



CITY OF NEW BEDFORD
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PRESS RELEASE

Tax Lien Case Against City Dismissed by Court *Plaintiff Settles Separately with Private Defendant*

New Bedford, Massachusetts – Tax lien-related litigation in which the City was a co-defendant has been settled and the case against the city was dismissed this month in U.S. District Court.

The court made its Aug. 12 dismissal “with prejudice,” meaning the ruling is final and the plaintiff cannot re-file the case against the city in the future.

The plaintiff, New Bedford resident Deborah Foss represented by the Pacific Legal Foundation of Sacramento and Greenberg Traurig of Boston, reached a settlement with private defendant Tallage Davis, LLC.

The City of New Bedford is not responsible for any payment to the plaintiff.

The litigation stemmed from tax lien sales, in which a city sells the right to collect tax liens to a third party. Under Massachusetts law, many cities use tax lien sales as an alternate means to collect delinquent taxes and steward public funds without having to employ internal legal staff devoted to pursuing tax liens in Land Court.

In 2015, delinquent property taxes owed to the City totaled more than \$22.6 million, an amount equal to nearly 6 percent of the City’s budget. To help alleviate that burden, the City, in accordance with MGL chapter 60, section 52, initiated a bulk tax lien sale. The winning bidder was Tallage, LLC, now known as Tallage Davis.

The City's delinquent tax burden had been cut in half, to \$11.3 million, following the last tax lien sale, in May 2019.

Over the past decade, the City has taken significant additional steps to address delinquent taxes, including amending its tax repayment ordinance in 2012. The amended ordinance has enabled delinquent taxpayers to enter into repayment agreements of up to five years and receive 50-percent interest forgiveness, after paying 25 percent of the outstanding balance as an initial deposit and while continuing to make current-year payments.

The City's Office of the Treasurer-Collector continues to make the collection of delinquent taxes a priority and encourages taxpayers to enter repayment agreements. As always, the city's preference is to service delinquent taxpayers by offering repayment agreements and managing delinquencies in-house.

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