



City of Cambridge

IN CITY COUNCIL
March 13, 1978

ORDERED:

That this City Council go on record accepting Chapter 956 of the Acts of 1977, the same being "An Act Further Regulating Fees Charged for Furnishing Certificates of Liens".

In City Council March 13, 1978
Adopted by a yea and nay vote:
Yeas 8; Nays 1; Absent 0.
Attest: Paul E. Healy, City Clerk

A true copy,

ATTEST:

A handwritten signature in cursive script, reading "Paul E. Healy", written in dark ink.

City of Cambridge

MASSACHUSETTS

Agenda #6 Acceptance of Chapter 956 of the Acts
 of 1977, An Act Further Regulating In City Council March 13 1978
 Fees Charged for Furnishing Certificates
 of Liens.

	YEA	NAY	ABSENT	PRESENT
Mr. Crane		✓		
Mr. Duehay	✓			
Mr. Frisoli	✓			
Ms. Graham	✓			
Ms. Preusser	✓			
Mr. Sullivan	✓			
Mr. Vellucci	✓			
Mr. Wylie	✓			
Mayor Danehy	✓			

8 1 0



CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To James L. Sullivan, City Manager

Date February 28, 1978

From Edward A. Lehan, Finance Director

Reference

Subject Certificates of Municipal Liens

Edward A. Lehan

The Massachusetts Legislature recently amended Massachusetts General Laws, Chapter 60, Section 23 by changing the fee for issuing certificates of municipal liens. The new fee schedule is now based on the real estate classification and can only be effective upon acceptance of the City. The new rate schedule would increase annual revenue from this source by approximately \$30,000.

It is in the best interests of the City to adopt the new fee schedule as soon as possible.

The following enclosures should answer the majority of questions that could arise from the recent law change.

Incl.

1. Advance Copy of Chapter 956
2. Copy of M.G.L. Chapter 60, Section 23
3. Summary of Amendment
4. Fact Sheet for Cambridge
5. Projection of Revenue

THE COMMONWEALTH OF MASSACHUSETTS

Advance Copy

1977

Acts and Resolves

PAUL GUZZI, Secretary of the Commonwealth

Chap. 956. AN ACT FURTHER REGULATING FEES CHARGED FOR FURNISHING
CERTIFICATES OF LIENS.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to adequately compensate cities and towns for the issuance of municipal lien certificates, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

SECTION 1. Chapter 60 of the General Laws is hereby amended by inserting after section 23 the following section:-

Section 23A. In any city or town accepting the provisions of this section, the collector of taxes shall furnish a certificate of liens as provided in section twenty-three according to the following fee schedule: for land of less than one acre upon which there is no permanent structure a fee of ten dollars; for land upon which is situated no more than a single family residence and outbuildings a fee of ten dollars; for land upon which is situated no more than a two family residence and outbuildings a fee of fifteen dollars; for land upon which is situated no more than a three family residence with outbuildings a fee of twenty dollars; for land upon which is situated a residence for four or more families a fee of forty dollars; for land upon which is situated a commercial, industrial or public utility structure a fee of one hundred dollars; for farms,

Incl 1

forest land and all other real property a fee of fifty dollars. In no case shall the fee exceed one half of one per cent of the assessed value of the real estate and the money so received shall be paid into the town treasury.

SECTION 2. The provisions of this act shall apply to a certificate of liens issued after the acceptance of this act by a particular city or town, unless such city or town shall specify a later date.

