

HOUSE No. 3026

The Commonwealth of Massachusetts

PRESENTED BY:

Tram T. Nguyen

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 providing better notices and protections in the process for collecting delinquent property taxes.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|------------------------------|--------------------------------|------------------|
| <i>Tram T. Nguyen</i> | <i>18th Essex</i> | <i>2/12/2021</i> |
| <i>Lindsay N. Sabadosa</i> | <i>1st Hampshire</i> | <i>2/24/2021</i> |
| <i>Christopher Hendricks</i> | <i>11th Bristol</i> | <i>2/25/2021</i> |
| <i>James K. Hawkins</i> | <i>2nd Bristol</i> | <i>2/26/2021</i> |
| <i>James B. Eldridge</i> | <i>Middlesex and Worcester</i> | <i>2/26/2021</i> |

HOUSE No. 3026

By Ms. Nguyen of Andover, a petition (accompanied by bill, House, No. 3026) of Tram T. Nguyen and others relative to providing better notices and protections in the process for collecting delinquent property taxes. Revenue.

The Commonwealth of Massachusetts

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

An Act relative to providing better notices and protections 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 3. Said subsection (c) of said subsection 2C of said chapter 60, as so
2 appearing, is hereby further amended by striking out paragraph (9) and inserting in place thereof
3 the following paragraph:-

4 (9) A purchaser owning any tax receivable shall give notice to a taxpayer, to the
5 appropriate municipality and the local or regional council on aging, within 12 business days of
6 purchasing said tax receivable. The notice shall have the name, address, telephone number and
7 preferred method of communication with said purchaser and any service agent acting on behalf
8 of said purchaser. Whenever the purchaser or the service agent of such tax receivables shall
9 change, the new purchaser or service agent shall provide the notice required herein within 12
10 business days of the effective date of such change. Where the land is residential such notice
11 shall be served on the taxpayer in the manner required by law for the service of subpoenas on
12 witnesses in civil cases and shall include a uniform notice approved by the attorney general, in

13 language understandable by a least sophisticated consumer, together with a notice in the 5 most
14 common languages in the commonwealth that this notice affects important legal rights and
15 should be translated immediately and such notice shall state:

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

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

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

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

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

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

27 (vii) that if the property is not redeemed, the purchaser is entitled to receive an
28 order from the land court that completes a transfer of ownership of the property to the town or
29 purchaser and permanently eliminates any rights the owner has in the property, as well as any
30 equity the owner had in the property;

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

33 SECTION 6. Said section 16 of said chapter 60, as so appearing, is hereby further
34 amended by striking out the seventh sentence and inserting in place thereof the following
35 sentence:- Demand shall be made by the collector by mailing the same to the last or usual place
36 of business or abode, or to the address best known to him or her, and failure to receive the same
37 shall not invalidate a tax or any proceedings for the enforcement or collection of the same;
38 provided, that if the land is residential a uniform notice approved by the attorney general, in
39 language understandable by a least sophisticated consumer, together with a notice in the 5 most
40 common languages in the commonwealth shall be used that states that this notice affects
41 important legal rights and should be translated immediately, and provides clear notice that the
42 non-payment of property taxes can result in the taking of the property and that the property
43 owner may be eligible for exemptions, abatements and tax deferrals and other assistance and
44 should contact the collector of taxes office together with the address, telephone number, email
45 address, if available, and internet address for further information.

