

September 24, 2019

The Honorable Adam G. Hinds, Senate Chair
The Honorable Mark J. Cusack, House Chair
Joint Committee on Revenue
Massachusetts State House
Boston, MA 02133

Dear Chairman Hinds and Chairman Cusack,

I appreciate the Joint Committee on Revenue considering **Senate Bill 1692, *An Act providing property tax relief for older adults*** and urge the Committee to support the favorable passage of this legislation.

The cost of living in Massachusetts makes it difficult for senior citizens to stay here and in their homes. In order to lessen the blow of increasing property tax bills, the Commonwealth has instituted community-based tax deferral programs. However, there are problems with the current system that need to be addressed in order to make the deferral process fairer to both the homeowners and their heirs.

Currently, homeowners 65 and older may sign a tax deferral recovery agreement with their local assessor; during their lifetime the interest rate in most communities is 1-4 percent, with a maximum of 8 percent. However, once the homeowner dies, the interest rate skyrockets to 16 percent without a reasonable grace period to allow their heirs to sell the property and pay the taxes.

This bill would provide a local option, giving cities and towns the opportunity to lower the post-death interest rate on tax deferral and recovery agreements, as well as a local option to provide a 1-year grace period before increasing the interest rate following the homeowner's death.


Additionally, in an effort to better reflect the realities of senior life, the bill lowers from 10 to 7 the number of consecutive years the homeowner must have resided in the home as their primary residence and allows cities and towns that wish to adopt a higher maximum qualifying income amount (above the \$20,000 in the statute) to raise the income eligibility threshold up to \$80,000, or the income levels permitted under the Circuit Breaker tax credit, whichever is higher.

The bill also gives assessors more discretion by allowing them to grant hardship waivers to adults with disabilities who are not yet 65-years-old.

These changes will make an enormous difference in the lives of many families throughout the Commonwealth, providing for a fairer and more equitable taxation system.

I respectfully request that S.1692 receives a favorable recommendation. Thank you for your time and consideration on this matter. If you have any questions or concerns, please do not hesitate to contact my office at (617) 722-1630.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Kennedy', with a long horizontal flourish extending to the right.

Edward J. Kennedy

State Senator
First Middlesex District