

Town Administration's Comments and Questions

Article 27 – Authorize Special Legislation – Real Estate Transfer Fee

Comments

This proposal will require extensive involvement/processing by the Finance Department. The Collector/Treasurer's Office will bear the majority of the work, processing the paperwork and certifying compliance with the requirements. Unfortunately the Collector/Treasurer's Office is the busiest office in the finance department, handling hundreds of transactions a day while answering phones, preparing reports, maintaining accounts and processing bills. At times the line at the window of the Collector/Treasurer's office stretches across the lobby. Its current complement of six employees covers the current workload; the increased responsibilities will require additional staff. Specifically the following:

1. Reviewing submitted document to determine whether a document evidencing a transfer has been provided (Section 5)
2. Verifying the sale price of the home and signatures on the affidavits;
3. Verifying the fee owed and that the applicant meets the minimum qualifications for an exemption;
4. If the applicant is filing for an exemption, then they'll have to go to the Assessor's Office, have the Assessor review the application and approve the exemption;
5. Return to the Collector/Treasurer's office and offer proof of the exemption and
6. Collector Treasurer's issues the certificate indicating fee has been paid or of exemption;

Once the Assessor's Office receives the Deed (often up to a month after recording) staff have to check to see the certificate was filed. If not, the Collector's Office has to be notified so collection efforts are started.

Questions

In addition to staff time and effort processing the paper the Finance team has the following questions regarding the operation of the Process:

1. Does the Town of Natick have the authority to impose such a law or rule on the registrar?
2. Will the registrar impose such a rule with no incentive for them to do it? It adds another layer to their job with no reward or compensation.
3. Note that while Barnstable Nantucket and Dukes counties charge a fee, it is assessed on the County level, not via the individual communities.
4. The deed does not exist until it is recorded, thus the deed is not an instrument that can be used for this purpose (pre-sale). A purchase and sale agreement would exist at that point, but can and is adjusted based on findings from home inspections and Title V inspections.

5. SECTION 5 further states that it “shall be accompanied by: (i) an affidavit signed under oath or under the pains and penalties of perjury by the purchaser and seller attesting to the purchase price; (ii) the applicable fee owed or, if applicable, an affidavit of intent to seek one of the permissible exemptions, as described in Section 2, for that property by the purchaser; and (iii) the basis, if any, upon which the transfer is claimed to be exempt in whole or in part from said fee.

- a. Who is verifying this information for the Town?
- b. Who is responsible for verifying exemptions; including transfers from family members?
- c. What is the timeframe for this affidavit? Typical closing timeframes run from 35-45 days. How is this affidavit process going to be done quickly enough to not cause delays?