



Summary of Recent Statutory Changes to Real Property Tax Collection Statutes

Below is a concise **summary of the statutory changes to Massachusetts General Laws Chapter 60 (the property tax collection statute) between 2024 and 2026**, focusing on amendments that materially alter procedures, deadlines, interest, notices, and foreclosure-related provisions.

I. Major Changes Effective 2024

1. Comprehensive Tax Title / Tax Foreclosure Reform (Chapter 140 of the Acts of 2024)

These amendments generally took effect **November 1, 2024** and restructured significant parts of c. 60 related to tax collection, foreclosure, and post-foreclosure procedures:

a. Interest Rates on Tax Titles

- The interest rate on tax title balances was **reduced from 16% to 8%** for tax titles *entered on or after November 1, 2024*. Existing titles prior to that date continue at 16% through practical interpretation and subsequent statutory affirmation.

b. Foreclosure Timing

- The waiting period for a municipality to file a **Land Court foreclosure petition** after recording an instrument of taking was **increased from 6 months to 12 months**.

c. Payment Agreements (§ 62A)

- Municipalities *may* adopt ordinances/budgets permitting **payment agreements for redemption** with longer terms (up to 10 years instead of 5), lower down payment requirements (10% instead of 25%), and broader interest waiver authority.

d. Notice and Process Requirements

- Collector demands and notices for **residential property** tax taking were codified with more detailed procedural requirements (including posting, mailing, and form usage) and more inclusive language/notice standards for residential parcels. [These modifications are further expounded upon, below.]

e. Post-Foreclosure Procedures and Excess Equity

- Under the newly enacted Section 64A of Chapter 60, the Legislature instituted procedures governing **sale or retention of foreclosed property**. Municipalities must decide within a set period following entry of a tax foreclosure judgment whether to retain municipal use or sell, followed by standardized procedures for sale, appraisals, auctions (licensed auctioneer, minimum bid thresholds), and **excess equity distributions** to former owners. [These modifications are further expounded upon, below.]

II. 2025 Statutory Amendments Affecting Chapter 60

1. Clarifications and Extensions (Chapter 14 of the Acts of 2025; effective August 5, 2025)

The Legislature enacted several modifications to clarify the application and timing of the 2024 reforms:

a. Clarification of Interest Rate Application

- Chapter 14 *clarified* that the **reduced 8% interest rate** is expressly **prospective**—it applies only to tax titles entered on or after **November 1, 2024**. Tax titles in existence at the time of the effective date continue at 16%.

b. Extended Decision Window After Final Foreclosure Judgment

- Municipalities must elect to **retain or sell a property** within **30 days** after a foreclosure judgment becomes final, rather than the shorter 14-day period previously enacted.

III. Major Modifications

1. Notice and Process Requirements

Substantial modifications were made to the demand and taking procedures as a result of the statutory amendments.

A. Enhanced Demand Requirements

Requires inclusion of enhanced notice prepared by the DOR with demands for Class One Residential Property, as defined in Ch. 59, § 2A.

B. Enhanced Pre-Taking Requirements

Requires enhanced notice procedures for taking of Class One Residential Properties. Requires:

- (i) mailing to the taxpayer at their last known residence and usual place of abode or place of business;
- (ii) posting at the property;
- (iii) publication on the town or city website.
- (iv) Requires use of notice prepared by DOR as well as enhanced multiple-language notice.

2. Excess Equity and Post-Foreclosure Procedures

A. “Excess Equity”

The amendments to Chapter 60 included the addition of “Excess Equity” as a defined term under MGL c. 60, § 1. Therein, “excess equity” means the **surplus value above taxes, interest, fees and costs** (including selling or appraisal costs) remaining after foreclosure. This definition is integral to the new distribution requirements under the new Section 64A.

