



# Bulletin

---

2005-05B

## 2004 LEGISLATION

TO: Local Officials

FROM: Gerard D. Perry, Deputy Commissioner  
Division of Local Services

DATE: February 2005

SUBJECT: Summary of 2004 Municipal Finance Law Changes

---

To keep you informed of legislative developments during the year, the Division of Local Services publishes on a periodic basis a **BULLETIN** summarizing any new laws enacted that affect municipal budgets and local tax assessment, administration and collection. Each issue contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued or will issue any further implementation guidelines.

Attached is the **final** edition of the **2004 LEGISLATIVE BULLETIN**. It includes any legislative changes affecting municipal finance found in Chapters 1 - 508 of the Acts of 2004. Summaries of legislation enacted since the October 2004 edition was issued begin on page 15 with Chapter 491. Any changes in or additions to the previously issued material are underscored.

Copies of these new laws can be obtained from the web site of the State Legislature: [www.mass.gov/legis](http://www.mass.gov/legis) or the State Bookstore located in Room 116 of the State House.

## **2004 LEGISLATION**

### **Ch. 3**

#### **PROPERTY TAX CLASSIFICATION**

**An Act Relative to Property Tax Classification in Cities and Towns.**  
*Effective January 16, 2004.*

Amends G.L. Ch. 58 §1A, which sets out the formula for determining the maximum amount communities may shift the annual tax levy from residential to business taxpayers under property tax classification. The basic parameters for shifting the tax levy are that residential taxpayers must pay at least 65 per cent of their fair cash value share of the levy and business taxpayers can pay no more than 150 per cent of their fair cash value share. These parameters can be exceeded in any fiscal year, however, if adoption of that maximum shift would result in residential taxpayers paying a greater percentage share of the tax levy than in the previous year. The maximum shift in those cases is based on (1) business taxpayers paying no more than 175 per cent of their fair cash value share of the tax levy and (2) residential taxpayers paying at least 50 per cent of their fair cash value share, or the lowest percentage share of the tax levy they have paid since classification began, whichever is more.

Under the amendment, there are expanded parameters for determining the maximum shift for fiscal years 2004 to 2007. A community will continue to have its maximum shift computed as previously, but if adopting that shift would result in residential taxpayers paying a greater share of the tax levy than the prior year, the shift will then be further adjusted upward using that year's expanded parameters. The new parameters permit a maximum shift on business taxpayers of 200 per cent of their fair cash value share of the levy in FY04, 197 percent in FY05, 190 percent in FY06 and 183 percent in FY07. These parameters are subject to the additional limitation that residential taxpayers cannot pay a lower share of the levy than in the prior year. Beginning in FY09, the maximum shift in communities that used expanded parameters in any of these years will be reduced to 170 per cent. **BULLETIN 2004-02B issued January 2004.**

### **Ch. 65**

#### **FISCAL YEAR 2004 SUPPLEMENTAL BUDGET**

**An Act Making Appropriations for Fiscal Year 2004 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects.** *Effective April 5, 2004 unless otherwise noted.*

**§§12, 26 and 56 Manufacturing Corporations and Foreign Corporations.** *Effective July 1, 2004.* Make technical changes in order to conform to new Business Corporations Act, G.L. Ch. 156D, added by Ch. 127 of the Acts of 2003. Section 12 amends G.L. Ch. 63 §38C, which defines manufacturing corporations for corporate excise purposes and governs the eligibility of those corporations for personal property tax exemptions under G.L. Ch. 59 §5, Clauses 16 and 16A. The amendment requires domestic corporations seeking classification as manufacturing corporations to conduct manufacturing activities in Massachusetts, a requirement that already applies to foreign corporations. Section 26 repeals the prior law governing foreign corporations, G.L. Ch. 181, since the new Ch. 156D now covers those corporations. **Department of Revenue (DOR) Technical Information Release (TIR) 04-15 issued June 2004.**

**§§44 - 47 Ferry Fee.** Amend Ch. 46 §129 of the Acts of 2003, by making technical amendments regarding the embarkation fee that cities and towns within Barnstable, Nantucket, Dukes and Bristol counties may charge on passenger ferry trips and the return that ferry operators must make in turning over collected monies to DOR. **DOR TIR 04-18 issued July 2004.**

