

SENATE No. 1865

The Commonwealth of Massachusetts

PRESENTED BY:

Paul R. Feeney

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 collection of personal property taxes.

PETITION OF:

NAME:

Paul R. Feeney

DISTRICT/ADDRESS:

Bristol and Norfolk

SENATE No. 1865

By Mr. Feeney, a petition (accompanied by bill, Senate, No. 1865) of Paul R. Feeney for legislation relative to the collection of personal property taxes. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1660 OF 2019-2020.]

The Commonwealth of Massachusetts

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

An Act relative to the collection of personal 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. Chapter 60 of the General Laws is hereby amended by inserting the
2 following new section:-

3 Section 37C. Lien on taxable personal property

4 Taxes assessed upon personal property under the provisions of chapter fifty-nine,
5 including section eighteen, with all accrued interest, incidental charges and fees provided for in
6 chapter fifty-nine, and other provisions of this chapter shall be a lien on the personal property so
7 taxed, as well as all after acquired consumer goods, equipment and inventory and the proceeds
8 from the sale of any such personal property until the lien is terminated as provided in this
9 section.

10 The assessment of personal property taxes by a municipal board of assessors shall have
11 the force and effect of a signed security agreement under the provisions of chapter one hundred-
12 six, hereinafter referred to in this section as “the Uniform Commercial Code.” The lien shall
13 have the force and effect of an unperfected lien in accordance with the provisions of the Uniform
14 Commercial Code and once perfected shall have the force and effect of a perfected lien in
15 accordance with the provisions of the Uniform Commercial Code.

16 The unperfected lien shall be perfected upon: (1) nonpayment of the tax, including partial
17 nonpayment, fourteen days after the mailing of a demand in accordance with section sixteen of
18 this chapter; and, (2) the filing of a financing statement by the municipal collector at the office of
19 the state secretary in accordance with the provisions of the Uniform Commercial Code, provided
20 that the collector may file a financing statement no earlier than fourteen days following the
21 mailing of a demand to the taxpayer.

22 The collector shall, upon perfection of the lien, add the cost of filing the financing
23 statement and the cost of filing a termination statement plus an additional fee of five dollars for
24 the preparation of the financing statement and an additional fee of five dollars for the preparation
25 of a termination statement to the balance due.

26 If it appears to the collector that a filed financing statement is going to lapse, the collector
27 shall file a continuation statement, as well as succeeding continuation statements in accordance
28 with the provisions of the Uniform Commercial Code, to continue the effectiveness of the initial
29 financing statement, adding to the balance due the cost of filing each necessary continuation
30 statement plus a fee of five dollars for their preparation.

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

36 The collector may assign an underlying personal property tax receivable in accordance
37 with the procedures provided for in section 2C of this chapter provided that the provisions of the
38 Uniform Commercial Code governing the assignment of a lien are also followed. In the event of
39 a direct conflict between section 2C of this chapter and the provisions of the Uniform
40 Commercial Code, the provisions of the Uniform Commercial Code shall control as to the
41 assignment of the lien and the provisions of this chapter shall control as to the assignment of the
42 tax receivable.

43 If a tax receivable and lien has not previously been assigned, the collector shall assign the
44 tax receivable and the lien, in accordance with the provisions of the Uniform Commercial Code,
45 to any other secured party holding a concurrent lien in the same personal property, regardless of
46 when the other secured party's interest was perfected, if that secured party fully pays the balance
47 due to the collector.

48 All remedies available to holders of secured interests under the provisions of the Uniform
49 Commercial Code for default of an underlying obligation shall be available to the collector or to
50 an assignee to collect the balance due and the use of the provisions of the Uniform Commercial
51 Code by the collector or an assignee shall not interfere with the ability of the collector or an
52 assignee to use other remedies, including the further accrual of interest on the tax receivable, as

53 provided in chapter fifty-nine, this chapter or any other applicable provision of law to collect the
54 balance due.

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

58 SECTION 2. Section 95 of Chapter 60 is hereby amended by inserting at the end of the
59 first sentence the words:- “; and upon the filing of a financing statement in accordance with the
60 provisions of Section 37C and the provisions of the Uniform Commercial Code, with the amount
61 of uncollected personal property taxes represented by the financing statement.”

62 SECTION 3. This act shall take effect upon its passage.