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

48 Section 52. Cities and towns may make regulations for the possession, management
49 and sale of land purchased or taken for taxes, not inconsistent with law, regulations promulgated
50 by the department of revenue or the right of redemption. The treasurer of any city or town
51 holding 1 or more tax titles may assign and transfer such tax title or titles, individually or
52 bundled, to the highest bidder after a public auction, after having given 30 days' notice of the
53 time and place of such public auction by publication with a copy of such notice to the local or
54 regional council on aging, which shall conform to the requirements of section 40, and having
55 posted such notice in 2 or more convenient and public places in said city or town, provided that

56 the sum so paid for such assignment is not less than the amount necessary for redemption, and
57 may execute and deliver on behalf of the city or town any instrument necessary therefor. Only
58 those bidders that are licensed as debt collectors by the commonwealth shall be eligible to
59 participate in this sale. Regardless of whether the assignment is pursuant to this section or section
60 2C, the treasurer shall send notice of the intended assignment to the owner of record of each
61 parcel at his or her last known address not less than 10 days prior to the assignment. Where the
62 land is residential such notice shall be served in the manner required by law for the service of
63 subpoenas on witnesses in civil cases and shall include a uniform notice approved by the
64 attorney general, together with a notice in the 5 most common languages in the commonwealth
65 that this notice affects important legal rights and should be translated immediately in language
66 understandable by a recipient with a least sophisticated consumer that the treasurer intends to sell
67 the tax title to the homeowner's property. The notice shall clearly state that the non-payment of
68 property taxes can result in the loss of the property and that the property owner may be eligible
69 for exemptions, abatements and tax deferrals and other assistance and should contact the
70 collector of taxes office together with the telephone number, email address, if available, and
71 internet address for further information.

72 The instrument of assignment shall be in a form approved by the commissioner and
73 shall be recorded within 60 days from its date and if so recorded shall provide a rebuttable
74 presumption as to all facts essential to its validity. The instrument of assignment shall, for each
75 parcel assigned thereunder, state the amount for which the tax title on the parcel could have been
76 redeemed on the date of the assignment, separately stating for each parcel the principal amount
77 and the total interest accrued until the date of assignment. The principal amount shall be the sum
78 of the amounts for which the parcel was taken and amounts subsequently certified under section

79 61 and costs of service if applicable. Except as hereinafter otherwise provided, all provisions of
80 law applicable in cases where the original purchaser at a tax sale is another than the city or town
81 shall thereafter apply in the case of such an assignment, as if the assignee had been a purchaser
82 for the original sum at the original sale or at a sale made at the time of the taking and had paid to
83 the city or town the subsequent taxes and charges included in the sum paid for the assignment.
84 Any extension of the time within which foreclosure proceedings may not be instituted granted by
85 a municipality's treasurer prior to assignment shall be included in the language of sale and be
86 binding upon the assignee.

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

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

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

98 (i) What taxes or other municipal costs remain unpaid;

99 (ii) The taxpayer's right to redemption, the components of the amount required to
100 redeem the property, the procedure for redemption, and the date when the redemption period
101 expires;

102 (iii) That a complaint to foreclose the tax title may be filed on or after a specific
103 date;

104 (iv) That the tax title may be sold to a third party;

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

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

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

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

115 SECTION 10. Said chapter 60 is hereby further amended by striking out subsection
116 62A and inserting in place thereof the following section:-

117 Section 62A. Municipalities may by ordinance or bylaw authorize payment
118 agreements between the treasurer and persons entitled to redeem parcels in tax title. Such
119 agreements shall be for a maximum term of no more than 10 years and may waive not more than

120 50 per cent of the interest that has accrued on the amount of the tax title account unless someone
121 aged 60 or older or whose primary source of income is disability benefits is on the deed for the
122 parcel and the parcel is his or her primary residence, in which case 75 per cent of the interest that
123 has accrued on the amount of the tax title may be waived, subject to such lower limit as the
124 ordinance or bylaw may specify. An ordinance or bylaw under this section shall provide for such
125 agreements and waivers uniformly for classes of tax titles defined in the ordinance or bylaw. Any
126 such agreement must require a minimum payment at the inception of the agreement of 5 per cent
127 of the amount needed to redeem the parcel. During the term of the agreement the treasurer may
128 not bring an action to foreclose the tax title unless payments are not made in accordance with the
129 schedule set out in the agreement or timely payments are not made on other amounts due to the
130 municipality that are a lien on the same parcel.

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