

HOUSE No. 4063

The Commonwealth of Massachusetts

PRESENTED BY:

Marjorie C. Decker

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 adoption of the accompanying bill:

An Act authorizing the city of Cambridge to impose a real estate transfer fee.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>3/24/2023</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>10/27/2023</i>

HOUSE No. 4063

By Representative Decker of Cambridge, a petition (subject to Joint Rule 7B) of Marjorie C. Decker for legislation to authorize the city of Cambridge to impose a real estate transfer fee. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 4282 OF 2021-2022.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act authorizing the city of Cambridge to impose a real estate transfer fee.

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

1 SECTION 1. There is hereby imposed a real estate transfer fee equal to 2 per cent of the
2 portion of the purchase price exceeding \$1,000,000 upon the transfer of: (i) any real property
3 interest in any property situated in the city of Cambridge; or (ii) a controlling interest in a trust,
4 limited liability company or other entity that directly or indirectly holds an interest in any class
5 of real property situated in the city of Cambridge; or (iii) any interest that is subject to deed
6 excise taxes pursuant to G.L. c.64D, §1. After the first year of the effective date of this act, the
7 exempted portion of the purchase price shall be increased annually based on the Consumer Price
8 Index, as defined in section 1 of the Internal Revenue Code as codified in 26 U.S.C. section 1,
9 for all urban consumers in the Boston-Cambridge-Newton area as of January of each year. The
10 exempted portion of the purchase price as determined annually based on the Consumer Price

11 Index shall become effective for sales occurring on or after April 1. The fee shall be the liability
12 of the seller of such property interest, and any agreement between the purchaser and the seller or
13 any other person with reference to the allocation of the liability for the fee shall not affect such
14 liability of the seller to the city of Cambridge. The city of Cambridge may, by ordinance, adopt
15 additional requirements, exemptions and regulations to construe the provisions of this act,
16 including in the case of a transfer of a controlling interest, what constitutes a controlling interest
17 and the calculation of the fee.

18 SECTION 2. The following transfers of real property interests situated in the city of
19 Cambridge shall be exempt from the fee established pursuant to section 1: (i) transfers to or from
20 the federal government, the commonwealth, the city of Cambridge and any of their
21 instrumentalities, agencies or subdivisions, including the Cambridge housing authority; (ii)
22 transfers of real property interests where all of the dwelling units are subject to a long term
23 affordable housing restriction; and (iii) transfers made without additional consideration to
24 confirm, correct, modify or supplement a transfer previously made.

25 SECTION 3. The fee established pursuant to section 1 shall be paid to the Middlesex
26 South registry of deeds at the time that an instrument is recorded. The Middlesex South registry
27 of deeds shall transfer the fees to the city of Cambridge twice yearly, with the first payment due
28 on or before September 1, covering the time period of January 1 through June 30, and the second
29 payment due on or before March 1, covering the time period of July 1 through December 31.
30 The Middlesex South registry of deeds shall provide a list of properties that paid the fee when
31 payments are transmitted to the city of Cambridge. The city of Cambridge may, by ordinance,
32 adopt additional requirements, exemptions and regulations to implement or enforce the fee,
33 consistent with this act.

34 SECTION 4. The city of Cambridge shall deposit all fees received pursuant to this act
35 into the Cambridge Affordable Housing Trust Fund established pursuant to chapter 482 of the
36 acts of 1991, which shall use revenues from the fees raised pursuant to this act for affordable
37 housing purposes.

38 SECTION 5. The fee established pursuant to section 1 shall be collected by the
39 Middlesex South registry of deeds unless the city of Cambridge provides the seller with an
40 affidavit stating that the seller is exempt pursuant to clause (ii) of section 2. Without the
41 exemption affidavit, the Middlesex South registry of deeds shall collect the fee from the seller at
42 the time of recording, unless the seller is exempt pursuant to clause (i) or clause (iii) of section 2.
43 The Middlesex South register of deeds shall not record or register a deed unless the fee is
44 collected from a non-exempt seller.

45 SECTION 6. Sections 1 to 5, inclusive, shall take effect upon an affirmative majority
46 vote of the city council of the city of Cambridge.

47 SECTION 7. Section 6 shall take effect upon its passage.