

HOUSE No. 2933

By Mr. Guyer of Dalton (by request), petition of Albert Hartheimer for legislation to authorize cities and towns to establish pro-enterprise property tax programs. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT ALLOWING MUNICIPALITIES TO ESTABLISH A PRO ENTERPRISE TAX.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. This Act may also be called the “Pro-Enterprise
2 Property Tax Act”. The purpose of this Act is to permit local govern-
3 ments to raise revenue in a manner that stimulates the private
4 economy, encourages housing construction and repair, generates job
5 opportunities, and fosters development that reduces the premature
6 invasion of farmland and open space.

1 SECTION 2. Definitions.

2 (A) “Assessor” shall have the same meaning as in Chapter 4,
3 Section 7.

4 (B) “Land” means the bare site disregarding any manmade struc-
5 tures as well as site improvements that inosculate with the land after
6 a period of time such as clearing, grading, fertilizing, or draining.

7 (C) “Improvements” means houses, garages, barns, commercial
8 buildings, factories, orchards, private roads, and other manmade fea-
9 tures on a site.

10 (D) “Tax rate” means the charge against the assessed value of the
11 jurisdiction’s taxable property imposed to produce revenues.

12 (E) “Two-rate tax” refers to the higher tax rates on land values
13 and the lower tax rate on improvements imposed by the differential
14 rate structure of this Act.

1 SECTION 3. Enactment.

2 The local appropriating authority of any municipality may, in any
3 year, decide by majority vote to have a two-rate tax, and may set the
4 percentage of tax to be levied on land and the percentage of tax to be
5 levied on improvements, provided that the percentage of tax on
6 improvements is lower than the tax on land. The assessor shall set
7 the rates accordingly. The sum of the tax on land and the tax on
8 improvements shall not exceed the state tax limit.

1 SECTION 4. A jurisdiction enacting the two-rate tax system shall
2 apply the two-rate tax system to the entire range of property taxes
3 within that jurisdiction's authority.