**Ch. 116**

**PEACETIME VETERANS**

**An Act Relative to the Definition of Veteran.** *Effective August 26, 2004.*

Expands the definition of “veteran” found in G.L. Ch. 4 §7, Clause 43, which is used to define eligibility for a number of benefits, such as civil service, retirement and veteran benefits, to include several categories of persons who do not have wartime service. Veterans will now include members of the Army, Navy, Marines, Air Force or Coast Guard who serve 180 days, or who have a service connected disability or die under conditions other than dishonorable, even if less than 180 days. The definition also now includes full-time National Guardsmen who serve in a particular capacity for 90 days with at least one day of wartime service and Merchant Marines who served in World War II and were honorably discharged from the Army, Navy or Coast Guard.

At the time of enactment, this new definition did not affect eligibility for property tax exemptions because the exemption statutes expressly required wartime service as a condition of eligibility. G.L. Ch. 59 §5, Clauses 22, 22A, 22B, 22C and 22E. **But see Ch. 352 §§24 and 25 for amendments that delete the requirement of wartime service from those statutes. This makes veterans who come within the new definition and meet all other requirements eligible for exemption beginning in FY06. BULLETIN 2004-17B issued October 2004.**

The new definition does not affect eligibility of disabled veterans for exemption from the motor vehicle excise. Those exemptions are expressly limited to veterans of World War I, World War II, Korean War and Viet Nam War. G.L. Ch. 60A §1.

**Ch. 122      ACCEPTANCE OF STATUTES**

**An Act Relative to the Procedures for Municipalities and Districts to Accept Statutes.** *Effective September 1, 2004.*

Makes a technical change in the language of G.L. Ch. 4 §4, which sets forth the procedure for accepting local option statutes by cities, towns and districts to reflect different forms of government municipalities may adopt under the Home Rule Amendment. Acceptance by a municipality is by vote of its legislative body, subject to local charter provisions, and by a district by vote of district meeting. A definition of "municipality" as a city or town is added as Clause 19A to G.L. Ch. 4 §7, which provides definitions to be used in construing statutes. The term "legislative body" is already defined in that section to mean the body that approves municipal spending and makes laws, regardless of what it is called.

**Ch. 149      FY2005 STATE BUDGET**

**An Act Making Appropriations for the Fiscal Year 2005 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.** *Effective July 1, 2004.*

**Line item 1201-0130    Motor Vehicle Registration Requirements.** Requires that local real estate tax bills include a notice regarding the obligation of Massachusetts residents to register their vehicles in Massachusetts. **BULLETIN 2004-14B issued August 2004.**

**§3    Local Aid Advances.** Authorizes the State Treasurer to advance payments of FY05 local aid distributions to a city, town, regional school district or independent agricultural and technical school that demonstrates an emergency cash shortfall, as certified by the Commissioner of Revenue and approved by the Secretary of Administration and Finance.

**§8 Public Employees Addresses and Phone Numbers.** Adds paragraphs (o) and (p) to G.L. Ch. 4 §7, Clause 26, which defines a public record. Paragraph (o) provides that the home address and home telephone number of an employee of the judicial branch, unelected employee of the General Court, employee of any state executive branch agency, department, board or commission, or employee of any political subdivision or public authority, are not public records in the custody of their employers and are not to be disclosed to the public under G.L. Ch. 66 §10. The information can be disclosed to an employee organization under collective bargaining law, a non-profit organization for retired public employees and a criminal justice agency. Paragraph (p) exempts the same information for family members of state employees from the definition of public record.

**§§ 63, 79, 210 Notice of Retirement System Member Misconduct.** Make several changes to assist retirement boards eliminate pension rights under G.L. Ch. 32 §15 if a member is convicted of a crime. The amendments require the state or municipal employer to notify the retirement board if an employee is suspended while under indictment, as well as the outcome of any charges brought. G.L. Ch. 30 §59 and Ch. 268A §25. The Attorney General and District Attorneys are also required to notify the Public Employees Retirement Administration Commission (PERAC) if a member of a retirement system is convicted of a crime. G.L. Ch. 32 §15. **See PERAC Memorandum No. 25-2004 issued July 8, 2004.**

**§§71-76, 78, 83-84, 87 Termination of Dependent Benefits.** Amend several sections of G.L. Ch. 32 in order to provide a uniform age for terminating eligibility for various benefits for retirement system members' dependents. For full time students, the benefits terminate at age 22. **See PERAC Memorandum No. 25-2004.**

