

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

SECTION 1. There is hereby imposed a real estate transfer fee equal to 2 per cent of the portion of the purchase price exceeding \$1,000,000 upon the transfer of: (i) any real property interest in any property situated in the city of Cambridge; or (ii) a controlling interest in a trust, limited liability company or other entity that directly or indirectly holds an interest in any class of real property situated in the city of Cambridge; or (iii) any interest that is subject to deed excise taxes pursuant to G.L. c.64D, §1. After the first year of the effective date of this act, the exempted portion of the purchase price shall be increased annually based on the Consumer Price Index, as defined in section 1 of the Internal Revenue Code as codified in 26 U.S.C. section 1, for all urban consumers in the Boston-Cambridge-Newton area as of January of each year. The exempted portion of the purchase price as determined annually based on the Consumer Price Index shall become effective for sales occurring on or after April 1. The fee shall be the liability of the seller of such property interest, and any agreement between the purchaser and the seller or any other person with reference to the allocation of the liability for the fee shall not affect such liability of the seller to the city of Cambridge. The city of Cambridge may, by ordinance, adopt additional requirements, exemptions and regulations to construe the provisions of this act, including in the case of a transfer of a controlling interest, what constitutes a controlling interest and the calculation of the fee.

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

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

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

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

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

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