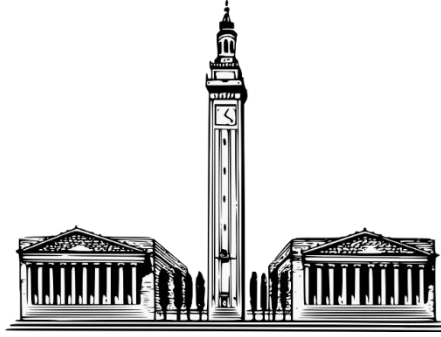


Christopher A. Caputo
City Treasurer/Collector

Treasurer's Office
36 Court Street
Springfield, MA 01103
Office: (413) 787-6130
Fax: (413) 787-6182



THE CITY OF
SPRINGFIELD, MASSACHUSETTS

Dear Taxpayers:

The City of Springfield Treasurer's Office can enter into a Springfield Municipal Tax Repayment with taxpayers who have property in tax title and qualify for one of the attached programs. You may contact Revenue Services for additional information to see if one of these programs pertains to you at 1-866-604-7216. Attached is a copy of the Springfield Municipal Tax Repayment Agreement Policy and City Ordinances.

Overview - Springfield Municipal Tax Repayment Agreement Policy

The City of Springfield will offer "repayment agreements" as authorized by Chapter 4.36 of the City of Springfield Revised Ordinance. The offer will be made by Revenue Services and may be made during routine or special collection calls in combination with a special letter campaign.

Revenue Services will handle inquiries and conduct preliminary eligibility screening. Revenue Services will direct any questions regarding eligibility during the underwriting process to the Treasurer for final determination. If Revenue Services determines that a taxpayer potentially qualifies for a repayment agreement, Revenue Services will negotiate the term, calculate the down payment and the monthly payment requirements generate an application with the terms inserted, and mail the application to the taxpayer, Revenue Services will request that an executed copy of the application be returned along with the required supporting material.

Upon receipt of the application and the qualification material, Revenue Services will confirm the eligibility of the taxpayer based upon the material submitted.

Once Revenue Services has determined that the taxpayer is qualified, Revenue Services will generate and forward a repayment agreement to the Treasurer with a recommendation for approval. The package will include the agreement and a summary of Revenue Services review.

If the Treasurer agrees with Revenue Services recommendation, the Treasurer will execute two copies of the agreement. One copy will be forwarded to the taxpayer, one to Revenue Services and the Treasurer will retain one copy.

The taxpayer will be instructed in an accompanying letter that the required down payment must be received by Springfield within 15 days from the date the plan is signed by Springfield. Failure to make the down payment or any other payment before its default date¹ will constitute a default in the agreement. A defaulted agreement will be cancelled upon the occurrence of a default.

Upon the event of a default, a taxpayer will be ineligible for consideration for a second agreement.

Until further notice, the Treasurer has established the following options for a waiver of interest:

1. Residential financial hardship agreements where the owner or residing member of the immediate household or owner-occupant may be eligible for 50% interest waiver.
2. Commercial re-investment agreement may be eligible for 50% interest waiver.

Mechanics of Issuing the Interest Waiver

Revenue Services will calculate the amount of interest to be waived, calculate payments on the basis of the reduced amount and apply them during the term of the agreement to the unpaid balance. If the agreement reaches maturity without having defaulted, the waived interest will be

¹ The agreement will specify that the default date is 30 calendar days or such other time as the Treasurer determines after the due date forgiven after the last payment due under the agreement has been made.

Types of Plans

A. Residential (owner of 1 - 3 unit properties)

Eligibility: Any residential taxpayer who is current on all other obligations to the City

Down Payment: Minimum 25%

Term: not to exceed 36 months

Obligations During term of the Agreement: Failure to keep current all obligations to the City (tax payments, fees, and licenses) is a default in the agreement and reason for immediate cancellation.

Payoff Amount: If payments are not made in accordance with the payment schedule, a final payoff amount differing from what is specified in this payment agreement will result. The taxpayer will need to contact the Treasurer's Office for a final payoff figure.