**§77 Death Benefits.** Amends G.L. Ch. 32 §12(1) so that a single beneficiary will no longer be able to receive both an accidental death and Option C survivor benefit as the result of the death of a retirement system member. This provision applies prospectively to selections made after July 1, 2004. **See PERAC Memorandum No. 25-2004.**

**§§85-86 Non-compliance with Earnings Report.** Amend G.L. Ch. 32 §91A to allow disability retirement benefits to be terminated if a retiree fails to report annual earnings after notice. Under prior law, the benefits were withheld until the retiree complied with the filing requirement. **See PERAC Memorandum No. 25-2004.**

**§88 Retiree Reinstatement Upon Public Employment.** Adds a new provision, G.L. Ch. 32 §105, under which a retiree who is employed in the public sector after retirement may be reinstated to membership in the retirement system by repaying an amount equal to the retirement allowance that the person had received while retired, plus interest. The person will then contribute to the retirement system at the rate in effect on the date that the person waived his or her allowance or the date that the member was reinstated to membership, whichever is earlier. If the person remains a reinstated member (as a full-time employee) for more than five years, he or she will be eligible to retire again, with additional creditable service and a likely new three-year average rate of regular compensation. If the person is reinstated to membership for less than five years, he or she will receive a refund of all amounts that were paid into the system during that time. **See PERAC Memorandum No. 25-2004.**

**§92 Smart Growth Consultant Fees.** Adds new chapter to General Laws, Chapter 40R, to authorize communities to adopt “Smart Growth” zoning districts to encourage development of single and multi-family family housing, including affordable housing, as well as mixed uses, near transit facilities, areas of concentrated development in city or town centers or other commercial areas, or other suitable locations.

Section 11(a) of the new Ch. 40R provides that the by-law or ordinance establishing the smart growth district may require applicants to pay fees to cover the costs of outside consultants needed for the designated approving authority to review applications for projects within the district. The fees, along with interest earned, are to be held in a separate account for that purpose. The unspent balance remaining after the review is completed is to be returned to the applicant. These accounts are effectively treated as outside consultant revolving funds under G.L. Ch. 44 §53G.

**§§93 and 384 Police Career Incentive Program.** Amend G.L. Ch. 41 §108L to limit police career incentive program benefits to those who graduate from approved criminal justice or law enforcement programs that meet or exceed standards established by the Board of Education, or who graduate from accredited or approved law schools and pass the Massachusetts bar examination. In addition, communities accepting the act after August 2, 2002 will not receive any state reimbursements for the incentive program until FY15.

**§94 Expedited Permitting Fees and Revolving Fund.** Adds new chapter to General Laws, Chapter 43D, to allow communities to adopt procedures to expedite local permitting and zoning decisions. These would include designating an office or official as a Municipal Office of Permit Coordination to function as the single contact for coordinating and facilitating the local land use process, providing for coordinated and concurrent reviews of all permits for a single project, developing a single application process and establishing specific timelines for action.

Section 3(h) of the new Ch. 43D authorizes the Municipal Office of Permit Coordination to charge a fee, in addition to any permit or consultant fees that would otherwise be charged, to defray the expenses associated with carrying out its duties. The fees are to be credited to a separate fund that may be spent by the office without appropriation for its expenses. Interest earned on the fees belongs to the revolving fund. The office may also use any annual surplus, along with matching funds appropriated by the community's legislative body, to develop regional plans.

**§§95-101, 215 and 254 Municipal Finance Oversight Board.** Make technical amendments in several municipal borrowing statutes that were modified by the Municipal Relief Act, Ch. 46 of the Acts of 2003. The act eliminated the emergency finance board (EFB), but created another board, consisting of the attorney general, state treasurer, state auditor and director of accounts or their designees for oversight in some cases. These amendments name that board the Municipal Finance Oversight Board (MFOB) and substitute the name of the board for the named officials in the relevant statutes. In addition, they reintroduce oversight over certain borrowings that formerly required EFB approval. Specifically, approval of the new board is required for (1) debt for projects qualifying for federal grants issued under Chapter 74 of the Acts of 1945 and (2) sewer construction debt issued under G.L. Ch. 44 §8(15) unless the community has a sewer enterprise or special revenue fund and the accounting officer certifies that sewer rates are sufficient to cover operating expenses and debt service. Under Section 254, MFOB must approve any municipal debt authorized before the July 31, 2003 effective date of the Municipal Relief Act that exceeded the debt limit under G.L. Ch. 44 §10 at that time and was not approved by EFB, before it can be issued. **Informational Guideline Release (IGR) 04-101 issued October 2004.**

