

COMMITTEE ON REVENUE ~ BILL SUMMARY

Bill Number: H.3930

Name: AN ACT AUTHORIZING THE CITY OF SOMERVILLE TO IMPOSE A REAL ESTATE TRANSFER FEE
[LOCAL APPROVAL RECEIVED]

Sponsor(s): Rep. Mike Connolly (Cambridge), Rep. Erika Uyterhoeven (Somerville)

Hearing Date: September 9, 2025

Reporting Date: November 8, 2025

Prior History: 2023-24 (H.3845): Ordered to a House Study
2021-22 (H.3938): Reported favorably; Referred to House Steering
2019-20 (H.2423): Reported favorably; Referred to House Steering
2017-18 (H.4582): Exec'd Last Session; New Draft (H.4662); (H.4662) referred to House Committee on Steering, Policy and Scheduling

CURRENT LAW:

M.G.L. c. 64D – Deeds excise: The Registry of Deeds of each county shall collect an excise on the transfer of deeds equal to \$2.00 for every \$500 of the value of the property for which the deed is written, which is remitted to DOR. The excise is self-assessed and paid by the person who makes or signs the deed, instrument, or writing by affixing adhesive stamps to the document in the proper amount.

St. 1969, c. 546, § 23 – Massachusetts levies an additional 14% on the deeds excise established in chapter 64D. Therefore, the total Massachusetts deeds excise is \$2.28 for every \$500 of the value of the property.

M.G.L. c. 60 – Collection of property taxes: When taxes aren't paid on real property, interest begins to accrue at 14% from the due date of the tax bill (collector's interest). If the taxes aren't paid within 14 days of a notice of demand, the collector may give notice of intent to take the land. If taxes aren't paid within 14 days of a notice of intent, the collector shall issue a taking, and the interest in the lien becomes a "tax title", which is vested with the municipality. Interest then begins to accrue at 16% upon the amount in the tax title account (treasurer's interest). A person seeking to redeem the land at any time must pay the amount of the receivable (if before the taking) or the title account (if after a taking). If the land has not been redeemed within 6 months of the taking, the municipality may petition to foreclose the right of redemption. If the taking is not redeemed or successfully challenged, the court will issue a judgment foreclosing the rights of redemption, and the town then has absolute title to the property.

PROPOSED CHANGE(S):

This home rule petition would allow the city of Somerville to impose a fee upon the transfer of any real property interest in any real property situated in Somerville. This fee would be equal to 2% of the sale price, half due and payable by the seller, half due and payable by the purchaser.

The following transfers would be exempt:

- Transfers between family members
- Transfers of convenience

- Transfers to the government of the U.S., the Commonwealth, or any of their instrumentalities, agencies, or subdivisions.

The following sellers would be exempt from their portion of the tax:

- A vulnerable senior, as defined by ordinance
- A taxpayer whose property is approved for the residential exemption (i.e. the property is her principal residence for income tax purposes) and does not contain 4 or more dwelling units
- An heir-at-law or devisee, if the transfer is within one year of the death of a decedent from which it was inherited, the property was approved for the residential exemption when owned by the decedent, and the property does not contain 4 or more dwelling units.

The following purchasers would be exempt from their portion of the tax:

- A vulnerable senior, as defined by ordinance
- An individual who submits an affidavit of intent to seek a residential exemption. The purchaser, upon approval, would be provisionally exempt from her share of the fee, until the residential exemption is subsequently approved for the first 2 years following the transfer, in which case the exemption becomes permanent. This exception would not apply to property which contains 4 or more dwelling units.

Revenues from this real estate transfer fee would be deposited into the Somerville Affordable Housing Trust Fund for affordable housing programs including, but not limited to, equity arrangements, community land trusts, purpose-built housing, and other programs.

The city may adopt an ordinance to provide for the collection or lien of any outstanding transfer fee and would have the same remedies to collect the fee as for the collection of real property taxes (see current law).

A copy of the deed or instrument of transfer shall be provided to the city accompanied by an affidavit of (i) the purchase price, (ii) fees owed, (iii) any claim to exemption from fee, and (iv) intent to seek a residential exemption). The register of deeds for Middlesex County shall not record any deed which is not accompanied by a certificate issued by the city stating that the real estate transfer fee has been paid or that the seller or purchaser was exempt.

The city would issue an annual report with data on the fee receipts, buyers and sellers, affordable housing programs funded, and impact of such programs.