B. Financial Hardship Agreements (Owner or Residing Member of the Immediate Household of Owner-occupied 1 to 3 Unit Properties)

Financial Hardship Agreements are available to qualifying taxpayers. Any one of the listed eligibility requirements, if supported by documentation shown in the table below will qualify the taxpayer for an additional 12-month term (for a total term of 48 months). In addition, the Treasurer may grant an interest waive of 50%.

Eligibility: Owner or residing member of immediate household, who claims hardship and meets one of the following eligibility requirements:

Eligibility Requirements	Required Documentation
Over 60 years old and living on fixed income ² For 2005 income limits are \$40,000 single taxpayer \$50,000 head of household \$60,000 taxpayers filing jointly	Both of the following 1. Copy of Identification showing date of birth (e. g. driver's license) AND 2. Federal Income Tax return for the immediately preceding two years
Unemployed during the past six months or reemployed ²	One of the following 1. Records of public assistance, or 2. State Unemployment Notice, or unemployment compensation records showing last day worked, or 3. If reemployed, letter from employer showing date of reemployment and items 1 or 2
Spouse or partner deceased in past 12 months ² For 2005 income limits are \$40,000 single taxpayer \$50,000 head of household \$60,000 taxpayers filing jointly	One of the following 1. Death Certificate, or 2. If domestic partner, death certificate and bills showing both names (such as home or car insurance bill)
Permanent or short term disability, or recent loss of pay due to documented chronic illness or excessive medical bills ²	One of the following (Disability or chronic illness) 1. Insurance notification, or 2. Physician's letter on letterhead, (Excessive medical bills) 3. Copies of all medical bills.
Activated military status ²	1. Copies of military call up notice or other evidence of activated status

Down Payment: Minimum 25%

Term: Not to exceed 48 months

Waiver of Accrued Interest: of 50%

Obligations During term of the Agreement: Failure to keep current all obligations to the City (tax payments, fees, and licenses) is a default in the agreement and reason for immediate cancellation.

Payoff Amount: If payments are not made in accordance with the payment schedule, a final payoff amount differing from what is specified in this payment agreement will result. The taxpayer will need to contact the Treasurer's Office for a final payoff figure.

² Statutory amount as determined by the Massachusetts Department of Revenue pursuant to section 6(k)(4) of Chapter 62 of the General Laws, determined annually.

C. Commercial (Owners of commercial, industrial, institutional, or residential buildings exceeding 3 units)

Eligibility: Any commercial taxpayer who is current on all other obligations to the City

Down Payment: Minimum 25%

Term: not to exceed 24 months

Obligations During term of the Agreement: Failure to keep current all obligations to the City (tax payments, fees, and licenses) is a default in the agreement and reason for immediate cancellation.

Payoff Amount: If payments are not made in accordance with the payment schedule, a final payoff amount differing from what is specified in this payment agreement will result. The taxpayer will need to contact the Treasurer's Office for a final payoff figure.

D. Community Re-Investment Agreement (Owners of commercial, industrial, institutional, or residential buildings exceeding 3 units)

Eligibility: Owner of any delinquent commercial, industrial, institutional, or residential building exceeding 3 units who

- Demonstrates that the property is environmentally contaminated, and owner commits in writing to remediation and property improvements

----- or -----

- User commits in writing to specific investments valued at least twice the amount of taxes currently owed on the property' during the term of the repayment agreement

Eligibility Requirements	Required Documentation
Ownership of commercial, industrial, Institutional or residential building exceeding 3 units located on an environmentally contaminated site	Both of the following: 1. An environmental assessment report (such as a Phase 1) documenting contamination based on state or federal regulations 2. A letter from property owner addressed to the City of Springfield, committing to remediation and detailed list of proposed property improvements satisfactory to the City of Springfield. 3. All building permits within 90 days 4. Copy of CO and supporting documentation including but not limited to material receipts, time records, and photograph of completed work submitted to Revenue Services for approval prior to last payment
Ownership of commercial, industrial, Institutional or residential building exceeding 3 units	1. Letter from property owner addressed to the City of Springfield, committing to remediation and detailed list of proposed property improvements satisfactory to the City of Springfield. 2. All building permits within 90 days (delinquency less interest and penalties) 3. Copy of CO and supporting documentation including but not limited to material receipts, time records, and photograph of completed work submitted to Revenue Services for approval prior to last payment

Down Payment: Minimum 25%

Term: Not to exceed 24 months

Waiver of Accrued Interest: of 50%.

