



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Supporting a Commonwealth of Communities

“What’s New in Municipal Law” Workshop B

Recent Legislation

Recently Passed Legislation

- An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (HERO Act) – [Bulletin 2024-5](#)
 - Increases Local Flexibility for Veterans Property Tax Exemptions
 - › Creates two separate local options. The first allows municipalities to double the veteran property tax exemption without doubling all other exemption clauses (Clause 22J). The second increases the amount of Clause 22 exemptions by the increase in the Consumer Price Index (Clause 22I). Effective for FY26.
 - › Changes MVE veteran disability determination from MAB to VA. Effective now.
 - › Bulletin-2024-5
- QUICK NOTE: Budget Bill Tax Title Reform
 - Several notices in the tax title foreclosure process advise taxpayer to contact local assessor's office concerning any abatement, exemption, deferral, etc. they may be entitled to.
 - Notice needs to have assessor's contact information.

RMV Policy Change

Registry of Motor Vehicles Considering A Policy Change For Suspended or Revoked Registrations

1. The RMV can suspend or revoke a registration for a variety of reasons.
2. When a registration is in a suspended or revoked status on January 1, the RMV has still historically issued a motor vehicle excise bill for that person to the local assessors.
3. RMV is now considering modifying its current practice by refraining from issuing a motor vehicle excise bill on Jan. 1 for motor vehicle registrations that are in suspended or revoked status on that date.
4. Owners of motor vehicles are assessed a motor vehicle excise or personal property tax each year. G.L. c. 60A was enacted and imposed a local excise in lieu of a personal property tax. Therefore, an owner whose vehicle is registered on the January 1 of the calendar year, or at any time during that year, is subject to an excise. If the vehicle is unregistered on January 1, the owner is subject to personal property tax unless the vehicle is registered during the year. G.L. c. 59, § 5(35).
5. Change would mean all taxpayers in a suspended or revoked status on January 1, 2024 would be issued a personal property tax instead.

Registry of Motor Vehicles Considering A Policy Change For Suspended or Revoked Registrations

1. According to the registry, for the January 1, 2023, bill run, the number of people in a suspended/revoked status was roughly 63,405 for ~\$5m in net billings. Of those, roughly 13,006 were reinstated or canceled (about 20%) at some point during 2023.
2. This means that roughly 80% of suspended/revoked registrations will not renew/be cancelled. So those vehicles would become taxable personal property.
3. This would result in roughly 63,000 new personal property tax bills, of which about 13,000 would be abated.

Recently Passed Legislation

- Affordable Housing Act/ Housing Bond Bill – Chapter 150 of the Acts of 2024
 - Allows for Development of Accessory Dwelling Units by Right – New Growth Opportunity
 - Creates a “Seasonal Communities” (SC) Designation
 - SC designation is based upon criteria such as % of short-term rentals relative to overall housing and number of seasonal residents
 - Administered by the Executive Office of Housing and Livable Communities
 - › Designates Barnstable County, Cape and Islands and parts of Berkshire County as SC’s
 - › EOHLC will study and designate additional municipalities, based on stated criteria
 - › Municipalities must vote to accept or reject SC designation
 - › SC’s are qualified for additional housing expansion
 - › Provides that SC’s may establish a year-round housing trust fund, allow occupancy restrictions to require year-round housing, develop housing for artists and public employees, allow “tiny houses,” and permits housing units to be built on undersized lots, provided they are used for year-round housing
 - › Provides SC’s authority to increase 59:5C residential exemption from present 35% up to a maximum of 50% of assessed value of residential parcels, provided that the exemption shall apply only to principal residence
 - › Further implementation guidance is necessary to assist municipalities in implementing new municipal finance and building and zoning issues.

Recent Cases

**ATB, Appeals Court and
Supreme Judicial Court**

**Drury v. Board of Assessors of
Templeton**

**103 Mass App. Ct. 1108
(October 5, 2023)**

- **Assessors valued property at \$150,000.**
- **Property received a 5 % economic-
obsolescence deduction which was gradually
reduced from 2008.**
- **Assessor testified explaining how conditions
had significantly changed in the
neighborhood since 2008.**
- **Taxpayer failed to meet her burden of proving
that the subject property's assessed value
exceeded its fair cash value for the Fiscal Year
2020.**

Choi v. Board of Assessors of Boston

**ATB 2024-61
(April 1, 2024)**

- **Due date for the residential exemption was April 3rd, 2023.**
- **Taxpayer submitted her residential exemption application on April 5th, 2023.**
- **G.L. c. 59, § 5C which references G.L. c. 59, § 59, a taxpayer must file for the residential exemption with the assessors in writing on the approved form by April 1st of each year to which the tax relates.**
- **Taxpayer was not in compliance with G.L. c. 59, § 5C.**

