



# Informational Guideline Release

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Property Tax Bureau  
Informational Guideline Release (IGR) No. 03-210  
August 2003

**(Supersedes IGR 90-219 in part and IGRs 86-219 and 91-210 in full)**

## **COLLECTION COSTS AND PROCEDURES**

Chapter 46 §§55-70 of the Acts of 2003  
(Adding G.L. Ch. 60 §3E, Amending G.L. Ch. 60 §§15 and 65)

This Informational Guideline Release (IGR) informs local officials about new fees and increases in existing fees for activities related to the collection of delinquent taxes and charges. It also explains changes in the law regarding the collector's power to waive interest and collection fees and the application of partial payments.

### **Topical Index Key:**

Collection Procedures  
Fees and Charges

### **Distribution:**

Collectors  
Treasurers  
Accountants/Auditors  
Mayors/Selectmen  
City Solicitors/Town Counsels

(Supersedes IGR 90-219 in part and IGRs 86-219 and 91-210 in full)

COLLECTION COSTS AND PROCEDURES

Chapter 46 §§55-70 of the Acts of 2003  
(Adding G.L. Ch. 60 §3E, Amending G.L. Ch. 60 §§15 and 65)

SUMMARY:

These guidelines explain new legislation that (1) increases existing fees, and adds new fees, for collection activities related to delinquent municipal taxes and charges, (2) increases the limit on the amount of interest and fees that can accrue for the collector to waive them and (3) establishes a new procedure for applying partial payments received by collectors, treasurers and other municipal officers for delinquent taxes and charges.

These changes became **effective July 31, 2003**. They apply to collection activities and payments made after that date.

The fees set forth in Section I of these guidelines supersede those found in Section II of Property Tax Bureau Informational Guideline Release No. 90-219, *Collection Agencies, Collector's Fees and Deputy Tax Collector Procedures* (July 1990). All other provisions of IGR 91-102 remain in effect. These guidelines also supersede Property Tax Bureau Informational Guideline Release No. 86-219, *Waiver of Interest and Fees of \$5.00 or Less by Tax Collectors* (October 1986) and No. 91-210, *Taxpayers' Option to Pay Tax Before Paying Interest and Charges* (August 1991).

GUIDELINES:

I. COLLECTION COSTS

A. Collector's Fees

The schedule of fees charged by collectors and added to delinquent taxes under G.L. Ch. 60 §15 has been updated to add two fees and increase most others. The new schedule is:

1. Issue demand \$5 (no change)
2. Prepare newspaper advertisement for taking or sale \$10 per parcel

3.	Search title in preparation for taking or sale	Actual legal fees (new)
4.	Post notice of taking or sale	\$5 per parcel
5.	Prepare collector's affidavit of proceedings	\$10 per parcel
6.	Record collector's affidavit of proceedings	Actual cost per parcel
7.	Prepare deed or instrument of taking	\$10
8.	Issue and deliver warrant to deputy collector	\$10
9.	Notice of warrant issued to deputy collector	\$12
10.	Service of warrant by deputy collector	\$17
11.	Distrain of goods	\$10 and costs
12.	Custody of distrained goods	Actual cost
13.	Arrest of taxpayer	Actual cost, plus travel rate of 30 cents per mile
14.	Custody of arrested taxpayer	\$10, plus travel rate of 30 cents per mile
15.	Serve demand by subpoena	Actual cost up to \$40
16.	Record instrument of taking	Actual cost (new)

**B. Foreclosure Legal Costs**

Land Court may allow a city or town foreclosing on a tax title to receive its actual legal fees. G.L. Ch. 60 §65. The amount that may be ordered is no longer capped at \$500.

**II. WAIVER OF INTEREST AND COSTS**

The collector may waive interest and collection costs that have accrued on a delinquent tax when the total amount of accrued interest and costs on a particular obligation is \$15 or less.

The collector has no power to waive once the total amount of accrued interest and costs exceeds \$15. Previously, the power to waive ceased when that amount exceeded \$5.

### III. APPLICATION OF PARTIAL PAYMENTS

The application of partial payments is now governed by statute. G.L. Ch. 60 §3E. Taxpayers or ratepayers may no longer require that their payments be applied to the tax or charge first, or be applied in any other particular manner.

