HOUSE DOCKET, NO. 4523 FILED ON: 7/27/2012

HOUSE . . . . . No. 4540

The Commonwealth of Massachusetts

PRESENTED BY:

Chris Walsh

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 passage of the accompanying:

An act addressing inequities in property tax assessments.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Chris Walsh	*6th Middlesex*
Tom Sannicandro	*7th Middlesex*
Karen E. Spilka	
	☐ *[District]*
	☐

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By Mr. Walsh of Framingham, a petition (subject to Joint Rule 12) of Chris Walsh, Tom Sannicandro and Karen E. Spilka relative to property tax assessments. Revenue.

The Commonwealth of Massachusetts

An act addressing inequities in property tax assessments.

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. Chapter 59 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after section 11 the following section:-

Section 11A (a) Upon acceptance of this section by a city or town, in the manner provided in section 4 of chapter 4, the board of assessors may assess a tax on real estate using the sale price of such real estate if such sale price exceeds the prior appraised value of such real estate; provided, however, that the provisions of this section shall be subject to section 11.

(b) This section shall take effect in a municipality on the first day of the calendar year following its acceptance by the municipality.

SECTION 2. The fourth paragraph of section 38D of chapter 59 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out the figure “$250”, in line 25, and inserting in place thereof the following words:- 10 per cent of the prior calendar year tax assessment.

SECTION 3. Said fourth paragraph of said section 38D, as so appearing, is hereby further amended by adding the following 2 sentences:- The owner or lessee shall be notified by registered mail that the required information, on a form provided by the commissioner, was not received when due and shall have 14 days to provide such information. Upon the expiration of such 14 days, the commissioner shall notify the treasurer of the city or town of such failure and the penalty shall be assessed on the owner or lessee.

SECTION 4. Chapter 59 of the General Laws is hereby amended by adding the following section:-

21 Section 95. (a) Upon acceptance of this section by a city or town, in the manner provided
22 in section 4 of chapter 4, the board of assessors may assess a tax on residential real property
23 containing 4 or more dwelling units for rent or lease at the Class Three, Commercial assessment.

24

25 (b) This section shall take effect in a municipality on the first day of the calendar year
26 following its acceptance by the municipality.

27 SECTION 5. Chapter 59 of the General Laws, as appearing in the 2010 Official Edition
28 is hereby amended by adding the following section:-

29

30 Section 96. (a) Upon acceptance of this section by a city or town, the assessors may
31 establish an assessment procedure to consider the compulsory sales of residential real property.
32 For the purposes of this section the term “compulsory sale” shall mean (i) the sale of residential
33 real estate for less than the amount owed to the mortgage lender or mortgagor, if the lender or
34 mortgagor has agreed to the sale, commonly referred to as a "short sale" and (ii) the first sale of
35 real estate owned by a financial institution as a result of a foreclosure by sale or entry, transfer
36 pursuant to a deed in lieu of foreclosure, or any judgment occurring after the foreclosure action
37 or proceeding is complete.

38 (b) The assessors shall include compulsory sales in reviewing and correcting assessments,
39 including, but not limited to, those compulsory sales submitted by the taxpayer, if the assessors
40 determine that those sales reflect the same property characteristics and condition as those
41 originally used to make the assessment. The board shall also consider whether the compulsory
42 sale would otherwise be considered an arm's length transaction.

43 (c) The assessors shall determine the number of compulsory sales from the prior year for
44 the purpose of revising and correcting assessments. The assessors shall determine if the number
45 of compulsory sales is at least 25 per cent of all property transfers within the neighborhood or
46 other specific geographic region in the city or town for Class One, residential property, but shall
47 exclude from the calculation (i) all property transfers for which the property characteristics and
48 condition are not the same as those characteristics and condition used to determine the assessed
49 value and (ii) any property transfer that is not an arm's length transaction based on existing sales
50 ratio study standards; provided, however, that compulsory sales shall not be included. If the
51 board determines that the number of compulsory sales is at least 25 per cent of all property
52 transfers within the defined geographic region for that Class One, residential property, then the
53 assessors shall determine (i) the median assessment level of arm's length transactions and (ii) the
54 median assessment level of compulsory sales. If the median assessment level of compulsory
55 sales is higher than the median assessment level of arm's length transactions, then compulsory
56 sales shall be included in the arm's length transaction study and the board shall calculate the new

57 median assessment level. Assessed values of properties within the specific geographic area for
58 that class of property shall be revised to reflect this new median assessment level.

59 SECTION 6. Chapter 59 of the General Laws is hereby amended by adding the
60 following section:-

61 Section 97. Upon acceptance of this section by a city or town, the assessors may
62 establish an assessment procedure that limits the annual increase in the amount of property tax
63 payable to 10 per cent over the property tax for the previous year on such property; provided,
64 however, that no enhancements to the property were made. Any tax assessed in excess of 110
65 per cent of such prior year's tax assessment may be allowed as an abatement. If the total of all
66 abatements exceeds the budget, the excess would be an expense in the following year's budget.