

Massachusetts Collectors and Treasurers Association



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SUMMARY OF 2007 - 2008 MCTA LEGISLATIVE PROPOSALS

The Massachusetts Collectors and Treasurers Association has reviewed the statutory framework under which the cities, towns and districts of our Commonwealth carry out their financial management responsibilities, and has identified specific provisions of law which we deem to be inconsistent with prudent current business practice, imprecise in language, or inadequate to the needs of our political subdivisions.

We have developed a package of proposals that we believe will promote fairness among taxpayers and improve effectiveness in collecting revenue and administering local financial management. These proposals have been developed based on concerns expressed by individual MCTA members, reviewed and approved by our Legislative Committee and Executive Board, and voted affirmatively by our Membership at an Association Meeting.

We submit them to the Great and General Court of the Commonwealth of Massachusetts with a request for favorable action.

S.637 (Refile of H.2951) - An Act Relative to the Safety of Public Deposits:

Massachusetts is one of very few states that do not protect their public deposits. This proposal would provide a special commission to determine the best ways to protect public deposits and consider the potential effect of legislation the MCTA has been requesting for many years.

As we learned when Capitol Bank failed in 1990, taking millions of dollars in funds of the communities of Newton, Rehoboth and Yarmouth, bank and credit union failures can result in both a loss of public funds and a loss of public confidence. **Committee on Financial Services**

Legislative Sponsors:

LEAD: Senator James Timilty

Sen. Richard Moore, Sen. Stephen Brewer, Sen. Michael Knapik, Sen. Michael Morrissey,

Rep. Bradley Jones, Rep. Bradford Hill, Rep. Walter Timilty, Rep. Vinny deMacedo

MCTA Contact: Anthony T. Logalbo

Treasurer/Collector, Town of Concord

S.913 (Refile of S. 956) - An Act Relative to Filing in Land Court:

This proposal would reduce the minimum time for filing a tax title petition from six months to sixty days, thus reducing the waiting period that now delays prompt referral to the Land Court in cases of municipal taking of properties with delinquent taxes. **Committee on Judiciary**

Legislative Sponsors:

LEAD: Senator Susan Fargo

Sen. Richard Moore, Sen. Stephen Brewer, Sen. Michael Knapik,

Rep. Bradley Jones, Rep. Bradford Hill

MCTA Contact: Thomas J. Durkin

Finance Director, City of Chelsea

S.914 (Refile of S.957) - An Act Relative to the Massachusetts Land Court:

This proposal would provide that excess deposits on Land Court procedures would be retained by the Court to be used for payment of operational expenses. Current law requires deposits that exceed the actual cost of a case be returned to the petitioner. Calculating and processing these refunds delays the implementation of the Court's decisions, and the municipal Treasurers would rather have the Court use these funds to speed up the flow of cases. **Committee on Judiciary**

Legislative Sponsors: MCTA Contact: Ellen Guerin
LEAD: Senator Susan Fargo Treasurer/Collector, Town of Boxford
Sen. Richard Moore, Sen. Stephen Brewer, Sen. Michael Knapik,
Rep. Bradley Jones, Rep. Bradford Hill

S.1205 (New) - An Act Relative to Municipal Borrowing

This proposal would insert in MGL Chapter 44 s 7 two new clauses: - (17A) For dredging of tidal and non-tidal rivers and streams, harbors, channels and tide waters; and: - (32) For the cost of cleaning up or preventing pollution caused by existing or closed municipal facilities not defined in Chapter 44 s 8 clause (21), including clean up or prevention activities taken pursuant to chapter twenty-one E or chapter twenty-one H, twenty years; provided, however, that no indebtedness shall be incurred hereunder until plans relating to the project shall have been submitted to the department of environmental protection and the approval of said department has been granted therefore.

Currently, a statute specific for borrowing for a dredging project does not exist. Some municipalities have been able to borrow under Ch 44 s 7 (17) but this statute speaks to improvements along public beaches with the money being paid to the state. Also, a municipality can borrow under Section 2 of Chapter 74 of the Acts of 1945 with MFOB approval if the case of a federal grant. The problem arises when a municipality is dredging but not receiving federal funds or making payment to the state.

