thereof the following section:-

103 Section 52. Cities and towns may make regulations for the possession, management and  
104 sale of land purchased or taken for taxes, not inconsistent with law, regulations promulgated by  
105 the department of revenue or the right of redemption. The treasurer of any city or town holding 1  
106 or more tax titles may assign and transfer such tax title or titles, individually or bundled, to the  
107 highest bidder after a public auction, after having given 60 days' notice of the time and place of  
108 such public auction by publication, which shall conform to the requirements of section 40, and  
109 having posted such notice in 2 or more convenient and public places in said city or town,  
110 provided that the sum so paid for such assignment is not less than the amount necessary for  
111 redemption, and may execute and deliver on behalf of the city or town any instrument necessary  
112 therefor. Only those bidders that are licensed as debt collectors by the commonwealth shall be  
113 eligible to participate in this sale. Regardless of whether the assignment is pursuant to this  
114 section or section 2C, the treasurer shall send notice of the intended assignment to the owner of  
115 record of each parcel at his or her last known address not less than 10 days prior to the  
116 assignment, where the land is residential such notice shall be served in the manner required by  
117 law for the service of subpoenas on witnesses in civil cases and shall include a uniform notice  
118 approved by the attorney general, together with a notice in the 5 most common languages in the

119 commonwealth that this notice affects important legal rights and should be translated  
120 immediately in language understandable by a recipient with a least sophisticated consumer that  
121 the treasurer intends to sell the tax title to the homeowner's property and provides clear notice  
122 that the non-payment of property taxes can result in the loss of the property and that the property  
123 owner may be eligible for exemptions, abatements and tax deferrals and other assistance and  
124 should contact the collector of taxes office together with the telephone number, email address, if  
125 available, and internet address for further information.

126           The instrument of assignment shall be in a form approved by the commissioner and shall  
127 be recorded within 60 days from its date and if so recorded shall provide a rebuttable  
128 presumption as to all facts essential to its validity. The instrument of assignment shall, for each  
129 parcel assigned thereunder, state the amount for which the tax title on the parcel could have been  
130 redeemed on the date of the assignment, separately stating for each parcel the principal amount  
131 and the total interest accrued until the date of assignment. The principal amount shall be the sum  
132 of the amounts for which the parcel was taken and amounts subsequently certified under section  
133 61 and costs of service if applicable.

134           Except as hereinafter otherwise provided, all provisions of law applicable in cases where  
135 the original purchaser at a tax sale is another than the city or town shall thereafter apply in the  
136 case of such an assignment, as if the assignee had been a tax purchaser for the original sum at the  
137 original sale or at a sale made at the time of the taking and had paid to the city or town the  
138 subsequent taxes and charges included in the sum paid for the assignment. Any extension of the  
139 time within which foreclosure proceedings may not be instituted granted by a municipality's  
140 treasurer prior to assignment shall be included in the language of sale and be binding upon the  
141 assignee. If the land is not redeemed within 1 year, then the foreclosing entity shall publish a



142 notice of auction of the land in each of 3 successive weeks, the first publication of which shall be  
143 not less than 21 days before the day of sale, in a newspaper published in the city or town where  
144 the land lies or in a newspaper with general circulation in the city or town where the land lies and  
145 notice of the sale has been sent by registered mail to the owner or owners of record. If the  
146 purchaser sells the land at auction, the balance of any proceeds above and beyond reasonable  
147 expenses as approved by the land court shall be equally divided between the owner and the  
148 municipality that sold the tax title with a detailed accounting of these expenses within 60 days of  
149 such sale. If the land is redeemed, the foreclosing entity shall take whatever action is necessary  
150 to vacate and rescind the foreclosure in land court and record that the title has been redeemed by  
151 filing a document at the county registry of deeds entitled "Satisfaction of Tax Title Liability".

152 SECTION 8. Section 53 of said chapter 60, as so appearing, is hereby amended by  
153 inserting after the word "published," , in line 4, inclusive, the following words:- where the land is  
154 residential such notice shall be served in the manner required by law for the service of subpoenas  
155 on witnesses in civil cases and published.