Obligations During term of the Agreement: Failure to keep current all obligations to the City (tax payments, fees and licenses) is a default in the agreement and reason for immediate cancellation.

Payoff Amount: If payments are not made in accordance with the payment schedule, a final payoff amount differing from what is specified in this payment agreement will result. The taxpayer will need to contact the Treasurer's Office for a final payoff figure.

Application and Approval Process

1. Revenue Services advises taxpayers through calls and letters of availability of repayment agreements
2. During collection call Revenue Services determines taxpayer's pre-qualification
3. If taxpayer is pre-qualified, Revenue Services sends out package containing
 - a. Cover letter with return date request
 - b. Summary of discussed terms
 - c. Application form with a certification that statements made are true and correct and the repayment agreement (possibly combined into one document) with terms inserted
 - d. List of exhibits required to be submitted by taxpayer to verify eligibility
 - e. Return envelope
4. Revenue Services notifies the City of a pending plan and requests a record search to determine if the taxpayer is current on other tax payments, fees and licenses
5. Taxpayer returns package to Revenue Services
6. Revenue Services reviews and analyzes qualifications, completes qualification form, term summary and recommendation to the Treasurer and submits package
7. If confirmed, Revenue Services forwards qualification form and agreement signed by taxpayer to Treasurer for execution
8. If not confirmed, Revenue Services sends letter to taxpayer advising reason (e. g. documents submitted do not support a hardship claim)
9. Treasurer executes agreement and forwards one copy to taxpayer, one copy to Revenue Services

Defaults

1. 30 calendar days after the payment due date
2. Tax Payments, Fees and Licenses: Revenue Services will supply a list of all agreements to Springfield monthly, Springfield will be responsible for notifying Revenue Services of unpaid tax payments, fees and licenses which constitute a default

Payoff Quotes during Agreement Term

A procedure to cooperate between Springfield and Revenue Services to determine the correct payoff amount has to be established (Springfield has requested that Revenue Services consider being the "books and records" on agreements).

Thank you



Christopher Caputo
Treasurer/Collector

AMENDING TITLE 4, OF THE REVISED ORDINANCES OF THE CITY OF SPRINGFIELD, 1986, AS AMENDED HEREBY FURTHER AMENDED BY ADDING A NEW CHAPTER 4.36 THERETO: MUNICIPAL TAX REPAYMENT AGREEMENT REGULATIONS.

Title 4, of the Revised Ordinances of the City of Springfield, 1986, as amended, hereby further amended by adding the following new Chapter 4.36 thereto:

Chapter 4.36

MUNICIPAL TAX REPAYMENT AGREEMENT REGULATIONS

Sections:

4.36.010	Authority.
4.36.020	Purpose and intent.
4.36.030	Definitions.
4.36.040	Residential eligibility requirements.
4.36.050	Financial hardship agreements.
4.36.060	Community Re-investment tax repayment agreements.
4.36.070	Penalties.

4.36.010 Authority. This chapter is adopted pursuant to the authority of Chapter 60, Section 62A of the General Laws, as amended, which authorizes municipalities to enact ordinances to authorize payment agreements between the City Treasurer/Collector and persons entitled to redeem parcels in tax title.

4.36.020 Purpose and intent. The purpose and intent of this chapter is to foster the collection of unpaid taxes and assessments, promote residential stability and community reinvestment, The City finds and determines that such a program will mitigate the social cost and consequences of property seizures and will help delinquent taxpayers meet their obligations to the city while avoiding the legal expenses and time delays of taking the property to land court. During the term of any municipal tax repayment agreement the treasurer/collector may not bring an action to foreclose the tax title account unless the taxpayers fails to comply with the terms and conditions of the municipal tax repayment agreement

