



Measure #: 2025-054

## TOWN COUNCIL MEASURE SUBMITTAL

Date: 3/10/2025

Submitted By: Councilor Dan Donovan

Telephone #: 508-699-0100

### MEASURE DESCRIPTION:

Acceptance of M.G.L. c. 59, § 50: Affordable Housing Property Tax Exemption Guidelines for Municipalities in Massachusetts, including acceptance, criteria, and application procedures

Signed:

### PURPOSE AND JUSTIFICATION:

#### SUMMARY

- The exemption was created by St. 2023 c. 50, signed into law on October 4, 2023.
- It applies to residential unit owners renting to income-qualifying persons at affordable rates.
- Municipalities must vote to accept the exemption, with the first available fiscal year being 2025.
- Acceptance can be revoked after three years, also by vote.
- The exemption applies only to class one residential units, with no domicile requirement unless locally specified.

#### SCOPE OF ABATEMENT

- Exemption amount is locally determined, not exceeding the tax due based on assessed value.
- Residential unit owners must rent to income-qualifying persons at rates set by the municipality.
- Occupants' income must not exceed 200% of area median income, as defined by HUD.
- Units must be rented annually to qualifying persons for the entire fiscal year.

#### APPLICATIONS TO ASSESSORS

- Applicants must submit STF 50 annually to local assessors, including signed leases and proof of income.
- Applications are due by the first actual tax bill's due date.
- Abatements granted will be charged against the overlay account, impacting annual overlay needs.

### SPECIAL REQUIREMENTS:

ATTACHMENTS: Information Guideline from DOR

REFER TO SUB-COMMITTEE: Finance Sub-Committee



Geoffrey E. Snyder  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

# Informational Guideline Release

Municipal Finance Law Bureau  
Informational Guideline Release (IGR) No. 24-4  
March 2024

## **AFFORDABLE HOUSING PROPERTY TAX EXEMPTION**

(G.L. c. 59, § 50)

This Informational Guideline Release (IGR) informs local officials about a new local option affordable housing property tax exemption. It also explains local standards and procedures that may be adopted relative to the exemption.

### Topical Index Key:

Abatements and Appeals  
Exemptions

### Distribution:

Assessors  
Collectors  
Treasurers  
Accountants and Auditors  
Selectmen/Mayors  
City/Town Managers/Exec. Secys.  
Finance Directors  
City/Town Councils  
City Solicitors/Town Counsels

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## **AFFORDABLE HOUSING PROPERTY TAX EXEMPTION**

**(G.L. c. 59, § 50)**

### **SUMMARY:**

This Informational Guideline Release (IGR) informs local officials about a new local option, affordable housing property tax exemption. The exemption was created by section 3 of “AN ACT TO IMPROVE THE COMMONWEALTH’S COMPETITIVENESS, AFFORDABILITY AND EQUITY,” which was signed into law on October 4, 2023. [St. 2023, c. 50](#). For municipalities that accept it, this new tax exemption would apply to the property of residential unit owners who rent their units to income-qualifying persons at affordable rates on a year-round, annual basis.

### **GUIDELINES:**

#### **I. LOCAL ACCEPTANCE**

##### **A. Acceptance**

Acceptance of G.L. c. 59, § 50 is by vote of the municipality’s legislative body, subject to charter. [G.L. c. 4, § 4](#). Following acceptance, the board of selectboard of a town; the town council of a municipality having a town council form of government; the city manager, with the city council’s approval, in a city with a plan D or E form of government; or the mayor, with the city council’s approval, in all other cities may establish the parameters of the affordable housing property tax exemption. This includes all of the locally determined amounts noted in Section II below, any other restrictions or regulations consistent with the intent of the law and any local rules and procedures. A municipality may also adopt ordinances or by-laws to implement the provisions of the exemption.

##### **B. Effective Date**

The acceptance vote should explicitly state the fiscal year in which the exemption will first be available, the first of which can be fiscal year 2025.

**C. Revocation**

Acceptance may be revoked, but the city or town must wait until at least three years after acceptance. Revocation is also by vote of the legislative body, subject to charter. [G.L. c. 4, § 4B](#).

**D. Notice of Acceptance or Revocation**

The city or town clerk should notify the [Municipal Databank](#) that G.L. c. 59, § 50 has been accepted or revoked as soon as possible after the vote takes place.

**II. SCOPE OF ABATEMENT**

**A. Residential Ownership**

Applicants, including the trustees of a trust, must be the assessed owner of the property on which the tax to be abated is assessed and must own the property on the applicable July 1 exemption qualification date.

This exemption only applies to class one residential units. The unit is not required to be subject to an affordability restriction, but it may have one. Additionally, an accessory dwelling unit that meets the qualifications is eligible to receive the exemption.

**B. Domicile**

The applicant does not have to be domiciled on their property to qualify unless the municipality adopts a local rule requiring this.