Approved January 11, 1978

any year on any parcel of land so separately assessed or separately listed, the owner of said parcel or person assessed or a person having any interest in said parcel may at any time prior to a tax taking or a tax sale of such parcel make full payment of the tax upon such parcel or may make from time to time partial payments on account of the tax upon such parcel of not less than ten per cent of such tax, but in no event less in amount than ten dollars, and otherwise subject to the terms, conditions and provisions governing partial payments of a tax contained in section twenty-two. The collector shall give a receipt in full for any such full payment and a partial receipt for any such partial payment. Any such payment in full shall discharge the tax lien upon such parcel for the taxes of the year in which such tax was assessed, and any such partial payment shall reduce the tax lien upon such parcel for the taxes of such year to the extent of the portion of the tax upon such parcel so paid. No lien shall be deemed to exist upon any parcel of land for or because of the tax or portion of tax assessed on or with respect to any other parcel. Such information as to the assessors' valuation list as may be required for the purposes of this section shall be furnished by the assessors to the collector upon demand. (*As added by Ch. 573, Acts 1941.*) [Comp. ¶ 23-105, 23-404.]

Certificate of Taxes and Other Assessments on Real Estate

[¶ 90-715]

Sec. 23. In certain cities collectors to furnish statement of all liens—Fee, etc.—The collector of taxes for any city, or for any town having more than five thousand inhabitants as determined by the last preceding national or state census, shall, on written application by any person, and within five days thereafter, excluding Saturdays, Sundays and holidays, furnish to such applicant a certificate of all taxes and other assessments, including water rates and charges, which at the time constitute liens on the parcel of real estate specified in such application and are payable on account of such real estate. Such certificate shall be itemized and shall show the amounts then payable on account of all such taxes and assessments, rates and charges, so far as such amounts are fixed and ascertainable, and if the same are not then ascertainable, it shall so be expressed in the certificate. Any town officer or board doing any act toward establishing any such tax, assessment, lien or charge upon any real estate in the town

shall transmit a notice of such act to the collector of taxes. Such collector of taxes shall charge six dollars for each certificate so issued, and the money so received shall be paid into the town treasury. The collector of taxes for any town having fewer than five thousand inhabitants as determined by the last preceding national or state census may, if permitted by local by-law, keep such certificate fee for his personal services. A certificate issued on or after October first, nineteen hundred and forty-three, under this section may be filed for record or registration, as the case may be, within thirty days after its date, and if so filed shall operate to discharge the parcel of real estate specified from the liens for all taxes, assessments or portions thereof, rates and charges which do not appear by said certificate to constitute liens thereon, except the taxes, assessments or portions thereof, rates and charges which have accrued within the three years immediately preceding the date of the certificate, the taxes, assessments or portions thereof, rates and charges which are included in a tax title account, and the taxes, assessments or portions thereof, rates and charges concerning which a statement has been filed for record or registration under section thirty-seven A or any other provision of law; but a certificate issued under this section shall not affect the obligation of any person liable for the payment of any tax, assessment, rate or charge. The register of deeds as such or as assistant recorder of the land court shall receive and record or register such certificate upon the payment of a fee of four dollars. (*As amended by Ch. 197, Acts 1932; Ch. 478, Acts 1943; Ch. 388, Acts 1952; Ch. 487, Acts 1954; Ch. 537, Acts 1958; Ch. 421, Acts 1960; Ch. 269, Acts 1971; Ch. 163, Acts 1976, effective September 6, 1976.*) [Comp. ¶ 23-058, 23-059.]

Collection by Distress

[¶ 90-716]

Sec. 24. Distress and sale of personal estate for taxes. Property included. Exemptions.—If a person refuses or neglects to pay his tax for fourteen days after demand, the collector shall without unnecessary delay levy the same by distress or seizure and sale of his goods, except tools or implements necessary for his trade or occupation, beasts of the plough necessary for the cultivation of his improved land, military arms, uniforms and equipments, utensils for housekeeping necessary for upholding life, and bedding and apparel necessary for himself and family. [Comp. ¶ 23-710.]