B. Newly Enacted Section 64A

Section 64A establishes:

- a judgment holder must **elect to retain or sell** property after a final foreclosure judgment;
- the procedures for **appraisal or sale** of that property;
- how **excess equity** is calculated and distributed to former owners or other entitled parties;

- how **disputes** over excess equity are resolved. [Massachusetts Government](#)
-

1. Election After Foreclosure Judgment - Subsection (a)

- Section 64A applies to a municipality or purchaser of tax receivables after a **final judgment in Land Court foreclosing the right of redemption**.
 - Within **30 days after the foreclosure judgment becomes final** (no appeal or appeals resolved), the judgment holder must choose to:
 - **retain the property**, or
 - **sell the property**.
 - The judgment holder must notify the **former owner and all others known to hold a right of redemption** of:
 - the election made (retain or sell), and
 - the **rights and procedures to claim excess equity**.
Notification is by **certified mail** to the last known address.
-

2. If the Property Is Retained - Subsection (b)

- If the judgment holder elects to **retain** the property:
 - It must use **reasonable best efforts to secure an appraisal** within **120 days** of the final judgment (or later if agreed) by an independent licensed appraiser.
 - The appraisal must reflect the **highest and best use as of the foreclosure judgment date**.
 - The **appraised value** is used to determine the amount of **excess equity** available to be paid to entitled parties.
-

3. If the Property Is Sold - Subsection (c)

- If the judgment holder elects to **sell** the property:

- Within **180 days** after final judgment (or later by agreement), the property must be **listed for sale with a licensed real estate agent** who is not employed by or holds office in the municipality.
 - If the property does not sell within **12 months** of listing:
 - It must be **auctioned** by a licensed auctioneer not employed by or holding office in the municipality.
 - Bids must be at least **two-thirds of the appraised value**.
 - Individuals employed by or holding municipal office cannot bid.
 - If the property still does not sell at auction, the judgment holder must notify entitled parties of its intent to **continue sale efforts** and not to retain the property.
-

4. Accounting and Distribution of Excess Equity - Subsection (d)

- After a **sale or appraisal**:
 - The judgment holder must prepare a **written, itemized accounting** of proceeds, including:
 - sale price or appraisal value,
 - expenses (e.g., legal, marketing, auctioneer, appraisal),
 - and the **excess equity** due.
This accounting must be mailed to entitled parties within **30 days** of sale or appraisal.
 - If the judgment holder **knows the identities and addresses** of former owners and all others entitled to excess equity, it must distribute each party's **proportional share** of the excess.
 - If the judgment holder **does not know recipients' identities/addresses** at that time:
 - A **notice** must be mailed explaining the right to claim excess equity.
 - Claims must be submitted in writing within **18 months** after the notice, delivered by certified mail or personal service, or filed at the municipality's collector office.
-

5. Escrow and Unclaimed Funds - Subsection (e)

- Excess equity payments are held in a **segregated, interest-bearing escrow account** for all foreclosures.
- Excess equity not claimed within **19 months** after a sale or appraisal is disposed of under **Chapter 200A** (Unclaimed Property).

6. Dispute Resolution - Subsection (f)

- The **Superior Court** has jurisdiction to hear disputes among the judgment holder and any parties entitled to excess equity regarding:
 - property valuation,
 - sale process,
 - amount or distribution of excess equity,
 - or any other provision of Section 64A.
- A complaint must be filed within **12 months** after the accounting notice.



Suggested Best Practices Relative to Tax Title Collection

Below are some suggested Best Practices that municipalities may implement to facilitate collection of outstanding real estate taxes and compliance with **the statutory changes to Massachusetts General Laws Chapter 60 (the property tax collection statute) between 2024 and 2026**, that materially alter procedures, deadlines, interest, notices, and foreclosure-related provisions.

During the past fifteen years the City of Fall River has collected over \$27 Million in Tax Title and over \$8.5 Million in Treasurer's Interest while only foreclosing on 35 parcels (8 of which where units in the same condominium). In the process, the City has developed certain Best Practices, which have been periodically recognized by the Land Court and the Division of Local Services of the Department of Revenue.

Municipalities may want to consider implementing similar Best Practices to enhance their collection of Real Estate taxes in an efficient, yet equitable, manner.

