

Are You Entitled to an Exemption from the Block Island Land Trust Fee?

Table 1

<u>Purchase Price</u>	<u>Exemption</u>	<u>Balance on which Fee is Payable</u>	<u>Fee</u>
\$200,000.00	\$200,000.00	-0-	-0-
\$300,000.00	\$250,000.00	\$ 50,000.00	\$ 1,500.00
\$350,000.00	\$275,000.00	\$ 75,000.00	\$ 2,250.00
\$400,000.00	\$300,000.00	\$100,000.00	\$ 3,000.00
\$500,000.00	\$350,000.00	\$150,000.00	\$ 4,500.00
\$600,000.00	\$400,000.00	\$200,000.00	\$ 6,000.00
\$700,000.00	\$400,000.00	\$300,000.00	\$ 9,000.00
\$800,000.00	\$400,000.00	\$400,000.00	\$12,000.00

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Are You Entitled to an Exemption from the Block Island Land Trust Fee?

- 1. You are not entitled to an exemption from the Land Trust Fee if you or your spouse has ever owned any interest in any real estate anywhere in the world.**

This includes time-share interests, condominium interests, interests as the beneficiary of a trust, interests in real estate investment trusts, etc. It also includes interests in developed or undeveloped real estate.

2. If neither you nor your spouse has ever owned any interest, however slight, in real estate, you qualify for a land trust exemption provided the real estate you are buying will become your residence and domicile.
3. The amount of the exemption you are entitled to depends on whether you are buying real estate which is offered pursuant to a program of affordable housing sponsored or endorsed by the Town of New Shoreham.

A. If the real estate you are buying is offered pursuant to a Town authorized or sponsored affordable housing program, you are exempt from the entire land trust fee.

B. If the real estate you are buying is not offered pursuant to a Town authorized or sponsored affordable housing program, you are exempt from the fee imposed on the first \$200,000 of the purchase price and one-half of the fee imposed on up to the next \$400,000 of the purchase price.

You must file Land Trust Form A and Land Trust Form B to claim these exemptions. For examples, please see Table 1.

4. The Land Trust Fee is due when your deed is recorded. The Land Trust is not authorized to, and cannot legally, extend the time for the payment of the fee. If the fee is not paid in full when your deed is recorded, the Land Trust will file a lien against your property for the fee plus penalties and interest. If you do not pay the fee plus penalties and interest, the Land Trust is required to take legal action to collect it. The Land Trust does not have the authority to waive either the fee due, the penalty due or the interest due.

If you claim either exemption, to qualify for it you must make the real estate your actual residence and domicile within 3 years of your purchase date and you must not transfer the property within 5 years of your purchase date. The Land Trust places a lien on your property to assure you comply with the residency requirements. If the real estate you purchase is not part of a Town authorized or sponsored program, you must file with the Land Trust a certificate of use and occupancy of the real estate and an affidavit indicating the real estate is your actual residence and domicile.

If you fail to make the property your actual residence and domicile within 3 years of your purchase date or if you fail to file the certificate of use and occupancy and the residency affidavit (if it is required) or if you sell the property within 5 years of your purchase date, you are required by legislation to pay the fee exempted, a penalty of up to 25% of the exempted fee, and interest on the exempted fee at 1% per month from your purchase date. The Land Trust lien will not be released until this payment is made in full. The Land Trust does not have the authority to waive either the exempted fee, the penalty due or the interest due.