**§107 Statement of Overdue Taxes and Charges.** Amends provision added to G.L. Ch. 59 §57, the semi-annual property tax billing statute, by last year's Municipal Relief Act. Ch. 46 §52 of the Acts of 2003. Under that provision, real and personal property tax bills must notify taxpayers of the amount of any municipal tax or charge that is delinquent for more than 90 days. The amendment postpones implementation until fiscal year 2006. In addition, the delinquency statement only has to appear on real estate bills and include a general statement that a delinquency exists, not a statement of overdue amounts. Neither change applied to communities that accepted G.L. Ch. 59 §57C, which provides for an annual preliminary billing system on a quarterly or semi-annual basis. **BULLETIN 2004-14B. But see Ch. 352 §26 for amendment that makes the same changes to G.L. Ch. 59 §57C. BULLETIN 2004-18B issued October 2004. IGRs 05-201, 05-202, 05-203 and 05-204 issued February 2005.**

**§§108-112 Preliminary Tax Billing System.** Make technical corrections to G.L. Ch. 59 §57C, which is a local acceptance statute. Before the Municipal Relief Act, Ch. 46 of the Acts of 2003, acceptance of Ch. 59 §57C automatically changed a community's payment schedule from the traditional semi-annual payment system to a quarterly system, with the first two quarters being so-called preliminary bills based on the prior year's tax. The Municipal Relief Act broadened the statute to apply to communities wishing to retain a semi-annual billing system, but inadvertently deleted language in the first paragraph limiting the preliminary tax to a percentage of the prior year's tax and omitted the due date for the preliminary bill in those communities. The amendments restore the limitation, specify a due date and make other technical changes to conform the statute to the broadened scope. **IGRs 05-203 and 05-204 issued February 2005.**

**§122 County Government Finance Review Board Membership.** Amends G.L. Ch. 64D §12 to expand membership on the County Government Finance Review Board, which is currently a three person board consisting of the Secretary of Administration and Finance, the Commissioner of Revenue, and the Secretary of Public Safety, or their designees. Two new members are added: the State Auditor, or his designee, and a former Massachusetts sheriff appointed by the Massachusetts Sheriff's Association.



**§298 Cape Cod Land Bank.** Allows towns in Barnstable County to terminate their participation in the Cape Cod Open Space Land Acquisition Program (Cape Cod Land Bank), Ch. 293 of the Acts of 1998, and accept the Community Preservation Act (CPA), G.L. Ch. 44B, with some modifications. Both programs dedicate monies from a local property tax surcharge, and other sources, to a fund for special spending purposes. This option requires a vote of the town's legislative body and voter approval of a referendum question. In the year after voter approval, the town's participation in the land bank ceases and the community preservation surcharge and other provisions relating to the operation of, and expenditures from, the fund go into effect. Any debt service on land bank borrowings would then be paid from the community preservation fund. As enacted, the town would not have been eligible to receive state matching funds on the same basis as other CPA communities until the year after the modified CPA took effect. **BULLETIN 2004-13B issued August 2004. But see Ch. 352 §§129-133 for technical amendments that make a town accepting the modified CPA eligible for matching funds in the first year the modified CPA operates and clarify authority of a town to issue land bank debt authorized before acceptance of the modified CPA. BULLETIN 2004-16B issued October 2004.**

**§334 Education Reform Waivers.** Permits cities, towns and regional school districts to apply for various adjustments in their FY2005 minimum required contributions to schools under the Education Reform Act. Municipalities may seek adjustments if (1) non-recurring revenues were used to support FY2004 operating budgets and those revenues are not available in FY2005, (2) they have extraordinary non-school related expenses in FY2005, or (3) their FY2005 municipal revenue growth factor is at least 1.5 times the statewide average and is deemed to be excessive. Regional school districts that (1) used non-recurring revenues in FY2004 that are unavailable for FY2005, or (2) received regional incentive aid in FY95 must seek waivers if a majority of the selectmen in a town, the city council in a Plan E city or the mayor in all other cities in a majority of the member municipalities requests them.