And a municipality can borrow currently only for pollution issues for a solid waste or landfill site. Other municipal sites that require remediation must be paid for by free cash (i.e. DPW garage and staging sites, school lab waste sites etc...) **Committee on Municipalities**

Legislative Sponsors: MCTA Contact: Thomas J. Durkin
LEAD: Senator James Timilty Finance Director, City of Chelsea
Sen. Stephen Brewer, Sen. Michael Knapik,
Rep. Bradley Jones, Rep. Bradford Hill

S.1813 (Refile of H.2280 & H.2461) - An Act Relative to the Collection of Personal Property Taxes: Also filed as S.1750 by Sen. Thomas McGee and Rep. Doug Petersen

This proposal would authorize municipal Collectors to perfect a security interest in the personal property of a delinquent taxpayer. Unlike delinquent taxes on real estate or delinquent water or sewer charges, which become a lien against the property, delinquent taxes on personal property do not constitute a lien on anything, making effective collection of personal property taxes by non-judicial means problematic. This proposal would create a process for personal property similar to the lien process for real property. **Committee on Municipalities**

Legislative Sponsors: MCTA Contact: M. Ronald Mendes
LEAD: Senator James Timilty Treasurer/Collector, Town of Wilmington
Sen. Richard Moore, Sen. Stephen Brewer,
Rep. Bradley Jones, Rep. Bradford Hill

H.1372 (MCTA Proposal #5 Refile of H.1747) - An Act relative to certain checks not cashed and deemed abandoned: Filed as S.943 by Sen. Thomas McGee and Rep. Doug Petersen

This proposal would modernize the procedures for local Treasurers to search for owners of uncashed checks and simplify the process for moving the related encumbered funds into the general treasury to become available for appropriation to meet other municipal expenses.

Current law requires that municipal treasurers must wait three years before an uncashed check may be deemed abandoned and start the process (another year and a half) of reclaiming the funds. This proposal would allow a city or town, by ordinance or by bylaw, to establish a procedure for deeming as abandoned a check which has not been cashed within one year if the check bears upon its face the statement "*void if not cashed within one year from date of issue*".

Current law also requires publication in a newspaper of information about abandoned checks, and allows for posting notice on an official municipal website in addition to the newspaper. This proposal would allow the website posting to suffice, in lieu of publishing in a newspaper.

Committee on Judiciary

Legislative Sponsors: MCTA Contact: M. Ronald Mendes
LEAD: Representative Robert Coughlin Treasurer/Collector, Town of Wilmington
Sen. Stephen Brewer, Sen. Michael Knapik, Sen. Michael Morrissey, Sen. Pamela Resor,
Rep. Bradley Jones, Rep. Bradford Hill, Rep. Vinny deMacedo

H.1928 (MCTA Proposal #12 New) - An Act Relative to Trust Funds Held by Cities and Towns Also filed as S.1171 by Sen. Thomas McGee and Rep. Doug Petersen

This Proposal would add a new clause for MGL Chapter 44 s 54, to allow cities and towns that adopt this clause to invest funds using the Prudent Investor Rule established in Ch 203C.

Committee on Municipalities

Legislative Sponsors: MCTA Contact: M. Ronald Mendes
LEAD: Representative Robert Coughlin Treasurer/Collector, Town of Wilmington
Sen. Richard Moore, Sen. Stephen Brewer,
Rep. Bradley Jones, Rep. Bradford Hill, Rep. Vinny deMacedo

H.2549 (MCTA Proposal #10 New) - An Act Relative to Voluntary or Optional Life Insurance for Municipal Employees

This proposal would amend MGL Ch 32B S 11A by striking out the first paragraph and table and inserting: - "Each employee insured for the minimum amounts of group life and group accidental death and dismemberment insurance provided in section five may, subject to such conditions as the appropriate public authority shall approve, be insured for amounts of group life insurance and group accidental death and dismemberment insurance in addition to the minimum amounts provided for in section five, in an amount not greater than \$150,000."

