

HOUSE No. 2907

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>1/14/2023</i> |
| <i>James K. Hawkins</i> | <i>2nd Bristol</i> | <i>1/27/2023</i> |

HOUSE No. 2907

By Representative Nguyen of Andover, a petition (accompanied by bill, House, No. 2907) of Tram T. Nguyen and James K. Hawkins relative to notices and protections in the process for collecting delinquent property taxes. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

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 1. Subsection (c) of section 2C of chapter 60 of the General Laws, as so
2 appearing, is hereby amended by striking out paragraph (9) and inserting in place thereof the
3 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 the date
19 when the redemption period expires;

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

22 (v) that if a complaint to foreclose the tax title is filed and the owner does not respond by
23 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 filing
25 an answer that requests that the court set the terms by which the owner may redeem the property;

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

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

32 SECTION 3. Said section 16 of said chapter 60, as so appearing, is hereby further
33 amended by striking out the seventh sentence and inserting in place thereof the following
34 sentence:- Demand shall be made by the collector by mailing the same to the last or usual place
35 of business or abode, or to the address best known to him or her, and failure to receive the same
36 shall not invalidate a tax or any proceedings for the enforcement or collection of the same;
37 provided, that if the land is residential a uniform notice approved by the attorney general, in
38 language understandable by a least sophisticated consumer, together with a notice in the 5 most
39 common languages in the commonwealth shall be used that states that this notice affects
40 important legal rights and should be translated immediately, and provides clear notice that the
41 non-payment of property taxes can result in the taking of the property and that the property
42 owner may be eligible for exemptions, abatements and tax deferrals and other assistance and
43 should contact the collector of taxes office together with the address, telephone number, email
44 address, if available, and internet address for further information.

45 SECTION 4. Said chapter 60 is hereby further amended by striking out section 52 and
46 inserting in place thereof the following section:-

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

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

70 The instrument of assignment shall be in a form approved by the commissioner and shall
71 be recorded within 60 days from its date and if so recorded shall provide a rebuttable
72 presumption as to all facts essential to its validity. The instrument of assignment shall, for each
73 parcel assigned thereunder, state the amount for which the tax title on the parcel could have been
74 redeemed on the date of the assignment, separately stating for each parcel the principal amount
75 and the total interest accrued until the date of assignment. The principal amount shall be the sum
76 of the amounts for which the parcel was taken and amounts subsequently certified under section
77 61 and costs of service if applicable. Except as hereinafter otherwise provided, all provisions of

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

85 SECTION 5. Section 53 of said chapter 60, as so appearing, is hereby amended by
86 inserting after the word "published," in line 4, inclusive, the following words:- where the land is
87 residential such notice shall be served in the manner required by law for the service of subpoenas
88 on witnesses in civil cases and published.

89 SECTION 6. Said section 53 of said chapter 60, as so appearing, is hereby further
90 amended by adding the following paragraph:-

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

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

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

- 99 (iii) That a complaint to foreclose the tax title may be filed on or after a specific date;
- 100 (iv) That the tax title may be sold to a third party;
- 101 (v) That if a complaint to foreclose the tax title is filed and the owner does not respond by
102 filing an answer the court may enter an order defaulting the owner;
- 103 (vi) That if a complaint to foreclose the tax title is filed, the owner may respond by filing
104 an answer that requests that the court set the terms by which the owner may redeem the property;
- 105 (vii) That if the property is not redeemed, the town or purchaser is entitled to receive an
106 order from the land court that completes a transfer of ownership of the property to the town or
107 purchaser and permanently eliminates any rights the owner has in the property; and
- 108 (viii) That if the property is not redeemed, the property may be sold at auction and the
109 owner will likely loses significant equity in the property.

110 SECTION 7. Said chapter 60 is hereby further amended by striking out section 62A and
111 inserting in place thereof the following section:-

112 Section 62A. Municipalities may by ordinance or bylaw authorize payment agreements
113 between the treasurer and persons entitled to redeem parcels in tax title. Such agreements shall
114 be for a maximum term of no more than 10 years and may waive not more than 50 per cent of
115 the interest that has accrued on the amount of the tax title account unless someone aged 60 or
116 older or whose primary source of income is disability benefits is on the deed for the parcel and
117 the parcel is his or her primary residence, in which case 75 per cent of the interest that has
118 accrued on the amount of the tax title may be waived, subject to such lower limit as the
119 ordinance or bylaw may specify. An ordinance or bylaw under this section shall provide for such

120 agreements and waivers uniformly for classes of tax titles defined in the ordinance or bylaw. Any
121 such agreement must require a minimum payment at the inception of the agreement of 5 per cent
122 of the amount needed to redeem the parcel. During the term of the agreement the treasurer may
123 not bring an action to foreclose the tax title unless payments are not made in accordance with the
124 schedule set out in the agreement or timely payments are not made on other amounts due to the
125 municipality that are a lien on the same parcel.

126 SECTION 8. Section 65 of said chapter 60, as so appearing, is hereby amended by
127 striking out, in line 4, the words “after six months” and inserting in place thereof the following
128 words:- after 12 months.