**C. Exemption Amount**

The amount of the exemption will be determined locally but cannot be more than the tax otherwise due on the parcel (based on its assessed full and fair cash value), multiplied by the square footage of the qualifying housing units and divided by the total square footage of the structure located on the parcel.

For example, based on full and fair cash value, the tax obligation of a three-unit home is \$12,000. Each of the three units is 900 square feet. If only one of the units qualifies for the exemption, then the property owner would receive an exemption equal to 1/3 (900/2700) of the locally determined amount. As such, in this example, the maximum exemption amount would be \$4,000 for that unit.

Otherwise, if a property for which an applicant seeking an exemption is assessed by an income approach to value, then fair market rent must be assumed for all units.

**D. Exemption Criteria**

Residential unit owners must rent their units to income-qualifying persons at an affordable rate in order to qualify for exemption. The affordable housing rate is determined by the city or town but must be in accordance with the United States Department of Housing and Urban Development's (HUD) guidance and regulations.

Additionally, the occupants must have an annual household income that does not exceed the amount set by the city or town; provided, however, that said income shall not be more than 200 percent of the area median income. HUD income limits are available online [here](#).

For example, a municipality determined that the gross occupant income shall not exceed 80 percent of area median income. The municipality further determined that the affordable rate shall not exceed 30 percent of the actual occupant's monthly household income. An application is submitted for an occupant household of one. The relevant area median income limit for a household of one within the statistical area in which the municipality lies was \$82,950. Under the established guidelines of the municipality as set forth above, an occupant income of \$82,950 meets the income requirement, and rent no higher than \$24,885 annually meets the affordable rate requirement.

Further, the unit(s) in question must be rented on an annual basis and be occupied by qualifying persons for the entirety of the applicable fiscal year. If a unit is occupied as such by successive but separate annual leases to qualifying persons, without a significant gap between said leases, the unit is still eligible for exemption.

There are no age-related criteria for qualifying renters.

**E. Applications to Assessors**

To be considered for this exemption, applicants must submit STF 50, attached below, annually to the local assessors. The applications must include, but are not limited to, a signed lease or leases evidencing an annual rental agreement (including material terms of the lease, such as the rental amount and coverage for the 12 months of the entire fiscal year at issue) with proof of the household income of the occupying person(s) as established through federal and state income tax returns. The application must be filed with the assessors on or before the abatement deadline date, which is the due date of the first actual tax bill.

Any abatements granted shall be charged against the overlay account. As such, the assessors should factor in the amounts needed to fund the exemption when determining overlay needs each year.

**III. ADOPTION OF LOCAL RULES**

As noted above, the board of selectmen or select board of a town; the town council of a municipality having a town council form of government; the city manager, with the

city council's approval, in a city with a plan D or E form of government; or the mayor, with the city council's approval, in all other cities may establish the parameters of the affordable housing property tax exemption. This includes all of the locally determined amounts noted in Section II above, any other restrictions or regulations consistent with the intent of the law and any local rules and procedures. A municipality may also adopt ordinances or by-laws to implement the provisions of the exemption.

A municipality should adopt rules to determine:

- The maximum amount of the exemption;
- The annual occupant household income limit;
- The affordable housing rate of rent;
- The domiciliary requirements of the owner, if any; and
- Any other restrictions or regulations consistent with the intent of the law it elects to implement.

Assessors' Use only
Date Received
Application No.
Parcel Id.

\_\_\_\_\_  
Name of City or Town

**FISCAL YEAR \_\_\_\_\_ APPLICATION FOR AFFORDABLE HOUSING EXEMPTION  
General Laws Chapter 59, § 50**

THIS APPLICATION IS NOT OPEN TO PUBLIC INSPECTION  
(See General Laws Chapter 59, § 60)

**Return to: Board of Assessors**

Must be filed with assessors not later than due date of first actual (not preliminary) tax payment for fiscal year.

**INSTRUCTIONS:** Complete all sections fully. Please print or type.

**A. IDENTIFICATION OF OWNER.**

Name of Owner/Applicant: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Legal residence (domicile) on July 1, \_\_\_\_\_

Mailing address (if different)

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No.	Street	City/Town	Zip Code	
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Location of property: \_\_\_\_\_

No. of dwelling units: 1  2  3  4  Other \_\_\_\_\_

Did you own the property on July 1, \_\_\_\_\_ Yes  No

**B. IDENTIFICATION OF RENTER/LESSEE.**

Name of Renter/Lessee: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Legal residence (domicile) on July 1, \_\_\_\_\_

Mailing address (if different)

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No.	Street	City/Town	Zip Code	
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No. Street City/Town Zip Code

Did the Renter/Lessee live in the property on July 1, Yes  No

If no, did another qualifying Renter/Lessee live in the property on July 1? Yes  No

Does the Renter/Lessee intend on living at the property through June 30, Yes  No

If no, will another qualifying Renter/Lessee live in the property through June 30? Yes  No

Please supplement this application within 30 days of any change of Renter/Lessee.

