PROHIBITING CERTAIN SALES OF MUNICIPAL PROPERTIES

Chapter 803 of the Acts of 1985
(Amending G.L. Ch. 60 S. 77B)

This IGR informs local officials of a change in the law that serves to prohibit persons convicted of certain crimes (such as arson) or persons who are delinquent in their taxes from purchasing land being sold by a municipality under foreclosure. The guideline describes the procedure that must be followed and includes a sample statement to be completed by potential purchasers to assure that the requirement is met.

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(Amending G.L. Ch. 60 S. 77B)

SUMMARY:

Section 77B of Chapter 60 of the General Laws was amended by inserting a new third paragraph. The amendment is intended to prohibit the sale by a municipality of real property after foreclosure to persons convicted of certain crimes and to certain tax delinquents as well. The crimes involve arson and fire insurance fraud, while the tax delinquency must involve real estate in the municipality selling the foreclosed property.

Before the property in question can be sold by the municipality, a statement must be given by each prospective grantee, under the pains and penalties of perjury, that neither he nor any other person who would gain equity in the property has been convicted of any of the enumerated crimes or is a tax delinquent. Each deed must contain a recitation that such statements have been received. Unless the necessary recitation appears, the deed will not be valid.

GUIDELINES:

1. Before any municipal officer or board may execute a deed of property acquired by the municipality upon foreclosure of a tax title or under the provisions of G.L. Ch. 60, S. 80 (where there has been a lack of or inadequate bids), the grantee or grantees must file a statement under the pains and penalties of perjury. Each grantee must file a separate statement.

2. The statement must be signed under the pains and penalties of perjury and contain the following disclaimers:

   a. Neither the grantee nor any person who would gain equity in the property has been convicted of a crime (1) involving the willful and malicious setting of a fire, or (2) involving the aiding, counseling or procuring of a willful and malicious setting of a fire or (3) involving the fraudulent filing of a claim for fire insurance, and
b. Neither the grantee nor any person who would gain equity in the property is delinquent in the payment of real estate taxes to the selling municipality or, if delinquent, the grantee or any person who would gain equity in the property has a pending application for abatement of the tax or a pending appeal to the Appellate Tax Board or County Commissioners which was filed in good faith.

SEE SAMPLE STATEMENT FORM ATTACHED

3. The deed must recite that the Board or Officer granting the deed has received the requisite statement.

4. FAILURE TO MAKE SUCH RECITATION IN THE DEED INVALIDATES THE CONVEYANCE.

SEE SAMPLE RECITATION ATTACHED

5. The municipal officer or board should not accept a sworn statement if the municipal officer or board has actual knowledge that it is false, and no deed should be executed in such case. If, however, the municipal officer or board accepts such statement and executes such deed in good faith, even if the statement is false, the sale should still be valid.
SAMPLE STATEMENT FORM
STATEMENT PURSUANT TO MASSACHUSETTS GENERAL LAWS
CHAPTER 60 SECTION 77B*

(I)(The)______________________________ (am)(is) a prospective grantee of property located in the (city)(town) of ____________________ at _____________________________

_____________________________________________________________________________.

(Description of property)

This property is being conveyed after foreclosure or acquisition by the (city/town) of ____________________ under G.L. Ch. 60, S. 80, to: ___________________________________

_____________________________________________________________________________.

(Names of ALL grantees and persons who would gain equity in the property)

(I) (The) _____________________________ hereby (certify) (certifies) that (neither) (I) (it) (nor) ______________________________________________________________________

_____________________________________________________________________________.

(Names of ALL grantees and persons who would gain equity in the property)

(have never)(has never)(have ever) been convicted of a crime involving the willful and malicious setting of a fire or of a crime involving the aiding, counseling or procuring of a willful and malicious setting of a fire, or of a crime involving the fraudulent filing of a claim for fire insurance.

(I) (The) _____________________________ also (certify) (certifies) that (neither) (I) (it) (nor) ______________________________________________________________________

_____________________________________________________________________________.

(Names of ALL grantees and persons who would gain equity in the property)

(am not)(is not)(are) delinquent in the payment of real estate taxes to the (city/town) of ____________________ or, if delinquent, a pending application for abatement of such tax, or a pending petition before the Appellate Tax Board or the County Commissioners has been filed in good faith.

Signed this ______ day of ________, ______ under the pains and penalties of perjury.

____________________________ ___________________________

(Grantee or person signing for grantee with recitation of authority to sign)

*Cross out words in parentheses that do not apply.
SAMPLE RECITATION CLAUSE FOR DEED

(Each)(The) grantee to this instrument has filed the statement required under Massachusetts General Laws, Chapter 60, Section 77B as amended by Chapter 803 of the Acts of 1985 and the undersigned has received such statement(s) in accordance with that statute.

_______________________________________
(Board or Officer granting deed)