

SENATE No. 2022

The Commonwealth of Massachusetts

PRESENTED BY:

Edward J. Kennedy

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 resolve:

Resolve providing for an investigation and study by a special commission relative to a senior state property tax deferral program.

PETITION OF:

NAME:

Edward J. Kennedy

DISTRICT/ADDRESS:

First Middlesex

SENATE No. 2022

By Mr. Kennedy, a petition (accompanied by resolve, Senate, No. 2022) of Edward J. Kennedy that provisions be made for an investigation and study by a special commission (including members of the General Court) relative to a senior state property tax deferral program. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1853 OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

Resolve providing for an investigation and study by a special commission relative to a senior state property tax deferral program.

1 **Resolved**, there shall be a special commission to determine the feasibility of establishing
2 a state property tax deferral program for persons age 65 and older, through the establishment of a
3 3-year pilot program. The purpose of the pilot program is to learn what percentage of eligible
4 households opts into the program to learn what size a revolving loan fund would be needed to
5 administer a state deferral program.

6 The commission shall consist of the House and Senate chairs of the Joint Committee on
7 Revenue, who shall serve as co-chairs of the special commission; the commissioner of the
8 Massachusetts Department of Revenue or a designee; The House and Senate chairs of the Joint
9 Committee on Elder Affairs; 1 member appointed by the Senate minority leader; 1 member
10 appointed by the House minority leader; 1 representative of the Massachusetts Statewide

Independent Living Council; 1 representative of the Massachusetts Association of Councils on Aging; and 1 representative from the Mass Senior Action Association.

The main features of a pilot state property tax deferral program shall include:

a) Identifying an area (towns or cities) with a total of 10,000 eligible households;

b) Permitting persons age 65 or older with a primary residence to defer payment of their property taxes until deferrals, accumulated interest, and any outstanding mortgage reach 60 percent of the assessed value of their property;

c) Offering enrollment to homeowners level who are up to date on all prior year's property taxes regardless of income;

d) Administering enrollment by incorporating a 'check off' option to defer their local property tax in the local property tax bills;

e) Arranging for cities and towns to forward the tax bills of those who opt to participate in the program to the Massachusetts Department of Revenue. The State shall send to the city or town an amount equal to the deferred taxes;

f) Setting an interest rate each year for deferred taxes based upon the State's borrowing cost plus a small fee to cover administrative costs and potential defaults;

g) The homeowner's interest rate on each year's deferral would remain constant over time;

h) The State would retain a lien on the residential property for unpaid property taxes and would be repaid the principal plus interest within 1 year of when the homeowner dies or sells the

home. In the case of a property owned jointly, the State would be repaid when the surviving owner dies or sells;

i) The State's lien would have the same priority as the municipal liens for unpaid taxes and the State would have the right to foreclose if the outstanding deferred tax amounts remain unpaid for a specified period after payment is due; and

j) The deferral amount could be repaid earlier at the homeowner's discretion

The commission shall review and evaluate the 3-year pilot as well as the experiences and policy efforts of other States. Topics of discussion for the commission shall include, but not be limited to:

a) The effects that changes to tax laws would have upon the economic security of eligible taxpayers at all income levels;

b) The number of individuals residing in the commonwealth who may benefit from potential changes to property tax laws considered by the commission;

c) Any expenses for administering such a program;

d) Consideration of any eligibility requirements relating to residency; and

e) Consideration of the use of a formula to determine the maximum amount an eligible taxpayer may receive in property tax deferrals.

The first meeting of the commission shall take place not later than 6 months after this bill is enactment into law. The commission shall submit its recommendations, together with drafts of any legislation, to the clerks of the Senate and the House of Representatives, the chairs of the

- 51 Joint Committee on Revenue, the chairs of the Joint Committee on Rules, and the chairs of the
- 52 Joint Committee on Elder affairs not later than December 31, 2026.