

COMMITTEE ON REVENUE ~ HOUSE BILL SUMMARY

Bill Number: S.2021

Name: AN ACT PROVIDING PROPERTY TAX RELIEF FOR OLDER ADULTS

Sponsor(s): Sen. Edward J. Kennedy (Lowell)

Hearing Date: June 16, 2025

Reporting Date: August 15, 2025

Prior History: 2023-24 (S.1854): Ordered to Senate Study
2021-22 (S.1895): Ordered to Senate Study
2019-20 (S.1692): Ordered to Senate Study

CURRENT LAW:

M.G.L. c. 59 § 5 – Property tax exemptions: Real and personal property is taxed by the municipality where it is located based on its fair cash value. However, certain items of property or portions thereof are exempted from taxation. For example, residents meeting certain criteria, including age, income, disability and/or veteran status are able to obtain complete or partial property tax exemptions. Certain property may be exempt due to the purpose it serves, such as providing renewable energy.

M.G.L. c. 59 § 5 cl. eighteenth and eighteenth A – Property tax deferral for active military personnel: Taxpayers may enter into a tax deferral agreement for taxes on real property that has served as their domicile for the past 10 years and has been owned by them, provided that they do not have the financial resources to pay the taxes due on the property as a result of a change to active military status (not including initial enlistment).

M.G.L. c. 59 § 5 cl. forty-first A – Assessment of local taxes; property, senior deferral: Under this clause, a taxpayer 65 years or older or her surviving spouse, may defer property taxes on her home if it's served as her domicile for the past 5 years. The deferral agreement requires: that unpaid taxes plus interest be paid when the real property is sold; that the amount of unpaid taxes plus interest will not exceed 50% of the taxpayer's share of the property; that the taxpayer's heirs or assignees will pay the taxes themselves or the taxes will be recovered from the taxpayer's estate; and that any joint owner or mortgagee agrees to the tax deferment agreement.

Deferred taxes are subject to an 8% annual interest rate or such lower rate as set by the municipality's legislative body. However, when the property is sold or the deferment's beneficiary dies, the interest rate increases to the rate specified in section 62 of chapter 60—16%.

To qualify for the senior deferral, the taxpayer and her spouse, if married, cannot have income in excess \$20,000. However, municipalities, via local option, can set a higher maximum income threshold to qualify for the deferral so long as it does not exceed the maximum income threshold to qualify for the senior circuit breaker tax credit (\$109,000 in 2024).

M.G.L. c. 60 § 52 – Management and sale of land acquired for taxes: The treasurer of a municipality may transfer a tax lien to the highest bidder after a public auction, provided 14 days' notice of the time and place of the auction is published and the notice is published in at least two convenient and public places. The lien

cannot be sold for less than the amount necessary for redemption. Notice of intended assignment must be sent to the taxpayer at least 10 days prior to the transfer of the tax lien.

M.G.L. c. 60 § 53 – Taking for taxes; notice: If a tax is not paid within 14 days after demand, the collector may take the land for the town, first giving 14 days' notice of the intention in the same manner as a subpoena as post a notice in at least two convenient and public places. Any rent and income received from the land may be collected by the tax collector and applied to the taxes and interests due to the municipality on the land.

PROPOSED CHANGE(S):

This legislation would make a number of comprehensive changes to the M.G.L. to provide property tax relief for older adults in the Commonwealth. This proposed legislation would:

- Not allow individuals who received an exemption under clauses fifty-seventh, fifty-ninth or sixtieth to receive an exemption on the same property pursuant to any other provision of sec. 5 c. 59 unless it was for clauses eighteenth or forty-fifth;
- Create a new clause, clause eighteenth^{1/2}, to exempt any portion of an estate owned by a person, who for reason of age, infirmity, poverty, or financial hardship that occurred because of a change from activity military status was no longer able to keep up with their public charges and are now under judgement of the assessors;
- Change the requirement that in order to qualify a person must have been domiciled in Massachusetts for the preceding 10 years to 7 years;
- Amend the way property tax deferrals for activity military personnel are handled by allowing for a city or town to determine by vote of its legislative body a lesser rate for interest to accrue and further would allow said city or town to vote on whether or not they will allow interest to accrue one year after the death of the person whose taxes have been deferred;
- Allow a city or town, by vote of its legislative body, to accept a higher maximum qualifying gross receipts amount for surviving spouses who inherit real property which could not exceed the amount of income for a single person who was not the head of the household or \$80,000 whichever was greater;
- Amend the way property tax deferrals for senior citizens are handled by allowing for a city or town to determine by vote of its legislative body a lesser rate for interest to accrue and further would allow said city or town to vote on whether or not they will allow interest to accrue one year after the death of the person whose taxes have been deferred. It would also allow for a lien to be filed up until the 1 year mark following the death of said person.