Currently, employees are limited in the amount that they may elect to approximately \$1,000 above their gross salary to a limit of \$74,000. This limit is outdated and does not accurately reflect what the salary range of municipal officials in senior administrative positions. Also, the tie-in to the wage scale requires an employee to constantly check and possibly increase their insurance adding to the workload of the Treasurer's office.

Committee on Municipalities

Legislative Sponsors: MCTA Contact: M. Ronald Mendes
LEAD: Representative Anne Gobi Treasurer/Collector, Town of Wilmington
Sen. Stephen Brewer, Rep. Bradley Jones, Rep Bradford Hill

H.2923 (MCTA Proposal #4 Refile of H.2274) - An Act Relative to Fees for the Collection of Delinquent Local Taxes:

This proposal would bring the statutorily allowable fee chargeable by local collectors for issuing a demand more in line with current costs, increasing from \$5 to \$10.

When taxes are paid late or not paid in full, there are costs incurred in collecting the delinquent tax. When the statutory schedule of allowable fees does not reflect the true costs of collecting the revenue, the burden of those costs is removed from the delinquent taxpayer who has necessitated those costs and is unfairly transferred to the other taxpayers in the city or town who did pay their taxes in full and on time. This proposal is intended to rectify this unfair transfer and impose the costs associated with delinquency on those whose delinquency necessitates the cost. Other collection cost fees were adjusted by the Municipal Relief Act of 2003, but this small item was lost in drafting.

Committee on Revenue

Legislative Sponsors
LEAD: Representative Anne Gobi

MCTA Contact: Ellen Guerin
Collector/Treasurer, Town of Boxford

Sen. Stephen Brewer, Sen. Michael Morrissey, Sen. Richard Moore,
Rep. Bradley Jones, Rep. Bradford Hill, Rep. Vinny deMacedo

H.3073 (MCTA Proposal #3 Refile of H.2370) - An Act Relative to Real Estate Tax Notices:

This proposal would repeal the requirement imposed by the Municipal Relief Act of 2003 that municipal tax bills contain a statement that there exists a delinquency if any tax, betterment assessment or apportionment thereof, water rate, annual sewer use, or other charge which may constitute a lien is overdue more than 90 days.

Any municipality that has a fully integrated computerized billing system may, without any law requiring it, send as much information about delinquencies as it feels is good customer service, but a mandate in municipalities that do not have all the information consolidated and available to the Collector is simply unworkable.

Committee on Revenue

Legislative Sponsors
LEAD: Representative George Peterson

MCTA Contact: F. Ellen McKay
Collector, Town of Shutesbury

Sen. Stephen Brewer, Sen. Michael Knapik, Sen. Pamela Resor, Coll/Treas, Town of Boylston
Rep. Bradley Jones, Rep. Bradford Hill, Rep. Vinny deMacedo, Rep. Walter Timilty,

H.3074 (MCTA Proposal #6 Refile of H.2278) - An Act Relative to Minimum Tax Billing:

This proposal would increase from \$50 to \$200 the minimum real estate tax bill exempt from semi-annual or quarterly billing. Although taxes on real and personal property are levied annually, real estate tax bills are paid semi-annually or quarterly. This is beneficial to taxpayers, who can spread their payments out during the year, and to municipalities, which receive revenues periodically during the year.

For tax bills of small dollar amounts, however, semi-annual or quarterly billing is administratively burdensome to both the municipality and the taxpayer. This proposal would have only tax bills in excess of \$200 divided into periodic billing and paying.

Committee on Revenue

Legislative Sponsors:
LEAD: Representative George Peterson

MCTA Contact: F. Ellen McKay
Collector, Town of Shutesbury

Sen. Stephen Brewer, Sen. Michael Knapik, Collector/Treasurer, Town of Boylston
Rep. Bradley Jones, Rep. Bradford Hill, Rep. Vinny deMacedo,

For Additional Information Regarding Any Of These MCTA Legislative Proposals:

Contact the MCTA's Registered Agent, Stephen G. Roche, Esq. at The Victory Group, 617-227-8543 (sroche@thevictorygroup.org) Or,

Contact the MCTA's Executive Director, Nils L. Nordberg, at the MCTA office, 978-952-6644 (MassCTA@aol.com)