#### A. Application Procedure

Collectors, treasurers and municipal officials must apply partial payments received for delinquent local taxes and charges in the following order:

1. Accrued interest
2. Collection costs
3. Tax or charge.

The payment is applied to the tax and charge first only in cases where the officer receiving the payment (1) has the power to waive the total accrued interest and collection costs and (2) does waive the full amount.

#### B. Covered Payments

The procedure applies to partial payments for:

1. Real and personal property taxes, betterments, special assessments, excises and other local taxes committed to the collector.
2. Redemption of tax titles.
3. Municipal charges and fees, such as water, sewer, trash or others, whether billed and collected by the collector or another municipal officer.

(With technical corrections announced in *Bulletin 2002-07B*)

TAX AGREEMENTS FOR AFFORDABLE HOUSING DEVELOPERS  
AND  
OPTIONS FOR TAX TITLE FORECLOSURE

**Chapter 2 of the Acts of 2002**

(Adding G.L. Ch. 58 §8C, Ch. 60 §§77C and 81B and amending G.L. Ch. 60 §§1, 65 and 69A)

**SUMMARY:**

These guidelines explain several changes in tax collection procedures that are intended to promote affordable housing construction on or municipal use of real property parcels that are currently non-productive due to delinquent municipal taxes and charges. These changes are effective April 11, 2002.

First, cities and towns that accept a new local option, G.L. Ch. 58 §8C, may enter into agreements with developers of affordable housing for the payment of outstanding property taxes, including abatement of an amount that makes developing the site economically feasible. A municipality that accepts the statute must first adopt an implementation by-law or ordinance. Abatements must be approved by the Commissioner of Revenue and are limited to 75% of outstanding real estate taxes and 100% of accrued interest and collection costs. *The standards and procedures that must be followed to obtain DOR approval of affordable housing abatements will be set forth in separately issued guidelines.*

Under a second new provision, G.L. Ch. 60 §77C, cities and towns may now accept a deed from all persons with an interest in certain properties on which there are outstanding taxes and charges as an alternative to tax taking and foreclosure. Only municipal liens can exist on the properties and the municipal legislative body must vote to accept the deed. Once the accepted deed is recorded, the property is treated as a tax possession and the grantors are permanently barred from reacquiring the parcel from the municipality.

Another category of tax title properties is now eligible for early or expedited foreclosure proceedings. Under the new G.L. Ch. 60 §81B, in cases where the amount needed to redeem a parcel in tax title is greater than its fair cash value, a treasurer now has the option of recording an affidavit so certifying and immediately filing a foreclosure petition in land court. G.L. Ch. 60 §65. The treasurer must ordinarily wait at least six months after the taking of petition for foreclosure. Once a foreclosure decree is entered, any party with an interest in the parcel who seeks to vacate the decree will have only 90 days to file the petition, not the usual one year. G.L. Ch. 60 §69A.

Property Tax Bureau  
Informational Guideline Release (IGR) No. 02-206  
April 2002

(With technical corrections announced in *Bulletin* 2002-07B)

**TAX AGREEMENTS FOR AFFORDABLE HOUSING DEVELOPERS**  
**AND**  
**OPTIONS FOR TAX TITLE FORECLOSURE**

Chapter 2 of the Acts of 2002  
(Adding G.L. Ch. 58 §8C, Ch. 60 §§77C and 81B and amending G.L. Ch. 60 §§1, 65 and 69A)

This Informational Guideline Release (IGR) explains recent legislation that makes several changes in tax collection procedures in order to promote affordable housing construction on or municipal use of real property parcels on which there are outstanding municipal taxes and charges. Under this legislation, communities may enter into tax abatement agreements with developers of affordable housing, subject to the approval of the Department of Revenue, expedite the foreclosure of certain tax titles or accept a deed in lieu of foreclosure for certain parcels. The maximum value of parcels that qualify for the alternative land of low value foreclosure procedure has also been increased.

Topical Index Key:

Abatements and Appeals  
Collection Procedures

Distribution:

Assessors  
Collectors  
Treasurers  
Accountants/Auditors  
Selectmen/Mayors  
City/Town Managers/Exec. Secys.  
Finance Directors  
City/Town Councils  
City/Town Clerks  
City Solicitors/Town Counsels

Finally, the maximum value for parcels that qualify for use of the alternative land of low value procedure under G.L. Ch. 60 §79 has been increased from \$10,000 to \$15,000. That amount will now be automatically increased as of each January 1 by the percentage increase in the previous calendar year's Consumer Price Index.