Requests for waivers by municipalities must be made by the selectmen in a town, the city council in a Plan E city or the mayor in all other cities, by October 1, 2004. If a regional school budget has already been approved by the members and a waiver is granted of any member's minimum required local contribution to the district, the use of that waiver must be approved by the selectmen, the city council in a Plan E city or the mayor in all other cities of a majority of the member municipalities. The Department of Education (DOE) will determine regional school district waivers based on receipt of regional incentive aid. DOR administers the other waiver programs. **IGR 04-301 issued August 2004.**

**Ch. 178      CORPORATE PERSONAL PROPERTY TAX EXEMPTIONS**

**An Act Relative to Business Corporations.** *Effective July 1, 2004.*

**§§2 and 3    Foreign Business Corporations and Limited Liability Companies.** Section 2 amends G.L. Ch. 59 §5, Clause 16, which sets out personal property tax exemptions for business corporations, to conform to requirements under the new Business Corporations Act, G.L. Ch. 156D, that foreign corporations register to do business in Massachusetts with the Secretary of State. Chapter 127 of the Acts of 2003. Under the amendment to Clause 16, foreign business corporations that do not comply with the filing requirement are not entitled to the corporate personal property tax exemptions. Although it cites Clause 16, Section 3 was apparently intended to amend Clause 16A to remove the property tax exemption for certain foreign limited liability companies that do not comply with their filing requirements. That local option clause applies to foreign limited liability companies in existence on or before January 15, 1996 whose members are corporations and which are engaged in manufacturing.

**Ch. 208      SCHOOL BUILDING ASSISTANCE PROGRAM**

**An Act Relative to School Building Assistance.** *Effective July 26, 2004.*

Amends G.L. Ch. 70B to reform the administration and financing of the state school building assistance program. The program will now operate under a School Building Assistance Authority that will be governed by a seven member board, chaired by the state Treasurer. The board will also include the Secretary of Administration and Finance, the Commissioner of Education and four other members. In addition, an 18-member advisory board that will include municipal officials will be established to provide advice to the new authority.

Payments for ongoing approved school construction projects currently receiving reimbursements will continue as scheduled. Projects that have not yet received the first state payment will receive a lump sum amount representing the state's share of the project costs. As a result, upon completion of their projects, these communities will issue long-term bonds for only the local share of the project. Reimbursement rates for those projects currently on the waitlist are grandfathered. New projects added once the project moratorium is lifted in 2007 will be reimbursed at lower rates ranging from 40 to 80 percent.

State funding for school projects will now come from a combination of state borrowing and dedication of a portion of state sales tax revenues. See Chapter 210 of the Acts of 2004 under which 20 per cent of state sales tax revenue is dedicated, and \$150 million is transferred from the FY04 surplus, to the new special trust fund created to finance the state's share of the projects.

**Ch. 262**

**STATE OWNED LAND AND EXCISE ABATEMENTS**

**An Act Further Regulating the Department of Revenue.** *Effective August 9, 2004.*

**§§6-9 State Owned Land Valuation Program Schedule.** Amend G.L. Ch. 58 §§13, 14 and 15 to reduce the schedule for DOR to value certain state owned land and watershed land held by the Massachusetts Water Resources Authority for purposes of state payments in lieu of taxes from every five to every four years. This means that new valuations will be determined as of January 1, 2005, with the next valuations being determined as of January 1, 2009 instead of 2010 as under prior law. The amendments also modify the notice and appeal periods for those valuations so that the state owned land valuation program uses the same process and time periods used for the biennial equalized valuation program. DOR will send assessors notice of the new valuations by June 1 and hold a public hearing by June 10. Assessors may provide information regarding the valuations at or after the hearing. DOR will then send assessors notice of any change in the valuation by July 20. Assessors will have until August 10 to appeal to the Appellate Tax Board, which must decide all appeals by the following January 20.

**§§10 and 11 Motor Vehicle and Boat Excise Abatements.** Section 10 amends G.L. Ch. 60A §2, which sets the deadline by which a taxpayer may by right apply for a motor vehicle excise abatement. Abatement applications will now be timely if filed within three years after the excise was due, or one year after the excise was paid, whichever is later. Under prior law, applications were due by December 31 of the year after the excise year, or 30 days after the bill was mailed, whichever is later.

