HOUSE . . . . . No. 1962

By Mrs. Murray of Northborough (by request), petition of Joseph L. Richards and others that renting be authorized of land and improvements owned by cities and towns and relative to annual assessments of rent of such land. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Seven.

AN ACT TO AUTHORIZE THE RENTING OF LAND AND IMPROVEMENTS OWNED BY CITIES AND TOWNS WITHIN THE COMMONWEALTH AND TO PROVIDE FOR THE ANNUAL ASSESSMENT OF THE RENT OF LAND.

Whereas, It is the judgment of the general court of the commonwealth of Massachusetts that the municipal governments of the commonwealth should be vested with powers to insure the use of all lands now and/or hereafter to be owned by said municipal governments for such purposes as said lands may be best adapted; therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. For the purpose of securing the most complete and efficient use of all lands owned or hereafter to be owned by the city and town governments of the commonwealth, in accordance with the statutes and ordinances regulating such use, said municipal governments of cities and towns hereby are authorized and empowered to retain and take title of lands located within the present or future cor-

porate limits of said cities and towns, whether by purchase at tax sales, or otherwise; and hold title thereunto, even though said lands may not be necessary for use in the discharge of municipal purposes or functions.

SECTION 2. The governing bodies of said cities and towns hereby are authorized, on their discretion, to sell said lands upon such terms and conditions as they deem advisable; and/or are further expressly authorized to rent the same to any person, firm or corporation for the annual economic rent thereof, which is defined to be such annual payment for the rent of land as represents the value included in the right to use the bare land, exclusive of the value of any improvements on said land, such as buildings, poles, fences, crops, trees, terraces and tillage. And said governing bodies of cities and towns are authorized further to sell or lease improvements situated upon leaseholds to the lessees thereof, and to rent said lands and said improvements separately upon such terms as said governing bodies may determine.

SECTION 3. Said leases of land may extend for any term not to exceed ninety-nine years, and shall be renewable by heirs or assigns; provided, that the annual economic rent of lands or sites shall be determined each calendar year by the assessors of said cities and towns; and provided, further, that leases of improvements upon said leased lands shall be upon a rental purchase basis consistent with the nature of said improvements and their growth, depreciation, exhaustion, obsolescence and/or harvesting; and provided, further, that no assessment of rent shall be made upon any improvement made at the expense of a lessee of a city or town, and no sales of leased land shall be made without the consent of the lessee, except when a particular lease or rental purchase contract is cancelled for nonpayment of the reasonable and proportional assessments of economic rent or the purchase rentals provided for in the contract of conditional sale of the said improvements; and provided, further, that all deeds of land, title to which is sold by cities and towns, shall contain options, which shall run with the title until exercised,

under which the grantor municipality may repurchase the fee at the price at which it is sold by said city or town, just compensation to be paid when such options are exercised for all improvements added by the grantees of such deeds.

SECTION 4. The governing bodies of cities and towns hereby are authorized to take title to lands by contract with the holder of the title or the owner thereof, said contracting owner or the title thereafter to pay the economic rent of the land or site in lieu of local taxes, for the period of redemption provided by law, as stipulated in the contract, or in perpetuity when so stipulated in the contract, and in accordance with the other provisions of this act.

SECTION 5. In apportioning the state tax, that part of the total of the ground rents received by any city or town, under this act, which bears the same ratio to the total of the ground rents received by said city or town hereunder that the state tax upon the real estate in said city or town, exclusive of the real estate held under lease from said city or town, bears to the total real estate tax levy of the said city or town, exclusive of said leased real estate, shall be paid to the state in lieu of a state tax upon the city or town assessed on account of the real estate held by lessees of the said city or town under the provisions of this act.

SECTION 6. If any section, sentence or clause of this act be held to be unconstitutional, such unconstitutionality shall not affect the remainder of this act.

SECTION 7. This act shall take effect on January first, nineteen hundred and fifty-eight.