156 SECTION 9. Said section 53 of said chapter 60, as so appearing, is hereby further  
157 amended by adding the following paragraph:-

158 Where the land is residential all notices sent pursuant to this section shall include a  
159 uniform notice approved by the attorney general, together with a notice in the five most common  
160 languages in the commonwealth that this notice affects important legal rights and should be  
161 translated immediately. Such notice shall state in language understandable by a least  
162 sophisticated consumer:

163 (i)That a complaint to foreclose the tax title may be filed on or after a specific date;

164 (ii) That the tax title may be sold to a third party;

165 (iii) Why the property was taken and that the owner may redeem the property and the date  
166 when the redemption period expires;

167 (iv) The components of the amount required to redeem the property and the procedure for  
168 redemption;

169 (v) That if a complaint to foreclose the tax title is filed and the owner does not respond by  
170 filing an answer the court may enter an order defaulting the order;

171 (vi) That if a complaint to foreclose the tax title is filed, the owner may respond by filing  
172 an answer that requests that the court set the terms by which the owner may redeem the property;

173 (vii) That if the property is not redeemed, the town or tax purchaser is entitled to receive  
174 an order from the land court that completes a transfer of ownership of the property to the town or  
175 said purchaser and permanently eliminates any rights the owner has in the property; and

176 (viii) That if the property is not redeemed, the property may be sold at auction and the  
177 owner will likely lose significant equity in the property.

178 SECTION 10. Said chapter 60 is hereby further amended by striking out subsection 62A  
179 and inserting in place thereof the following section:-

180 Section 62A. Municipalities may by bylaw or ordinance authorize payment agreements  
181 between the treasurer and persons entitled to redeem parcels in tax title. Such agreements shall  
182 be for a maximum term of no more than 10 years and may waive not more than 50 per cent of  
183 the interest that has accrued on the amount of the tax title account unless someone aged 60 or  
184 older or whose primary source of income is disability benefits is on the deed for the parcel and

185 the parcel is his or her primary residence, in which case 75 percent of the interest that has  
186 accrued on the amount of the tax title may be waived, subject to such lower limit as the  
187 ordinance or bylaw may specify. An ordinance or bylaw under this section shall provide for such  
188 agreements and waivers uniformly for classes of tax titles defined in the ordinance or bylaw. Any  
189 such agreement must require a minimum payment at the inception of the agreement of 25 percent  
190 of the amount needed to redeem the parcel unless someone aged 60 or older or whose primary  
191 source of income is disability benefits is on the deed for the parcel and the parcel is his or her  
192 primary residence, in which case the minimum payment shall be no less than 10 percent of the  
193 amount needed to redeem the parcel of the interest that has accrued on the amount of the tax title  
194 may be waived, subject to such lower limit as the ordinance or bylaw may specify. During the  
195 term of the agreement the treasurer may not bring an action to foreclose the tax title unless  
196 payments are not made in accordance with the schedule set out in the agreement or timely  
197 payments are not made on other amounts due to the municipality that are a lien on the same  
198 parcel.

199 SECTION 11. Said chapter 60 is hereby further amended by striking out section 64 and  
200 inserting in place thereof the following section:-

201 Section 64. The title conveyed by a tax collector's deed or by a taking of land for taxes  
202 shall be absolute after foreclosure of the right of redemption by decree of the land court as  
203 provided in this chapter. The land court shall have exclusive jurisdiction of the foreclosure of all  
204 rights of redemption from titles conveyed by a tax collector's deed or a taking of land for taxes,  
205 in a proceeding provided for in sections 65 to 75, inclusive. Except if the title was conveyed to a  
206 third party pursuant to section 2C or 52 then the title may be redeemed within 1 year of the  
207 foreclosure.

208           SECTION 12. Section 65 of said chapter 60, as so appearing, is hereby amended by  
209 striking out, in line 4, the words “after six months,” and inserting in place thereof the following  
210 words:- after 12 months.