



CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

Tel. 498-9030

FINANCE - REVENUE

TO: Robert Healy, City Manager **DATE:** March 5, 1990
FROM: James P. Maloney, Finance Director
SUBJECT: Council Order #27, 2/26/90

The following is offered in response to Council Order #27 from the meeting of February 26, 1990 regarding the process followed on real estate tax delinquents.

Normally, the first half tax is issued on October 1, and the second half is issued on April 1, with payments due within thirty days of issuance. If at the due date of the second half tax a balance still remains, a demand notice is issued. If after fourteen days there is no response to the demand notice, a notice of advertisement may then be issued to the taxpayer. The notice of advertisement informs the taxpayer of the City's intention to place a tax lien against the parcel for non-payment of taxes. If this notice does not generate a response within fourteen days of issuance, the City will advertise all parcels with delinquent taxes. Simultaneously, a notice of the City's intention to place a tax lien against the parcel must be posted in two or more public places. If payment is not received within fourteen days from the date of publication, the City must then record an Instrument of Taking at the Registry of Deeds within sixty days of the tax taking.

Once payment is received, an Instrument and Certificate of Redemption needs to be recorded at the Registry of Deeds which releases the tax lien.

If payment is not received within six months of the tax taking, the City may begin foreclosure proceedings. Before legal proceedings begin, the taxpayer is notified by letter that the City is preparing to take the appropriate legal action to foreclose on the parcel. If payment is not received within ten days, or a payment schedule agreed upon, the City must then record a Petition to Foreclose at Land Court and Registry of Deeds. The Land Court then appoints a title examiner to verify that the tax taking is valid. The taxpayer is then notified by Land Court of the City's initiation of foreclosure proceedings.

The following is a list of all expenses and fees incurred by the taxpayer from the time the taxes become delinquent to the foreclosure proceedings:

Expenses and Fees

Demand	\$ 5.00
Preparing Advertisement of Taking.....	2.00
Advertisement of Taking	30.00
Posting Notice.....	2.00
Preparing Instrument of Taking.....	5.00
Recording Instrument of Taking.....	10.00
Recording Certificate of Redemption.....	10.00
Recording Petition to Foreclose/Land Court.	205.00
Recording Petition to Foreclose/Registry...	10.00
Recording Motion to Withdraw/Land Court....	10.00
Recording Motion to Withdraw/Registry.....	10.00
Legal Fees.....	500.00
Interest Real Estate.....	14.00%
Interest Tax Title.....	16.00%

The City currently has approximately 675 properties in tax title and has filed for foreclosure on 175 of these. However, it is unlikely that the City will ever gain possession of any of these properties due to the fact that landowners invariably pay before a final award is made to the City. Even if the City is granted the property by the Land Court, the owner has a right to petition for a return of the property and the Land Court will generally look favorably upon such a request.



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TEL. 498-9011

EXECUTIVE DEPARTMENT

ROBERT W. HEALY

City Manager

RICHARD C. ROSSI

Deputy City Manager

March 12, 1990

To The Honorable, The City Council:

In response to Awaiting Report Item No. 39, dated 2/26/90, relative to the process followed on real estate tax delinquents, attached please find a response from James P. Maloney, Assistant City Manager for Fiscal Affairs.

Very truly yours,

Robert W. Healy
City Manager

RWH/mev
enclosure

Agenda # 12 S-246

Awaiting Report Item Number 39 regarding
the process followed on real estate tax
delinquents.

In City Council,

March 12, 1990

Placed on file