4.36.030 Definitions. For the purpose of this chapter, the following definitions shall be applicable.

- A. "Commercial taxpayer" means the owner of record of a commercial use or rental property greater than three (3)
- B. "Documentation" means supporting documentation including, but not limited to, the following:
 - 1. Federal and state income tax returns;
 - 2. Savings and checking accounts statements;
 - 3. Social security and pension fund statements;
 - 4. Records of public assistance;
 - 5. Schedule of assets; and
 - 6. Outstanding bills.
- C. "Financial resources" means income of the delinquent taxpayer, delinquent spouse, other adult household members, and any co-owner not members of the household.
- D. "Fixed income" means total income that does not change over time or varies marginally over time and for the purpose of this ordinance the fixed income shall be statutory amount as determined by the Massachusetts Department of Revenue pursuant to section 6(k)(4) of Chapter 62 of the General Laws on an annual basis.
- E. "Immediate household family", means the delinquent taxpayer and their spouse, and their parents, children, brothers and sisters residing together.
- F. "Income" means receipts from all sources regardless of the income tax status under federal or state law, including wages, salaries, and bonuses, public and private pensions, retirement income, Social Security, alimony, child support, interest and dividends income, net income from business, public assistance, disability and unemployment insurance, regular contributions/support/gifts from children or other parties outside the household, military pay, savings and other investments.
- G. "Residential taxpayer" means the owner of record of an owner-occupied property that is the owner principal place of residence of less than four (4) units.

4.36.040 Residential eligibility requirements.

- A. All delinquent residential taxpayers may enter into a residential tax repayment agreement upon execution of such agreement with the City Treasurer/Collector shall make a minimum payment of twenty-five percent (25%) of the total amount to redeem the parcel.
- B. The term of a residential tax repayment agreement cannot exceed three (3) years for residential taxpayers. During the term of the residential tax repayment agreement the taxpayer must make timely payments in accordance with a written payment schedule and

must remain current on all other tax payments, fees and licenses issued by the City. Failure to stay current on all other tax payments, fees and licenses issued by the City shall be deemed a violation of the agreement

4.36.050 Residential Hardship Agreement.

- A. Any residential delinquent taxpayer or a member of their immediate household family who has demonstrated a financial hardship by providing supporting documentation as further described in section 4.36.030 (B) above and subsection D below.
- B. The maximum term of a financial hardship tax repayment agreement cannot exceed four (4) years for residential delinquent taxpayers.
- C. In case of a demonstrated financial hardship the city treasurer/collector may waive fifty percent (50%) of the interest that has accrued on the amount of the tax title account.
- D. The treasurer/collector is hereby authorized to enter into a financial hardship tax repayment agreement under the following criteria:
 - 1. A senior citizen taxpayer over the age of sixty (60) who documented that he or she or them are living on a fixed income.
 - 2. A recently unemployed (in the past six (6) months) or re-employed individual expressing a desire and wiliness to pay.
 - 3. A taxpayer with a recent (in the past twelve (12) months) deceased spouse or partner.
 - 4. A taxpayer with a permanent or short term disability or recent (in the past six (6) months) loss of pay due to documented chronic illness or medical bills.
 - 5. Any taxpayer on activated military status.

4.36.060 Community Re-Investment Agreement.

- A. Any delinquent commercial, industrial or institutional taxpayer may enter into a community re-investment tax repayment agreement and upon execution of such agreement with the City Treasurer/Collector shall make a minimum payment of twenty-five percent (25%) of the total amount to redeem the parcel. The maximum term of a community re-investment agreement cannot exceed two (2) years for a commercial, institutional, or industrial delinquent taxpayer.
- B. The Treasurer/Collector is authorized to grant and to waive fifty percent (50%) of the interest that has accrued on the amount of tax the tax title account in a community re-investment agreement to commercial, institutional, or industrial taxpayer under the following criteria:
 - 1. A commercial/industrial delinquent taxpayer that is based in an area of Springfield documented to be located on an environmental contaminated site in accordance with state or federal environmental protection regulations, wherein the owner commits in writing to specific steps towards remediation and property improvements.
 - 2. In cases where the commercial, institutional or industrial user commits in writing to implement specific investments in the property during the term of the repayment agreement worth at least twice the amount of taxes, excluding interest and penalties, owed on the property, upon completion of such improvements.

4.36.070 Penalties.

- A. The taxpayer must pay all current taxes owned when due. Any failure to stay current on taxes, payments, fees, and licenses issued by or otherwise owed to the City when due would cause the municipal tax repayment agreement to be terminated immediately.

This ordinance shall take effect on September 1, 2005.