Is the Renter/Lessee subject to an annual lease? Yes  No

How much rent is being charged (monthly)? \_\_\_\_\_

Are there any other charges being made upon the Renter/Lessee (whether included in the rental agreement or not)? If so, please identify the charges and the respective amounts. \_\_\_\_\_

Please attach a copy of the signed lease(s) to this application.

Other information (as required by the local assessors):

**C. RENTER/LESSEE ANNUAL HOUSEHOLD INCOME.** Copies of Renter/Lessee's federal and state income tax returns, and other documentation, may be requested to verify income.

	All Household Members
Number of persons in the household .....	
Total gross income from all persons .....	

**D. PARCEL INFORMATION.**

How many units on are the parcel .....	
Total square footage of the structure located on the parcel .....	
Total square footage of qualifying housing units .....	

**E. SIGNATURE.** Sign here to complete the application.

This application has been prepared or examined by me. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief, this return and all accompanying documents and statements are true, correct and complete.

Signature of Owner Applicant

Date

If signed by agent, attach copy of written authorization to sign on behalf of taxpayer.

**DISPOSITION OF APPLICATION (ASSESSORS' USE ONLY)**

Ownership <input type="checkbox"/>	GRANTED <input type="checkbox"/>	Assessed Tax	\$ _____
Occupancy <input type="checkbox"/>	DENIED <input type="checkbox"/>	Prorated Exemption Amount	\$ _____
Income <input type="checkbox"/>	DEEMED DENIED <input type="checkbox"/>	Adjusted Tax	\$ _____
Rate <input type="checkbox"/>		Board of Assessors	
Date Voted/Deemed Denied	_____		
Certificate No.	_____		
Date Cert./Notice Sent	_____		
		Date:	

FILING THIS FORM DOES NOT STAY THE COLLECTION OF YOUR TAXES

THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE

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## TAXPAYER INFORMATION ABOUT THE AFFORDABLE HOUSING EXEMPTIONS

**PERSONAL EXEMPTIONS.** You may be eligible to reduce all or a portion of the taxes assessed on your real property if you meet the qualifications described herein for the affordable housing exemption allowed under Massachusetts law.

More detailed information about the qualifications for this exemption may be obtained from your board of assessors.

**WHO MAY FILE AN APPLICATION.** You may file an application if you meet all qualifications as of July 1. You may also apply if you are the personal representative of the estate, or trustee under the will, of a person who qualified for a personal exemption on July 1.

**WHEN AND WHERE APPLICATION MUST BE FILED.** Your application must be filed with the assessors on or before the date the first installment payment of the actual tax bill mailed for the fiscal year is due, unless you are a mortgagee. If so, your application must be filed during the last 10 days of the abatement application period. Actual tax bills are those issued after the tax rate is set. Applications filed for omitted, revised or reassessed taxes must be filed within 3 months of the date the bill for those taxes was mailed. **THESE DEADLINES CANNOT BE EXTENDED OR WAIVED BY THE ASSESSORS FOR ANY REASON. IF YOUR APPLICATION IS NOT TIMELY FILED, YOU LOSE ALL RIGHTS TO AN ABATEMENT AND THE ASSESSORS CANNOT BY LAW GRANT YOU ONE. TO BE TIMELY FILED, YOUR APPLICATION MUST BE (1) RECEIVED BY THE ASSESSORS ON OR BEFORE THE FILING DEADLINE OR (2) MAILED BY UNITED STATES MAIL, FIRST CLASS POSTAGE PREPAID, TO THE PROPER ADDRESS OF THE ASSESSORS ON OR BEFORE THE FILING DEADLINE AS SHOWN BY A POSTMARK MADE BY THE UNITED STATES POSTAL SERVICE.**

**PAYMENT OF TAX.** Filing an application does not stay the collection of your taxes. In some cases, you must pay all preliminary and actual installments of the tax when due to appeal the assessors' disposition of your application. Failure to pay the tax when due may also subject you to interest charges and collection action. To avoid any loss of rights or additional charges, you should pay the tax as assessed. If an exemption is granted and you have already paid the entire year's tax as exempted, you will receive a refund of any overpayment.

**ASSESSORS DISPOSITION.** Upon applying for an exemption, you may be required to provide the assessors with further information and supporting documentation to establish your eligibility. The assessors have 3 months from the date your application is filed to act on it unless you agree in writing before that period expires to extend it for a specific time. If the assessors do not act on your application within the original or extended period, it is deemed denied. You will be notified in writing whether an exemption has been granted or denied.

**APPEAL.** You may appeal the disposition of your application to the Appellate Tax Board, or if applicable, the County Commissioners. The appeal must be filed within 3 months of the date the assessors acted on your application, or the date your application was deemed denied, whichever is applicable. The disposition notice will provide you with further information about the appeal procedure and deadline.

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