SUMMARY OF AMENDMENT CHAPTER 60, SECTION 23

<u>NEW FEE</u> ¹	<u>REAL ESTATE CLASSIFICATION</u> ²	<u>ASSESSED VALUE</u> ³	<u>TAXES</u> ⁴
\$10	For all land less than one acre containing no permanent structures.	\$ 2,000	\$ 358.60
\$10	Single family residence	\$ 2,000	\$ 358.60
\$15	Two-family residence	\$ 3,000	\$ 537.90
\$20	Three-family residence	\$ 4,000	\$ 717.20
\$40	Four or more units classified as residential	\$ 8,000	\$ 1,434.40
\$100	Commercial, industrial or public utility	\$ 20,000	\$ 3,586.00
\$50	Farms, forrest land and all other real property ⁵	\$ 10,000	\$ 1,793.00

1. This is the maximum fee permitted under the recent law change. In no case shall the fee exceed one half of one percent of the assessed value of the real estate.
2. The nine real estate classifications are: Residential-single dwelling units; residential-two dwelling units; residential-three dwelling units; residential-four or more dwelling units; part commercial/part residential; commercial; industrial; agricultural and horticultural land; and vacant land.
3. Properties assessed a minimum of this amount would be charged the maximum fee.
4. Properties that receive tax bills of this amount would be charged the maximum fee.
5. Cambridge has no land classified under this category.

FACT SHEET FOR CAMBRIDGE

1. The current fee for issuing lien certificates is \$6.00.
2. The \$6.00 fee is charged irrespective of the real property classification.
3. During FY 1975-76 the city issued 897 lien certificates.
4. During FY 1976-77 the city issued 1087 lien certificates.
5. For FY 1977-78 the City expects to have issued 1600 lien certificates.
6. For FY 1978-79 the city is projecting to issue 1500 lien certificates.
7. The city is preparing to issue computer generated lien certificates that will lower the cost of preparing each certificate; however, the automated lien certificates will not be ready before January 1979.
8. Currently one account clerk in the Finance-Revenue Division works full-time in preparing the lien certificates. When automated liens become a reality this account clerk will be able to assume other duties.
9. The revised rate schedule will be effective immediately upon acceptance by a majority vote of the Cambridge City Council.

PROJECTION OF REVENUE

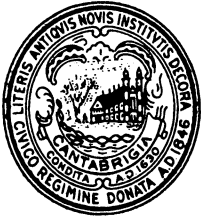
There are several ways to predict the amount of revenue that the new fee schedule will produce. It should be understood that no method can be highly dependable because several variables are unpredictable. Exactly how many lien certificates will be issued is dependent upon property transfers in Cambridge, the state of the money market, and local policies such as rent control. I have assumed that we will experience a major decrease in the number of certificates requested; however, we will recover some of this decrease by issuing a separate certificate for each parcel of land instead of aggregating parcels by ownership. This would result in a net decrease of no more than one hundred certificates.

I have also assumed that all certificates will pay the maximum fee; even though a sample of 232 lien certificates prepared in FY 1977-78 shows that 10 percent will pay less than the maximum fee.

METHOD I. Assume no change in the fee schedule based on 1500 certificates (\$9,000)

METHOD II. Assume all certificates are prepared at random based on 1500 certificates (\$39,500)

METHOD III. Assume all certificates are prepared in proportion to a sample of certificates prepared in July 1977 and January 1978. A total of 232 certificates were sampled (\$45,750)



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

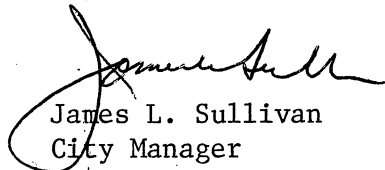
March 13, 1978

To the Honorable, the City Council:

I am recommending that the City Council accept Chapter 956 of the Acts of 1977, An Act Further Regulating Fees Charged for Furnishing Certificates of Liens.

Enclosed, along with a copy of the Act, is an analysis of the value to the City by acceptance.

Very truly yours,


James L. Sullivan
City Manager

JLS/mbf
Enc. 2

S-104

Acceptance of Chapter 956 of the Acts of 1977
An Act Further Regulating Fees Charged for
Furnishing Certificates of Liens.

In City Council,
March 13, 1978

3/13/78

Ordinance

Adopted

8-1-0