I. Implement Strong, But Equitable, Real Estate Collection Practices

1. Successfully addressing Tax Title Collection is like emptying a sink full of water. While it's important to make sure the drain is emptying water from the sink, it is just as important to make sure that the faucet is shut off to prevent additional water from filling the sink.

a. In Fiscal Year 2025, the City of Fall River's Real Estate Tax Commitment was \$135 Million and the FY2025 Real Estate Tax Taking only totaled just over \$277,000.

- Less than three (3) months after the close of the Fiscal Year, Fall River performed its Tax Taking pursuant to General Laws Chapter 60, Section 53. Only 243 Parcels were

taken which only added approximately \$277,000 to the Tax Title Balance. This amounted to less than .2% of the FY25 Real Estate Tax Commitment.

- The following Best Practices were used throughout the Fiscal Year:
 - Enforcement of the provisions of General Laws Chapter 40, Section 57.
 - In order to obtain a municipal permit, approval, or license the applicant must first obtain a Tax Certificate from the Collector's Office certifying that there are no outstanding municipal taxes or charges.
 - Monitoring Outstanding Real Estate Taxes
 - The Collector's Office monitors outstanding Quarterly Real Estate Tax Payments and contacts the property owners of large outstanding amounts to attempt to facilitate collection of the outstanding amount.
 - Enforcement of the Offset Provisions of General Laws Chapter 60, Section 93
 - The Treasurer's Office monitors the payment of accounts payable and exercises the right of offset of any amount being paid to a taxpayer who has an outstanding real estate or personal property tax balance.
- Through use of these Best Practices, Fall River will typically collect approximately 97% of its annual Real Estate Tax Commitment.

b. Demand Notices

- During FY2025, Fall River used the new STF-6016 to satisfy the requirements of General Laws Chapter 60, Section 16 which requires that a demand for payment be made before a parcel may be taken for non-payment of real estate taxes.
 - Note that STF-6016 includes language that taxpayer may be eligible for an exemption, abatement or deferral and also includes the contact information for the Assessors' Office.
 - The STF-6016 is sent after the deadline for abatement and exemptions has passed and so the Collector's Office should inform the Assessors' Office before the notices are mailed out so that the Assessors' Staff can be prepared to answer questions from taxpayers and explain that they will not be able to seek and abatement or exemption until the next fiscal year.
- Approximately 2.7% of Fall River's FY2025 Real Estate Tax Commitment of \$135 Million was collected through these Demand Notices.

c. Notice of Review of Outstanding Real Estate Taxes

- In FY2025, Fall River developed a Notice of Outstanding Real Estate Taxes that was mailed to Assessed Property Owner and any Supposed Subsequent Owners of parcels that continued to have outstanding FY2025 Real Estate Tax Balances after the Demand Notice process was complete.

- This is not required by General Laws Chapter 60. However, Fall River mailed these notices in an attempt to reduce the number of residential parcels that had to be posted pursuant to the new requirements of General Laws Chapter 60, Section 53.
- This notice was accompanied by a cover sheet that contained the same notice of legal rights in the seven languages that appear on the new STF-6053A.

d. Notice and Process Requirements

- In order to comply with the new Notice and Process Requirements, Fall River issued a solicitation for constables approximately two months before Fall River planned on posting the properties with outstanding Real Estate Tax balances.
 - Fall River’s goal was to retain enough constables so that each constable would not be required to post more than 200 – 250 properties during a two to three day period.
 - The selected constables were also required to perform services on an as-needed basis for (1) one year covering locations in Fall River.
 - There is an option to extend the contract with a selected constable for an additional (2) two years at the discretion of the City of Fall River Treasurer/Collector, dependent upon mutually agreeable terms and performance standards.
 - Once the constables were selected, they met with the Treasurer/Collector and the Tax Title Attorney to review the process that was to be followed. The constables were required to post all parcels assigned to them within 3 days of their receipt of the respective notices to be posted.
 - Packets for each respective parcel to be posted were prepared and picked up by the constables, a copy of the packet was prepared to be mailed, and a third electronic copy was prepared for Fall River’s records.
 - 206 Parcels were posted at a constable fee of \$35.00/parcel.
 - Rather than make a Return of Service on a copy of each packet, Fall River developed a Constable’s Return of Service form on which the constable noted the name of property owner, the address of the property, the Assessors Parcel ID#, and the date and time of the posting.
- The new Notice and Process Requirements also required mailing to property owners of parcels with outstanding FY2025 Real Estate Tax Balances. Fall River has previously adopted the provisions of Chapter 59, Section 57D and updates its real estate tax databases regularly. Therefore, it relied on these addresses to satisfy the mailing requirement.
 - If there are a substantial number of parcels with outstanding real Estate Tax balances, it is prudent to coordinate this mailing with the staff that will be performing the mailing approximately two weeks prior to the date the constables receive the packets for posting. This will allow the notices to be mailed on the day the constables receive the packets for posting.