480 McClellan LLC v. Board of Assessors of Boston

**ATB 2023-419
(December 12, 2023)**

- **480 McClellan leased property from Massport.**
- **Massport is exempt from local taxes.**
- **McClellan is a for profit LLC who was conducting business at this property.**
- **Section 17 of the Enabling Act requires no finding by the board of a public purpose, only that the subject property was leased for business purposes.**
- **McClellan was not an exempt entity and owes over \$500,000 in real estate taxes.**

Finlayson v. Board of Assessors of Billerica

**ATB 2024-33
(February 20, 2024)**

- Appellant disabled veteran seeks abatement of MVE for two vehicles, claiming that he was entitled to a G.L. c. 60A, § 1 exemption for FY's 19 & 20.
- Appellant submitted letter from USDVA to the Board, dated 10/18/18, that he is permanently disabled due to service-connected injuries.
- Board countered that it had not receive documentation from RMV MAB for FY's 19 & 20.
- ATB held that, despite Board's lack of MAB approval, abatements were warranted due to USDVA's determination of total disability.
- Appellant allowed abatement for one vehicle.

Outfront Media, LLC v. Board of Assessors of Boston

**493 Mass. 811
(April 22, 2024)**

- Outdoor for-profit billboard company claimed exemption from RE property taxes on MBTA property, per G.L. c. 161A, § 24, similar to G.L. c. 59, § 2B.
- G.L. c. 161A, § 24: MBTA RE is exempt, but if RE is “leased, used or occupied in connection with a business conducted for profit” user is taxed.
- Pltf argued exemption applied since, in addition to generating ad revenue from its billboards, and paying rent to MBTA, contract required a % of its ads for MBTA messages.
- Pltf asserted it provided a service to MBTA, not a “use” in connection with business profit.

**Outfront Media, LLC v. Board of
Assessors of Boston**

**493 Mass. 811
(April 22, 2024)**

- **Pltf appealed city's assessment of \$198,257.49 to ATB, which found that Pltf "used" the MBTA signs per s. 24 and thus was subject to RE tax.**
- **SJC, taking case from Appeals Ct. sua sponte, reasoning that Pltf must bear burden of proof, held that Pltf "used" property for profit.**
- **Statutory construction analysis implied that "use" means a degree of control of property.**
- **Pltf was not just providing services to MBTA, it controlled the property for business profit.**
- **Pltf's exclusive uncapped right to sell sign ads to private parties meant it was not exempt.**

Recent PROPOSED **Legislation**

Empowerment Act
(not signed into law)

Empowerment Act

- **Elderly Exemptions** - Provides municipalities with the option to increase Clause 41 elderly tax exemptions to any amount
- **Domicile Owned by a Trustee, Conservator or Other Fiduciary** - New local option to allow individuals whose domiciles are held by a trustee, conservator or other fiduciary for their benefit to be treated as the owners of their domiciles so that they may be granted a personal exemption that they otherwise would qualify for

Empowerment Act

- **Senior Means Tested Exemption** - New local option exemption for qualifying income-eligible seniors for the property taxes assessed on their domiciles - the exemption works like the residential exemption by shifting the exempted taxes to other residential taxpayers in the town
- **Surviving Minor Child of Firefighters and Police Officers Exemption** - This section allows ownership criteria to be satisfied when a surviving minor is the only beneficiary

Empowerment Act

- **8 of 58 Paid Tax** - This section eliminates the requirement that a paid tax be the result of an obvious clerical error (would still be limited to the last 3 fiscal years). This limitation currently prevents DLS from authorizing abatements in scenarios where a taxpayer would otherwise qualify.
- **Reporting and Tax Treatment of Solar PILOTS (52)** -inserts language found in G.L. c. 59, § 39H(b) to G.L. c. 59, § 5 Clause 45 so that any receipts derived from solar or wind PILOTS are considered part of the tax levy and constitute new growth within the community

Empowerment Act

- **Regional Board of Assessors** - This section allows multiple communities to implement a Regional Board of Assessors. This eliminates the necessity of each town having a local board and aims to streamline the duties imposed upon such officials while reducing challenges communities have in filling vacancies.
- **Manufacturing/Research & Development Decisions** – This section allows assessors to abate personal property taxes, or assess additional taxes, to put into effect a final decision about the classification of a corporation as a manufacturing (M) or research and development (R&D) corporation.

Empowerment Act

- **COLA for Property Tax Exemptions** – This local option statute allows municipalities to increase property tax “clause exemptions” by an amount equal to the cost of living.
- **Payment Date for ATB Jurisdiction** – These technical changes relocate the “postmark” rule to determine when interest is incurred on property tax payments received by local tax collectors after their due date for purposes of appealing a local assessors’ denial of an abatement application to the ATB appeal provision, rather than the billing system.

Empowerment Act

- **Local Option Taxes 1** – This section establishes a new local option Motor Vehicle Excise (MVE) surcharge of 5%.
- **Equalizing Property Tax Appeals** – This section requires all property taxpayers to pay in full to appeal. Currently, personal property taxpayers, such as utilities, need only pay half of the tax bill to preserve their right to appeal while residents and commercial taxpayers are required to pay in full.