

Recent Changes in Tax Title Foreclosure Procedures

February 25, 2025

The Massachusetts Department of Revenue (“DOR”) recently issued a Local Finance Opinion ([LFO 2025-1](#)) addressing a number of questions that have arisen concerning the recent amendments to G.L. c.60, which governs the tax foreclosure process and disposition of properties acquired through tax title foreclosure. We previously issued guidance on the amendments, which became effective on November 1, 2024. Our guidance can be found [here](#) and [here](#). The Division of Local Services also issued a bulletin, [BUL-2024-6](#), as well as a three-part Ask DLS article, [Part 1](#), [Part 2](#), and [Part 3](#).

Of particular note, DOR indicates in LFO 2025-1 that it may be possible for municipalities to retain any unclaimed excess equity if the city or town has accepted G.L. c.200A, §9A, which is a local option statute that provides an alternate procedure for disposing of abandoned funds in the custody of the city or town. As you may know, the default rule is that abandoned or unclaimed property must be turned over to the Office of the State Treasurer. If unclaimed, the property eventually escheats to the Commonwealth. However, if a city or town has accepted G.L. c. 200A, §9A, the city or town is able to retain abandoned funds, provided that it has complied with the notice requirements set forth in the statute, rather than turn them over to the Office of the State Treasurer. Therefore, you may wish to confirm with your city or town clerk whether your municipality has accepted G.L. c.200A, §9A. If your city or town has not done so, you may wish to consider adding a warrant article to your upcoming Annual Town Meeting warrant, or for cities, to schedule a council vote, to accept the statute. If you need assistance with the preparation of a warrant article or motion, please follow up with your primary KP Law contact.

If you have any questions regarding the amendments to Chapter 60, pending tax title foreclosure sales or other tax title issues, please contact Managing Attorney Lauren Goldberg (lgoldberg@k-plaw.com), or Attorney Thomas W. McEnaney (tmcenaney@k-plaw.com), Chair of our Tax Title Practice Group.

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