**GUIDELINES:**

**I. AFFORDABLE HOUSING TAX AGREEMENTS**

Communities may make agreements with affordable housing developers regarding the payment of outstanding real estate taxes, accrued interest and collection costs, including abatements that are subject to the approval of the Department of Revenue (DOR).

**A. Statute Acceptance**

To make affordable housing tax agreements, a city or town must first accept G.L. Ch. 58 §8C. Acceptance is by majority vote of town meeting or town/city council subject to applicable charter provisions. G.L. Ch. 4 §4.

The city or town clerk should notify the Property Tax Bureau if the statute is accepted. (See attached "Notification of Acceptance").

**B. Implementation By-law/Ordinance**

Municipalities that accept the statute must also adopt an implementation by-law or ordinance before any agreements may be made. The by-law or ordinance must specify the method for negotiating and approving the agreements. This would include, at a minimum, the following:

- The officer(s) authorized to negotiate an agreement on behalf of the city or town. This authority may be given to a particular officer, or some combination of officers.
- The process for approving any agreement negotiated. The legislative body may retain the power to approve all or some agreements, *e.g.*, those including tax abatements over a certain dollar amount, or it may establish another approval process.
- The officer(s) authorized to sign an agreement on behalf of the city or town. This authority may or may not be given to the same officer(s) authorized to negotiate the agreement.

Municipalities may also include policies regarding the circumstances under which agreements may be made, as well as any parameters regarding the terms of the agreement.

### C. Tax Agreements

An affordable housing tax agreement must meet the following minimum standards.

- It must cover a parcel that will be developed and used for affordable housing, or mixed affordable housing and commercial, purposes.
  - *Affordable housing* is defined as property that is (1) subject to a recorded affordable housing restriction of at least 45 years and (2) owned or rented to families or individuals with household income at time of initial occupancy that meets certain income standards. Household income cannot exceed 120 per cent of the area wide median income determined by the United States Department of Housing and Urban Development (HUD) as adjusted for family size. Subsequent owners and renters must also meet that income standard at initial occupancy. The property is subject to resale restrictions the municipality imposes to maintain its affordability on a long-term basis. G.L. Ch. 60 §1.
- It must be made with a person or entity that (1) has acquired or intends to acquire the site in order to develop it as affordable housing and (2) is not personally liable for any of the outstanding real estate taxes on the parcel.
- It must address the payment of outstanding real estate taxes only, and the accrued interest and collection costs on those taxes. It may not include any other municipal charges that are liens on the property. The agreement must specify at a minimum:
  - The amount owed
  - The amount to be abated subject to DOR approval
  - The balance to be paid
  - The monthly or other schedule for paying the balance
  - The final payment date
  - The rate of interest that will accrue, if any
  - The penalty for late payments, if any
  - The number of affordable housing units to be developed.



- It must (1) limit any abatement to no more than 75% of the outstanding real estate taxes and 100% of the outstanding interest and collection costs and (2) make any abatement subject to the approval of DOR.
- It must be (1) signed by the local official(s) designated in the implementation by-law or ordinance and the developer and (2) notarized and attested to by the city or town clerk.
  - A copy of the signed agreement must be provided to the (1) developer, (2) city council or board of selectmen, (3) Department of Housing and Community Development (DHCD) and (4) DOR.

D. Tax Abatements

1. DOR Approval

Abatements negotiated as part of an affordable housing tax agreement must be approved by DOR before they may be granted. *The standards and procedures that govern applications for DOR approval of affordable housing abatements will be set forth in separate guidelines.*

An application for approval of an affordable housing abatement must be acted on by DOR within 30 days of its receipt. If not, the application is deemed approved.

2. Abatement Procedure

Affordable housing abatements should be processed in the same manner and using the same forms as other abatements of real estate taxes. The assessors' records should reflect that the abatements are authorized by G.L. Ch. 58 §8C, however.

Abated taxes are charged to the overlay for the fiscal year to which the taxes relate. Accrued interest and collection costs that are waived under the agreement are simply unrealized revenue.

