HOUSE DOCKET, NO. 4119 FILED ON: 3/23/2021

HOUSE . . . . . No. 3767

The Commonwealth of Massachusetts

PRESENTED BY:

Kate Lipper-Garabedian and Jason M. Lewis

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 authorizing the city of Melrose to regulate certain property tax exemption eligibility requirements for the elderly.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Kate Lipper-Garabedian	*32nd Middlesex*	*3/23/2021*
Jason M. Lewis	*Fifth Middlesex*	*3/23/2021*

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By Representative Lipper-Garabedian of Melrose and Senator Lewis, a joint petition (accompanied by bill, House, No. 3767) of Kate Lipper-Garabedian and Jason M. Lewis (with the approval of the mayor and city council) that the city of Melrose be authorized to regulate certain property tax exemption eligibility requirements for the elderly in said city. Revenue. [Local Approval Received.]

The Commonwealth of Massachusetts

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

An Act authorizing the city of Melrose to regulate certain property tax exemption eligibility requirements for the elderly.

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 clause Forty-first A of section 5 of chapter 59 of the General Laws, or any other general or special law to the contrary, and subject to sections 2 to 5, inclusive thereof, the board of assessors of the city of Melrose shall defer the real estate property tax payment for property of a person 60 years of age or older and occupied by him/her as his/her domicile, or a person who owns the same jointly with his/her spouse, either of whom is 60 years of age or older and occupied as their domicile, or of a person who owns the same jointly or is a tenant in common with a person not his spouse and occupied by him/her as his/her domicile, if the person claiming the exemption either alone or together with his/her spouse had combined income during the preceding year of an amount not to exceed the amount established by the board of assessors, provided that such person has owned and occupied as his/her domicile such real property in the city for 5 years or is a surviving spouse who inherits such real property and

has occupied such real property as his domicile in the city for 5 years and who otherwise qualifies under this act.

SECTION 2. Any such person may, on or before December 15 of each year to which the tax relates or within 3 months after the date on which the bill or notice is first sent, whichever is later, apply to the board of assessors for an exemption 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 spouse, the exemption shall not exceed that proportion of total valuation which the amount of his interest in such property bears to the whole tax due. The board of assessors shall grant such exemption provided that the owner or owners of such real property have entered into a tax deferral and recovery agreement with the board of assessors on behalf of the town.

The agreement shall provide that:

(1) no sale or transfer of such real property may be consummated unless the taxes which would otherwise have been assessed on such portion of the real property as is so exempt have been paid, with interest at the rate of 4.5 per cent per annum for the first year and at an annual rate set thereafter by the board of assessors provided that the rate set by the board of assessors shall never exceed 8 per cent annum;

(2) 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) upon the demise of the owner of such real property, the heirs-at-law, assignees or devisees shall have first priority to the 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 clause, 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 the 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) 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) any joint owner or mortgagee holding a mortgage on such property has given written prior approval for such agreement, which written approval shall be made a part of such agreement.

SECTION 3. In the case of each tax deferral and recovery agreement entered into between the board of assessors and the owner or owners of such real property, the board of assessors shall forthwith cause to be recorded in the registry of deeds of the county or district in which the city 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 this act, 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 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 and shall be added to and become a part of the taxes due.

SECTION 4. In addition to the remedies provided by this act, the recorded statement of the assessors provided for in this act shall have the same force and effect as a valid taking for nonpayment of taxes under section 53 of chapter 60 of the General Laws, except 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 municipality's interest under this act may be made pursuant to section 52 of said chapter 60; and (3) no petition under section 65 of said 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 5. This act shall take effect upon its passage.