Section 11 adds a new Section 8 to Chapter 60A, which gives assessors authority to abate motor vehicle excises in certain circumstances where the taxpayer did not timely apply for abatement. The excise must be unpaid and the abatement must be consistent with guidelines issued by DOR. Any action on a late filed application is solely discretionary and cannot be appealed to any local or state board, agency or official. The taxpayer's recourse is to pay the excise and file an abatement application within one year of the payment date. Previously, assessors would have to obtain authority from DOR under G.L. Ch. 58 §8 to grant abatements in cases of late filed applications.

Both amendments also apply to abatements of boat excises assessed under G.L. Ch. 60B because under G.L. Ch. 60B §5, the motor vehicle abatement process applies to those abatements. **IGR 04-209 and BULLETIN 2004-22B issued December 2004.**

**Ch. 291**

**MOORING FEES**

**An Act Modernizing the Transportation System of the Commonwealth.**  
**Effective August 10, 2004.**

**§33 Mooring Fees.** Amends G.L. Ch. 91 §10A, which authorizes harbor masters to issue permits for temporary moorings. The amendment provides that cities and towns may charge reasonable fees to cover their permitting costs, but expressly prohibits charging different fees to residents and non-residents. In addition, all mooring fees must now be deposited in the Municipal Waterways Improvement and Maintenance Fund established by G.L. Ch. 40 §5G.

**Ch. 295**

**ASSIGNMENT OF MUNICIPAL RECEIVABLES**

**An Act Relative to the Sale of Municipal Receivables.** *Effective November 11, 2004.*

Sections 1-5 amend G.L. Ch. 60 §2C, which authorizes municipal collectors and treasurers to make bulk assignments of uncollected real and personal property taxes, and other receivables secured by a municipal tax lien, to third parties. The amendments are intended to facilitate assignments of tax receivables.

Under prior law, a municipal collector or treasurer had to assign all delinquent accounts for a given class of property (residential, open space, commercial, industrial, personal) in a single transaction, except for parcels with environmental problems, or parcels whose owners were in bankruptcy or were complying with a payment plan. To give municipalities more flexibility to package the receivables and make them more salable, treasurers and collectors will now be permitted to exclude from a class of receivables to be assigned any other categories of parcels that DOR defines by guideline, or that the selectmen, town council, or mayor and city council may authorize, with DOR's approval. Collectors or treasurers of two or more municipalities will now be allowed to make joint assignments and the notice requirement for bulk sales of tax titles has been reduced to two months. Previously, municipalities had to publish notice of an assignment of residential parcels six months before the assignment, and for other delinquent accounts, three months before an intended assignment.

Other changes allow a municipality to select a purchaser based on many factors set out in G.L. Ch. 60 §2C(c), plus other factors determined by it and DOR. Since prior law required an auction to the highest eligible bidder, the change makes the assignment more like a request for proposals under the Uniform Procurement Act, G.L. Ch. 30B, than a bid process. In addition, an assignment may now be made at a maximum discount of 50 per cent of the accrued interest, if authorized by the municipal legislative body. Previously, the statute allowed discounts in accordance with guidelines issued by DOR, which currently authorize interest discounts of no more than 25 per cent.

A municipality will now be able to repurchase receivables that were inadvertently included in an assignment, *i.e.*, receivables that should not have been included in the assignment because they belonged in one of the categories excluded from the class under the terms of the sale. Any repurchases must take place within six months of the assignment. In addition, assignees will have an automatic right to purchase subsequent fiscal years' receivables on the same parcel. This will enable them to protect their interests in those parcels since liens for subsequent years' taxes are senior to liens for prior years' taxes. Prior law permits such rights as an optional term of the assignment contract.

Sections 6 and 7 amend G.L. Ch. 60 §§52 and 62 in order to correct problems with an older and simpler statutory mechanism for assigning individual tax titles. Assignments of multiple parcels may now be made in one sale under G.L. Ch. 60 §52. Assignees would get the same interest rate as the city or town would have received if it had not assigned the account and taxpayers may not be required to pay an assignee more than they would have had to pay the municipality if the assignment had not been made.