3. Unabated Taxes

The obligation and lien for unabated taxes remains, subject to the repayment and interest provisions contained in the agreement.

E. Statute Revocation

The municipality may revoke its acceptance, but it must wait at least three years after the acceptance is effective to do so. Revocation is also by majority vote of town meeting or town/city council subject to applicable charter provisions. G.L. Ch. 4 §4B.

II. DEED IN LIEU OF FORECLOSURE

Communities may accept title from the owners of properties on which there are municipal liens as an alternative to tax taking and foreclosure proceedings. Properties accepted under this option are then treated as if a tax title foreclosure has been completed.

A. Title Acceptance

1. Required Vote

Acceptance of title to the parcel is by majority vote of the municipal legislative body, *i.e.*, town meeting or town/city council. The vote should specifically state that the acceptance is under G.L. Ch. 60 §77C.

2. Eligible Property

a. Lien Types

Liens for outstanding real estate taxes or other municipal liens must exist on the parcel at the time title is accepted, but the parcel does not have to be in tax title.

Title to the parcel may be accepted, however, subject only to municipal liens. This means that all other liens or encumbrances, such as mortgages, mechanics or other liens, will ordinarily have to be cleared before the municipality may accept the deed. Alternatively, the deed may be accepted if all mortgagees, lien holders and others with interests in the parcel convey their interests to the municipality.

To protect the municipality, all parties with interests in the parcel will have to be identified and therefore, a title examination may be required. Municipal counsel should be consulted regarding any proposed transaction.

b. Acceptance Policy

Municipalities should adopt policies regarding the circumstances under which they will accept title to a parcel.

Acceptance should generally be limited to parcels with a current fair cash value of at least the amount owed unless a parcel is being acquired for a public use or enforcement of personal liability against the assessed owner is unlikely or impossible. The assessed owner of a parcel that is worth less than the amount outstanding will otherwise realize a windfall since acceptance discharges the owner from personal liability and the municipality cannot recover any deficiency as would be the case after an ordinary tax title foreclosure. See Section II-A-4-b below.

3. Joint Grantors

All persons or entities with interests in the property must act jointly as grantors to the municipality under the deed.

4. "Foreclosure" Procedure

Procedures should be established to immediately record the deed and promptly notify the assessors, collector, treasurer and accounting officer so that the "foreclosure by deed" process may be completed. Departments that bill for services, such as water or sewer, should also be notified of the change in ownership.

a. Tax Roll Removal

Assessors are to remove the parcel from the tax roll beginning in the fiscal year after the title is transferred to the municipality.

b. Amount Outstanding

All municipal taxes and charges outstanding as of the date the deed is recorded are deemed paid in full at that time. This includes the full amount of taxes assessed for the current fiscal year, as well as all accrued interest and collection costs, owed as of that date.

c. Subsequent Taxes

Any taxes inadvertently assessed for the fiscal year, or any municipal charges billed, after the title is transferred to the municipality should be certified by the collector or billing department to the treasurer and accounting officer and transferred to the tax possession account pending a final disposition of the property.

B. Parcel Disposition

1. Disposition Procedures

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The property may be converted to municipal use or transferred for private use. Any transfer to a third party is governed by the same requirements that apply to the disposition of parcels acquired by tax title foreclosure in land court. The property may be sold (1) at a public auction by the tax possession custodian appointed by the selectmen or mayor, or <sup>2</sup>(2) under any other procedure authorized by law for the disposition of municipal property. G.L. Ch. 60 §77B. If not auctioned by the tax possession custodian, the disposition must comply with the Uniform Procurement Act if the parcel being sold is worth more than \$25,000. G.L. Ch. 30B §16.

2. Reacquisition Prohibition

Grantors are permanently barred from reacquiring any interest in the parcel from the municipality.

III. EXPEDITED LAND COURT FORECLOSURE

Treasurers may expedite foreclosure proceedings in land court for tax title parcels worth less than the amount owed in real estate taxes or other municipal charges.

A. Treasurer's Affidavit

If the amount needed to redeem a parcel taken into tax title is more than the assessed valuation of the parcel, the treasurer may record an affidavit certifying that fact, G.L. Ch. 60 §81B, and then immediately file a foreclosure petition in land court. G.L. Ch. 60 §65. The treasurer does not have to wait the usual six months before petitioning for foreclosure.

