

Low Value Tax Titles

How to get real value from
your low values

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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)

Real Estate Tax Collection is like a Relay Race

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



Real Estate Tax Collection is like a Relay Race

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



Real Estate Tax Collection is like a Relay Race

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



Real Estate Tax Collection is like a Relay Race

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

State Tax Form 402
This affidavit must be filed for record or registration
COMMONWEALTH OF MASSACHUSETTS
Affidavit To Foreclose Tax Title - Land of Low Value
General Laws Chapter 80, Section 79

BK 10193 PG 145
11/22/11 01:43 DOC. 22721
B14793 Doc. 5-0.

To Gregory W. Barnes, Treasurer of Dartmouth

I, Amy Piller, Commissioner of Revenue, hereby state that in my opinion (1) the value of each parcel of land held by the Town of Dartmouth under an instrument of taking or a tax title deed listed below is insufficient to meet the taxes, interest and charges, and all subsequent taxes and assessments thereon, together with the expenses of a foreclosure of the rights of redemption under General Laws Chapter 80, § 69, (2) the value of none of these parcels exceeds \$ 16,190, and (3) the facts entitle to the validity of the tax title on each of these parcels have been adequately established. The attached Statement Relative to Tax Title submitted under General Laws Chapter 80, § 79 for each parcel is made a part of this affidavit.

NO.	NAME OF PERSON ASSESSED IN THE YEAR OF THE TAX FOR WHICH THE LAND WAS SOLD OR TAKEN LOCATION OF PARCELS	Year of Tax for which Land was Taken	Date of Taking or Sale	INSTRUMENT OF TAKING OR TAX TITLE DEED		
				RECORDED	REGISTERED	
			Book	Page		
1	Lugi Tassara 2 Reed St 002	2003	08042004	7141	315	
2	Roberta, Billy & Julia Margolis 9 Allen Ave 04033	2004	08042004	7111	198	
3	Quentry J. Carreiro 3 McCane St 04403	2004	08042004	7111	244	

Signed under the pains and penalties of perjury this 17th day of Oct, 2011
Robert G. Nunes
Robert G. Nunes
On behalf of COMMISSIONER OF REVENUE

OFFICIAL SEAL THE COMMONWEALTH OF MASSACHUSETTS
On this 17th day of October, 2011, before me, the undersigned notary public, personally appeared Robert G. Nunes, proved to me through satisfactory evidence of identification, based on my personal knowledge of him, to be the person whose name is signed on the preceding document, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his knowledge and belief.
James F. Crowley
James F. Crowley
My commission expires 06-30-2016
AFFIDAVIT EXPIRES 2 YEARS AFTER ITS DATE FOR ANY PARCEL FOR WHICH A TREASURER'S DEED IS NOT RECORDED

Print Date: 10/17/2011 1:39 pm Page 1 of 1

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

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