Low Value Tax Titles

How to get real value from your low values

Matthew J. Thomas, Esq.

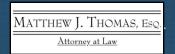
April 10, 2014



 Low Value Tax Foreclosures involve the administrative rather than judicial processes of government

• It is obviously designed as a more economical and more expeditious means to collect unpaid taxes on land of low value.

Johnson v. McMahon, 182 NE2d 507 (1962)



First Leg: Assessment of the Real Estate Tax

Assessors Office runs the first leg of the race by:

- keeping tax map current
- keeping property owners' addresses current
- assessing the property as shown on the Assessors Maps





Second Leg: Real Estate Tax/Taking

Collectors Office runs the second leg of the race by:

- issuing timely bills
- chasing returned mail (with the Assessors Office)
- conducting timely and accurate Tax Takings





Third Leg: Real Estate Tax/Taking

Treasurer's Office runs the third leg of the race by:

- contacting taxpayer or mortgage holder
- enforcing G.L. c 60, **\$** 93 and G.L. c 40, **\$** 57
- negotiating Installment Agreements





Fourth Leg: Tax Lien Foreclosure/Low Value

Tax Title Attorney runs the fourth leg of the race by:

- filing Petitions to Foreclose at Land Court
- coordinating land of low value sales

• negotiating Deeds in Lieu





The Ability to Use a Low Value Sale Starts With the Assessment

Unknown Owners are common on Low Value land

- Can only assess Owner Unknown with DOR Permission
- "cannot by reasonable diligence ascertain the name of the person appearing of record"
- Assessors can have title exams done and then create a lien to recover the cost G.L. c. 59, § 12F



The Ability to Use a Low Value Sale Starts With the Assessment

Overvaluations are common on Low Value land

 Cost/Benefit Analysis regarding time and limited resources

• For FY2014 value of land must be less than \$20,580.00



What's A "Sale Without Foreclosure" & How Does it Affect Assessors?

This is what G.L. Chapter 60 actually calls the sale of Land of Low Value

- Step 1: Obtain an Affidavit of Low Value
- Step 2: Record the Affidavit of Low Value

• Step 3: Conduct the Sale of the Land of Low Value



Step 1: Obtain an Affidavit of Low Value

This is done through the DLS Gateway System

Cooperative Process between Treasurer's Office and Assessor's Office

Sections 1 -5
Establish validity of the Tax Title
Completed by the Treasurers Office



Section 6
Details reasons for
Low Valuation
Completed by the
Assessors Office



Step 1: Obtain an Affidavit of Low Value

This is done through the DLS Gateway System

- Assessor signs and saves Section 6
- Treasurer then batches no more than 5 parcels together & signs the forms for each parcel
- System will assign a batch number
- If required fields completed properly the system accepts the batch & Treasurer prints a hard copy for record.



Step 1: Obtain an Affidavit of Low Value

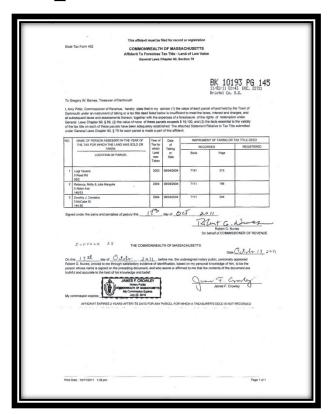
This is done through the DLS Gateway System

- DLS Attorneys will then review the parcels in the batch
- If information for parcel is correct & complete the parcel is checked off
- DLS MFL Chief then reviews each checked parcel and approves or disapproves. An Affidavit is then produced for recording by municipality.



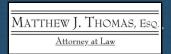


Step 2: Record the Affidavit of Low Value



The Affidavit of Low Value must be recorded at the Registry of Deeds

The Affidavit of Low Value is only valid for two (2) years.



Step 3: Conduct the Sale of the Land

This is done by the Treasurer

- Publish 14 Day Notice in Newspaper & Post Notice at Library & City/Town Clerk
- Public Auction
- Sale to Highest Bidder Treasurer may reject all bids
- Treasurer executes & delivers a Treasurer's Deed



Step 3: Conduct the Sale of the Land

What Happens if no one attends the Auction or no one bids?

- Auction must be adjourned to another date
- If no one attends at the adjourned date or of bids still inadequate, Treasurer can buy the parcel back for the municipality.



What Happens to the Sale Proceeds if the parcel is sold at Auction?

The municipality takes taxes, interest, charges, expenses & \$50.00 for Legal Fees

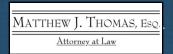
Pursuant to G.L. Chapter 60, Section 79, the balance is deposited with the Treasurer for five (5) years. If not claimed in five (5) years it becomes the municipality's



What Happens to the Sale Proceeds if the parcel is bought by the Treasurer?

The Parcel becomes a Tax Possession

If it is subsequently sold as a Tax Possession, then the sale proceeds do not need to be deposited with the Treasurer, but are treated in the same fashion as sales proceeds from the sale of Tax Possessions



How Good is the Title to Land of Low Value?

Pursuant to Chapter 60, Section 79, if the deed is recorded with 15 days then the title is absolute.

Chapter 60, Section 80B provides for a judicial process through the Land Court to affirm the title acquired

Chapter 60, Section 80C that any and all defects that might exist on Treasurer's Deed on a Low Value are automatically cured after 20 years



Questions & Answers

Matthew J. Thomas, Esq. 4 Park Place, Suite 101 New Bedford, MA 02740

(508) 994-1500 (774) 930-2936 – cell (508) 990-1916 – fax

mjt@mjthomaslaw.com