The affidavit should be made using State Tax Form 60.81B, *Certification of Assessed Valuation and Redemption Amount (Attached)*.

B. Foreclosure Decree

Once a foreclosure decree is entered, any party with an interest in the parcel who seeks to vacate the decree will have only 90 days to file the petition to vacate with land court, not the usual one year. G.L. Ch. 60 §69A.

C. Post-Foreclosure Procedure

The parcel is treated as any other tax possession acquired by a foreclosure decree entered by land court.

IV. LAND OF LOW VALUE FORECLOSURE

The maximum valuation of parcels qualifying for the land of low value foreclosure procedure as an alternative to seeking a foreclosure decree from land court has been increased and indexed to annual increases in consumer prices.

A. Maximum Valuation

Treasurers may use the land of low value foreclosure procedure for parcels worth up to \$15,000. G.L. Ch. 60 §79.

B. Annual Increase

The maximum valuation will be adjusted annually as of January 1 by the percentage increase in the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for Urban Consumers (CPI-U) for the previous calendar year. The calendar year CPI-U increase is usually published in mid-February and DOR will notify treasurers of the applicable increase after it becomes available.

\_\_\_\_\_  
(City/Town)

## NOTIFICATION OF ACCEPTANCE

### General Laws Chapter 58 §8C (Affordable Housing Tax Abatement Agreements)

The Commissioner of Revenue is hereby notified that the City/Town of \_\_\_\_\_, by action of its legislative body on \_\_\_\_\_, \_\_\_\_\_, has accepted General Laws Chapter 58 §8C, which authorizes agreements for the payment and abatement of outstanding property taxes on sites to be developed as affordable housing.

\_\_\_\_\_  
(City/Town Clerk)

\_\_\_\_\_  
(Date)

PLEASE ATTACH A CERTIFIED COPY OF THE VOTE AND SUBMIT TO:

Property Tax Bureau  
Division of Local Services  
P.O. Box 9490  
Boston MA 02205-9490

\_\_\_\_\_  
Name of City or Town

Office of the Treasurer

**Certification of Assessed Valuation and Redemption Amount**  
**General Laws Chapter 60 §81B**

I, \_\_\_\_\_, hereby certify under General Laws Chapter 60 §81B that the assessed valuation of the parcel described below is less than the amount required to redeem the parcel from a tax title held by City/Town of \_\_\_\_\_ under an instrument of taking dated \_\_\_\_\_, \_\_\_\_\_ and recorded/registered with \_\_\_\_\_ Registry of Deeds, Book \_\_\_\_\_, Page \_\_\_\_\_/Document No. \_\_\_\_\_, Certificate No. \_\_\_\_\_.

DESCRIPTION OF PROPERTY

(The description must be sufficiently accurate to identify the property. In the case of registered land, the certificate of title number and the registry volume and page must be given.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The assessed valuation as of January 1, \_\_\_\_\_ for fiscal year \_\_\_\_\_ is \$ \_\_\_\_\_.

The amount required to redeem the tax title as of this date is \$ \_\_\_\_\_.

Signed under the pains and penalties of perjury this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Treasurer  
City/Town of \_\_\_\_\_

The Commonwealth of Massachusetts

ss. \_\_\_\_\_

Then personally appeared the above named \_\_\_\_\_, Treasurer for the City/Town of \_\_\_\_\_, and stated that the foregoing statements are true, before me.

\_\_\_\_\_  
Justice of the Peace/Notary Public

My commission expires \_\_\_\_\_





Property Tax Bureau

Informational Guideline Release (IGR) No. 01-206

July 2001

**EXPEDITED PROCEDURE FOR AUTHORITY TO ABATE LOCAL TAXES**

**ON**

**ABANDONED RESIDENTIAL PROPERTY**

**(G.L. Ch. 58 §8)**

This Informational Guideline Release (IGR) explains the policies and procedures by which the Commissioner of Revenue will delegate to local assessors the authority to abate outstanding local taxes on certain abandoned residential properties in order to facilitate their rehabilitation and return to the productive tax roll.

Topical Index Key:

Abatements and Appeals

Distribution:

Assessors  
Collectors  
Treasurers  
Accountants/Auditors  
Finance Directors  
Selectmen/Mayors  
City/Town Managers/Exec. Secys.