e. Post-Taking Letter

- Once the Takings have been recorded or filed with the respective Registry District of the Land Court, a letter to be mailed to the property owner explaining the impact of the Tax Taking and offering the taxpayer the opportunity to enter into an Installment Agreement.

II. Some Considerations Once a Tax Foreclosure Has Been Filed

1. In order to obtain a Finding pursuant to General Laws Chapter 60 an Updated Tax Title Balance with supporting detail must be filed with the Land Court.

a. The Updated Tax Title Balance sets forth the original amount of the Taking, Costs, Accrued Interest on the original amount of the Taking and Costs, the amounts of any Subsequent Certifications, and accrued interest on any Subsequent Certifications.

- This allows the Finding to reflect the various interest rates that resulted from amendments to Chapter 60 and the subsequent legislative clarifications.
- It must be accompanied by a detailed supporting accounting.

2. It will be necessary to obtain a real estate appraisal of the Tax Title Property very quickly if a Decree of Foreclosure enters.

a. General Laws Chapter 60, Section 64A provides that a municipality that has decided to retain the Tax Possession rather than sell it must have the property appraised within 180 days of the entry of the Decree. This appraisal will determine the market value of the property.

- However, since municipalities must elect to **retain or sell a property** within **30 days** after a foreclosure judgment becomes final and in order to make this decision it is prudent to know the market value of the Tax Possession. Therefore, municipalities that are considering retaining ownership of a tax foreclosed property may want to obtain an appraisal after the Redemption Period established by the Finding has expired. Given the typical delay in obtaining an appraisal report, this will

allow the municipality to know the market value before it must decide whether to retain or sell the property.

- The excess equity, if any, will be calculated by subtracting the outstanding taxes, interest and penalties at the time the Decree of Foreclosure entered, any current fiscal year real estate taxes, legal fees, maintenance costs and costs incurred in securing the Tax Possession, and any fees or charges associated with the marketing and sale of the property from this market value.
- It may be prudent to issue a solicitation for multiple on-call real estate appraisers so that a municipality can obtain a timely appraisal.

3. Custodian of Tax Possessions

a. If a municipality has appointed a Custodian of Tax Possession pursuant to General laws Chapter 60, Section 77B it is exempt from the provisions of Section 64A relative to hiring a real estate broker and only being able to sell at auction if the highest bid is at least 2/3 of the appraised market value. However, the municipality is still subject to the written itemized accounting and excess equity provisions of Section 64A.

4. Negotiation and Execution of a Mutual Release

- **A Tax Title is security for the payment of outstanding Real Estate Taxes just as a mortgage is security for the repayment of a promissory note.**
 - **Just as a lender may pursue the borrowing for a deficiency on a promissory note, a municipality may pursue a taxpayer for the balance of the unpaid Tax Title Balance after the Tax Possession has been sold.**
 - **A municipality may want to consider negotiating and executing a Mutual Release with the taxpayer whereby the municipality waives its right to pursue any deficiency and the taxpayer waives its right to any excess equity.**

Questions/Comments:

John D. Finnegan, Esq.
Hill Law
6 Beacon Street, Suite 600
Boston, MA 02108
Direct: 617-494-0800
jfinnegan@danhilllaw.com

Matthew J. Thomas, Esq.
4 Park Place Suite 101
New Bedford, MA 02740
(508) 994-1500 – Office
(774) 930-2936 – Mobile
(508) 990-1916 – Fax
mjt@mjthomaslaw.com