Section 8 adds a new Section 62A to, and amends Section 63 of, G.L. Ch. 60. The new Section 62A allows municipalities by ordinance or bylaw to authorize treasurers to enter into payment agreements with persons entitled to redeem parcels in tax title. The agreements could last for up to five years, and could authorize waivers of up to 50 per cent of the accrued interest. Agreements and waivers must be offered uniformly to taxpayers in the categories determined by the bylaw or ordinance. This provision is similar to the amnesty program authorized by Ch. 4 §73 of the Acts of 2003. Previously, treasurers could extend the time before they filed foreclosure petitions for no more than one year, but could not waive interest.

The amended Section 63 clarifies that in the case of assignments of tax titles under G.L. Ch. 60 §52, an owner or other interested party may make payments to the treasurer rather than the assignee only by tendering the full amount needed to redeem the property. The treasurer may not accept partial payments on a tax title assigned under Section 52. It also raises from \$1 to \$10 the amount the municipality retains for handling the redemption.

**An IGR explaining implementation of these provisions will be issued.**

**Ch. 352**

**FISCAL YEAR 2004 SUPPLEMENTAL BUDGET**

**An Act Making Appropriations for Fiscal Year 2004 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects. *Effective September 17, 2004.***

**§§24 and 25 Veteran Property Tax Exemptions.** Amend G.L. Ch. 59 §5, Clauses 22, 22A, 22B, 22C and 22E, which set forth property tax exemptions for certain veterans, by eliminating language that expressly required wartime service as a condition of eligibility. As a result, certain persons without wartime service who come within the recently expanded definition of veteran in G.L. Ch. 4 §7, Clause 43, will qualify for these exemptions beginning in FY06 if they meet all other eligibility requirements. **See Ch. 116 of the Acts of 2004 above. BULLETIN 2004-17B issued October 2004.**

**§26 Statement of Overdue Taxes and Charges.** Amends provision added to G.L. Ch. 59 §57C, the local option annual preliminary billing system statute, by last year's Municipal Relief Act. Ch. 46 §54 of the Acts of 2003. Under that provision, real and personal property tax bills must notify taxpayers of the amount of any municipal tax or charge that is delinquent for more than 90 days. The amendment makes the requirement for bills issued under G.L. Ch. 59 §57C consistent with those for Ch. 59 §57, which were changed by an outside section in the FY05 state budget. **See Ch. 149 §107 of the Acts of 2004 above.** Regardless of the billing system, the statement is now not required until fiscal year 2006, only has to appear on real estate bills and only has to include a general statement that a delinquency exists. **BULLETIN 2004-18B issued October 2004.**

**§§129-133 Cape Cod Land Bank.** Make several technical amendments to provision of 2004 state budget that allows towns in Barnstable County to terminate their participation in the Cape Cod Open Space Land Acquisition Program (Cape Cod Land Bank), Ch. 293 of the Acts of 1998, and accept the Community Preservation Act (CPA), G.L. Ch. 44B, with some modifications. **See Ch. 149 §298 of the Acts of 2004 above.** The amendments will make towns that convert to the CPA eligible for state matching funds in the first year the modified CPA operates, based on the prior year's land bank surcharge levy. They also clarify that any land bank debt authorized before the town accepts the modified CPA may be issued at any time. **BULLETIN 2004-16B issued October 2004.**

\*\*\*\*\*

**Ch. 491      AFFORDABLE HOUSING TRUST FUNDS**  
**An Act Establishing Municipal Affordable Housing Trust Funds.**  
*Effective April 7, 2005.*

Adds a new local option Section 55C to G.L. Ch. 44, which authorizes municipalities to establish affordable housing trust funds. The purpose of the trust fund is to promote the creation and preservation of affordable housing. The fund would be under the control of a board of trustees of at least five members appointed by the mayor, city manager or selectmen for a term of two years. The trustees are authorized to accept any grants of funds or other property, exaction fees, or private contributions offered to the trust, including monies paid in accordance with a zoning or other ordinance or by-law. In addition, municipalities may appropriate community preservation fund monies, or other available municipal funds, into the trust fund. The trustees may spend money in the fund without appropriation. They may also borrow money and acquire or dispose of real and personal property without approval of the municipality's legislative body. The trustees must have the trust audited annually by an independent auditor.

The trust is a public employer, and the trustees are subject to the Conflict of Interest law, G.L. Ch. 268A, Open Meeting law, G.L. Ch. 39 §§23A-23C, and the Uniform Procurement Act, G.L. Ch. 30B.

\*\*\*\*\*

**Last Act:      Chapter 508 signed by the Governor on January 13, 2005.**