**EXPEDITED PROCEDURE FOR AUTHORITY TO ABATE LOCAL TAXES**  
**ON**  
**ABANDONED RESIDENTIAL PROPERTY**

**(G.L. Ch. 58 §8)**

The Commissioner of Revenue may authorize assessors or other local officials to abate all or part of a particular local tax, assessment, charge or fee they assessed or imposed where they no longer have the legal power to abate. G.L. Ch. 58 §8. This authority also includes interest and collection costs that have accrued by law on an outstanding tax, assessment, charge or fee.

In addition, the Commissioner may delegate to local officials the authority to grant certain abatements of taxes, assessments, charges and fee on an expedited basis, *i.e.*, without the need to obtain his prior approval of each individual abatement. These delegations may be made for periods up to two years and apply only to abatements of outstanding taxes, assessments, charges and fees, including accrued interest and collections costs, on abandoned residential parcels containing six or fewer units. The purpose of this expedited procedure is to facilitate the rehabilitation of these properties and return them to the municipality's productive tax roll.

Before delegating abatement authority, the Commissioner must approve a municipality's plans and procedures for implementing an expedited abatement program. This guideline sets out the minimum standards for approval of local expedited abatement programs.

**GUIDELINES:**

**A. APPLYING FOR DELEGATION OF ABATEMENT AUTHORITY**

The board of assessors and the chief executive officer (the mayor, manager or board of selectmen) must submit the municipality's plans and procedures for an expedited abatement program. The plans and procedures must contain sufficient detail to demonstrate conformity with the minimum requirements of these guidelines. Additional provisions not inconsistent with these guidelines may also be contained in the municipality's plans and procedures.

Abatement program plans and procedures must be in writing and submitted to:

Property Tax Bureau  
Division of Local Services  
P.O. Box 9490  
Boston MA 02205-9490

**B. REQUIRED FEATURES OF EXPEDITED ABATEMENT PROGRAMS**

**1. Eligible Property**

Expedited abatement programs can apply only to *primarily residential abandoned property*.

**a. Definitions**

- *Primarily residential* means that more than 50 percent of the assessed value of the parcel is classified as residential for property tax purposes. G.L. Ch. 59 §2A.
- *Abandoned property* is defined as property that is unused, *unoccupied* and in such deteriorated condition as to be uninhabitable without danger to life and limb. *Unoccupied* means without lawful occupants. G.L. Ch. 60 §1.

Some portion of a residential structure must exist above ground level for the parcel to be eligible under the expedited abatement program. A parcel of vacant land or that has only a foundation at or below ground level is not eligible. This means parcels on which demolition of previously existing residential structures has occurred do not qualify.

**b. Certification of Eligibility**

Before a municipality can grant an abatement for any parcel under an approved expedited abatement program, all of the following certifications of eligibility must be made in writing:

- (1) The assessors must certify that more than 50 percent of the parcel's assessed value is residential.
- (2) The building inspector (or other municipal official designated in the municipality's request for abatement authority) must certify that the property:

- is abandoned,
- has six or fewer residential units, and
- has some portion of the structure above ground level.

## 2. Abatement Applications

### a. Eligible Applicants

The person or entity that will be the new owner and developer of the parcel must apply for the abatement under the expedited abatement program and must meet the same standards that apply to purchasers of tax possession property under G.L. Ch. 60 §77B. This means the applicant cannot be delinquent on property taxes, or have had any arson or insurance fraud convictions, and must submit an affidavit of compliance with these standards at the time of application.

#### (1) Payments to Acquire Title

In order to prevent unjust enrichment at the expense of municipal taxpayers, owners, mortgagees and others with interests subordinate to the municipality's lien or tax title may not receive more than minimal amounts in return for surrendering or conveying their interests in the property to the applicant. Minimal amounts cannot exceed \$1,000 for any party.

#### (2) Approval Pending Acquisition

Assessors may make a legally binding commitment to an applicant to grant the abatement upon the applicant's acquisition of the property in compliance with the terms and conditions of the application and assessors' commitment. Assessors may not process any abatement, however, until the applicant has acquired the property.

