



The Commonwealth of Massachusetts

AN ACT AUTHORIZING THE CITY OF SOMERVILLE TO IMPOSE A REAL ESTATE TRANSFER FEE

AN ACT

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. Findings and Purpose.

Whereas, housing costs in and around Somerville have increased consistently and dramatically over the last 10+ years, with the median selling price of single family homes up 62% since 2005, and;

Whereas, there is a significant need for more affordable housing in Somerville as evidenced by the 3,400 applications for just 35 affordable units that recently became available for rent, and;

Whereas, these pressures are further compounded by a combination of regional housing demand and constrained supply as documented in the Metropolitan Area Planning Council’s projection of regional housing demand for the metro north Boston area and the 2017 Housing Report Card, which noted that the sharpest increases in housing costs are occurring in Boston’s inner-ring suburbs including Somerville, now;

Therefore, the purpose of this Act is to establish a sustainable revenue source for the Somerville Affordable Housing Trust Fund.

SECTION 24. The city of Somerville may impose ~~re is hereby imposed~~ a fee of up to one per cent (1%) of the purchase price upon the transfer of any real property interest in any real property situated in the City of Somerville, provided that if the seller of such real property owned the property for less than two consecutive years as of the date of the deed or other instrument evidencing such transfer, the fee amount imposed may be up to two per cent (2%) of said purchase price. Said fee amounts shall be set forth by city ordinance. ~~Said fee shall be the liability of the seller of such real property interest, and any agreement between the purchaser and the seller or any other person with reference to the allocation of the responsibility for bearing said fee shall not affect such liability of the seller.~~ The fee shall be paid to the City of Somerville, hereinafter referred to as the “City”. The City shall deposit all fees received ~~as set out by City ordinance~~ into the Somerville Affordable Housing Trust Fund established by the City.

SECTION 32. The fee shall be paid to the City and shall be accompanied by a copy of the deed or other instrument evidencing such transfer, and an affidavit signed under oath or under the pains and penalties or perjury by the purchaser and seller attesting to the purchase price and the basis, if any, upon which the transfer is claimed to be exempt in whole or in part from said fee. The City or its designee shall promptly thereafter issue a certificate indicating that the fee has been paid or that the transfer is exempt from the fee. The register of deeds for the county in which the real property is located shall not record or register a deed unless the deed is accompanied by such certificate. The fee imposed shall be due at the time of the transfer of the real property interest. A seller who fails to pay all or any portion of said fee on or before the time when the same is due shall be liable to the City for the following additional payments in addition to said fee:

~~(a) Interest: The seller shall pay interest on the unpaid amount of the fee to be calculated from the time of transfer at a rate equal to the rate the City collects on unpaid real estate taxes.~~

~~(b) All fees and interest required to be paid under this act shall constitute a personal debt of the seller and may be recovered in an action of contract or in any other appropriate action, suit or proceeding brought by the City. If any seller liable to pay the fee established by this act neglects or refuses to pay the same, the amount, including any interest and penalty thereon, shall be a lien in favor of the City upon all property and rights to property, whether real or personal, belonging to either such purchaser or such seller. Said lien shall arise at the time of transfer and shall continue until the liability for such amount is satisfied.~~

SECTION 34. The City may, by ordinance, exempt certain following transfers of real property interests shall be exempt from the fee established by this act: (a) transfers between family members as defined by the city. [Additional exemptions go here]

SECTION 5. The City may, by ordinance, ~~or~~ adopt additional requirements, exemptions, and regulations to implement or enforce said fee, consistent with this act.

