



# 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 and workforce housing as evidenced by the 36% of Somerville renters who are currently considered rent burdened by paying at least 30% of their income on rent, and the multi-year long waitlists that exist for every affordable housing opportunity currently available in Somerville, and with the Housing Division receiving an average of 41 applications for each affordable inclusionary rental unit, and;

**Whereas**, these circumstances 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 2. The city of Somerville may impose 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.

(a) If the seller of such real property owned the property for less than five consecutive years as of the date of the deed or other instrument evidencing such transfer or such other date as may be defined by the city, the fee amount imposed may be up to two per cent (2%) of said purchase price. However, the increased maximum fee amount in this subsection (a) shall not apply if the seller is a taxpayer approved by the city of Somerville for an exemption for residential real property with respect to such real property classified

as Class One, residential, in the city of Somerville, pursuant to section 5C of chapter 59 of the General Laws or any special law, as of said date.

Said fee amounts shall be set forth by city ordinance. The fee shall be paid to the City of Somerville, hereinafter referred to as the “City”. The City shall deposit all fees received into the Somerville Affordable Housing Trust Fund established by the City.

SECTION 3. 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.

SECTION 4. The 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; (b) transfers of convenience with consideration under \$100.00 as defined by the city; (c) transfers to the government of the United States or any other instrumentality, agency of subdivision thereof, or the commonwealth or any instrumentality or subdivision thereof; (d) vulnerable seniors as defined by the city; and (e) a property where that property owner has had a residential exemption from the city of Somerville for twenty consecutive years for that property as further defined by ordinance.  
~~{Additional exemptions go here}~~

SECTION 5. The City may, by ordinance, adopt additional requirements, exemptions, and regulations to implement or enforce said fee, consistent with this act. The city shall have the authority to establish one or more exemptions from such fee should it choose to do so. Exemptions may include, but are not limited to (i) purchasers with annual income below 80% of Area Median Income as established by the U.S. Department of Housing and Urban Development for the city; and (ii) residential transfers with a purchase price below the mean purchase price for the city over the previous twelve month period.

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

**PETITION \_\_\_\_\_**

<b><u>CHIEF SPONSOR:</u></b>
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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court Assembled.*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill or resolve.

<b>PETITIONERS: LEGISLATOR/CITIZEN</b>	<b>DISTRICT/FULL MAILING ADDRESS</b>

**Use "TABLE > INSERT > ROWS BELOW" to add more lines for petitioners' signatures.**