#### (3) Payment of Unabated Taxes

The applicant must pay the amount of taxes, interest and collection costs that will remain outstanding in order to receive the abatement. Assessors may not process any abatement until the applicant has fully paid this balance.

b. Application Content

Applications must include the applicant's plans for rehabilitating the property into six or fewer residential units, together with a statement of how the abatement will benefit the municipality.

c. Application Hearing

Applicants must have a right to an informal hearing on their applications, and a right to petition for a rehearing if their application is denied.

3. Abatement Limitations

a. Parcels

A community development corporation as defined in G.L. Ch. 40F, or any other non-profit business entity acting as the developer, can receive abatements under the expedited abatement program to rehabilitate an unlimited number of dwelling units.

A for-profit developer, however, is limited to receiving abatements for the rehabilitation of not more than 15 residential units in any fiscal year. This limit applies to all properties in which the developer has any beneficial or equitable interest, regardless of the number of parcels involved. For profit applicants for abatement must submit affidavits certifying their compliance with this restriction.

b. Amount

In order to avoid a subsidy to the applicant by the municipality, an abatement granted under the expedited abatement program should not reduce the outstanding tax liability below the fair market value of the parcel, net of acquisition costs. *Acquisition costs* for expedited abatement program purposes are defined as (1) payments made to owners to acquire title (See Section B-2-a-(1) above) and (2) actual foreclosure costs if an applicant who cannot get deeds from one or more owners must foreclose an assigned mortgage to eliminate those owners' interests.

Assessors must inspect each parcel for which an abatement is sought under the expedited abatement program and then reapply their valuation schedules or models to determine the fair cash value of the parcel in its abandoned condition. Any abatement granted under the program may not reduce the sum of (1) any acquisition costs, and (2) the unabated tax liability to less than 90% of this determination of fair market value.

**EXAMPLE**

A parcel of abandoned residential property is subject to a tax title in the amount of \$100,000 and has an estimated fair cash value of \$50,000 for expedited abatement program purposes. The applicant has acquisition costs of \$2,000.

The formula for calculating the maximum abatement is:

1.	Total outstanding		\$100,000
2.	<i>Subtract</i> Fair cash value (\$50,000) x .90	-	45,000
3.	<i>Add</i> Acquisition costs	+	2,000
4.	Maximum abatement	=	\$ 57,000

4. **Program Audit**

A municipality exercising expedited abatement authority must include in its contract for an annual outside audit a requirement for an audit of its compliance with its approved expedited abatement program.

The audit must include a comparison for each parcel of the unabated balance of taxes, interest and charges with the value of the property determined by the use of the assessors' valuation model. See Section B-3-b above. The municipality's audit firm may make the comparisons itself, or it may subcontract that responsibility to an appraiser or appraisal firm of its choosing that has experience in mass appraisal.

## 5. Reporting Requirements

The municipality must include a separate expedited abatement report with its annual audit to the Bureau of Accounts each year. The report must include:

- A copy of the section of the audit dealing with the expedited abatement program, and
- A summary by the assessors of all abatements granted for the fiscal year covered by the audit. The assessors' summary must include the following information for each parcel:
  - Assessed owner(s).
  - Name and address of the applicant/new owner.
  - Street address and the assessors' map/lot designation for the parcel.
  - Number of residential units before and after rehabilitation.
  - Assessed value for the most recent fiscal year before the application for abatement.
  - Fair market value of the property estimated for expedited abatement program purposes (See Section B-3-b above).
  - Amount due before the abatement, broken down by fiscal year and by taxes, interest and collection costs.
  - Total amount abated.

## C. EXERCISE OF DELEGATED ABATEMENT AUTHORITY

### 1. Time Period

Delegations of abatement authority will be valid for a period of two years from the date granted.

### 2. Recordkeeping

Assessors must retain the Commissioner's delegation of authority and each developer's application and all supporting documentation, for the minimum period required under the Assessors' Records Disposal Schedule issued by the state Supervisor of Public Records for G.L. Ch. 58 §8 abatement documents.

The records for individual abatements granted should cite "Expedited G.L. Ch. 58 §8" as the authority under which the abatement is granted. In addition, every abatement granted must be accompanied by a written statement by the assessors certifying under pains and penalties of perjury that the procedures approved by the Commissioner for granting the abatements have been followed.

