



**Remarks of Amber Villa
Chief, Neighborhood Renewal Division
Office of the Attorney General
Joint Committee on Revenue
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Thank you, Pat.

And thank you, Chair Moran, Chair Cusack, and members of the Committee for the opportunity to testify today.

My name is Amber Villa and I am the Chief of the Neighborhood Renewal Division in the Office of Attorney General Andrea Joy Campbell.

The American system of wealth building is based upon property ownership.

In the Attorney General's Office, we consistently see the struggles people undergo to own a home and to maintain that ownership.

The Commonwealth's property tax foreclosure process undermines home ownership and strips equity earned by homeowners.

This has profound impacts on countless families across Massachusetts, including elderly homeowners and homeowners in communities of color.

In the wake of *Tyler v. Hennepin County*, we have an opportunity to conform our laws with constitutional requirements and do so in a way that maximizes equity and emphasizes fairness.

Overall, property tax foreclosure should only be available to lien holders who cannot otherwise recover monies owed – it should not be the ultimate goal.

If foreclosure is the only course, our first recommendation is to establish a reasonable and fair means of determining the equity attributable to the property owner after the tax debt is paid, together with a mechanism allowing the owner to recover that equity.

We believe that a public sale of the property would help to establish the value and help ensure that the balance of the equity in the home is returned to the owner.

Our mortgage foreclosure law can be instructive, as it requires a mortgage holder foreclosing on a property to provide adequate notice of a sale and subsequently return to the owner amounts remaining once all outstanding debts are paid.

Second, we should consider a program that gives a state or quasi-state agency a right of first refusal to purchase tax liens on owner-occupied properties.

The agency can work with a homeowner to provide timelines for repayment, financial counseling and other wrap-around services.

Investing in a program like this would allow cities and towns to recoup property tax dollars *and* provide homeowners an opportunity to retain ownership.

Since 2007, the Madeline Walker tax lien program in Rhode Island has purchased about 4,500 liens.

In about 92% of those cases, homeowners have paid off the liens and been able to remain in their homes.

Third, municipalities or third parties acquiring tax title to a home must provide detailed and timely notice to homeowners about the tax lien, including how to remedy amounts owed and information about the tax lien foreclosure process.

While there could be a good faith reason to move with speed – to address a vacant or abandoned property that is considered a danger to public health or public safety – we must provide homeowners with sufficient due process.

We've also seen third-party buyers require homeowners to pay fees up front, in addition to the outstanding taxes and interest in order to satisfy the lien.

At a minimum, we should require that fees imposed on owners be reasonable – and limited to charges already incurred.

I want to acknowledge and thank the many legislators who have made this issue a priority, including Senator Comerford, Senator Montigny, Senator Creem, Senator Tarr, Representative Roy, Representative Vitolo, Representative Mahoney and Representative Nguyen.

The Attorney General's Office stands ready to work with all stakeholders to reform our property tax foreclosure system.

Into one that is equitable, fair and aligned with constitutional requirements.

Thank you for the opportunity to share our thoughts with you.