



MASSACHUSETTS ASSOCIATION OF REALTORS®

REALTOR® Day on Beacon Hill Legislative Priorities

REALTOR® Day on Beacon Hill has been a yearly event for members of the Massachusetts Association of REALTORS® for over two decades. We join together, representing our communities, to visit with the state's legislators and bring a unified voice on real estate and housing issues to Beacon Hill.

This year's event takes place on Tuesday, June 8 and will focus on several bills filed this year. Below is a summary of the bills and the REALTOR® position so you can prepare for your visit to Beacon Hill.

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REALTORS® SUPPORT

Real Estate Licensing [Pre-Licensure]

S.121. An Act Clarifying the Requirements for Licensing as a Real Estate Broker or Salesperson.

Sponsors: Sen. Stephen J. Buoniconti, Rep. Kevin J. Murphy

The intention of this bill is to enhance professionalism in the real estate industry through a modest increase in the pre-licensure requirements. This legislation would enhance the education requirements for obtaining a real estate salesperson's license and it would also amend the educational and experience requirements for obtaining a real estate broker's license.

The current law was enacted over 30 years ago (1978), and the business of helping consumers with real estate has become far more complex in that time. Lead paint laws, agency disclosure, Title 5 and many other issues have become essential information for licensees to understand and communicate.

Massachusetts has the 2nd lowest requirements for Salesperson pre-license education in the country (Only Alaska has an education hour requirement for licensure as a salesperson that is lower than that in Massachusetts). Every other state has a higher hour requirement, with the national average around 66 hours.

S.121 seeks to increase the Broker/Salesperson Licensing Exam Prerequisites as follows:

Broker:

- A 10-hour increase in classroom instruction (from 30 to 40 hours).
- 3 years experience as RE Salesperson, actively associated with a licensed broker.

Salesperson:

- A 16-hour increase in classroom instruction (from 24 to 40 hours).

Status: Engrossed in Senate; currently in House Ways & Means.

Action Needed: Ask your legislators to urge the Ways & Means Committee to release the Bill from Committee and vote “YES” if & when it comes up for consideration on the House Floor.

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REALTORS® SUPPORT

Copper Stripping; Abandoned Property Registry

S.2191. *An Act Regulating Secondary Metals Dealing.*

Sponsor: Committee Redraft of S.183 [Sen. James E. Timilty]

Vacant houses are an increasing concern in many communities of the Commonwealth. Many fall into disrepair, attract crime, and create safety issues in neighborhoods. Further, metal piping and other fixtures are stolen from the structure, thus making its title unmarketable for mortgage loan qualification purposes. The problem is becoming widespread, hurting home values in neighborhoods in which thefts occur.

S.2191 seeks to halt and reverse this problem with a 2-prong approach:

- Second-Hand Metal Dealer Registry
- Abandoned Property Registry

Second-Hand Metal Dealer Registry:

All Scrap Dealers must:

A. Keep a log of info from all transactions (e.g. purchasing metal from walk-in customer):

- 1) Signed statement by seller as to his personal info
- 2) Photocopy of a Driver’s license or similar Gov’t-issued ID.
- 3) Photo & record of weight of metal item received if valued over \$250 (or notation of serial number, if present)

B. Forward the info on item & seller to Criminal History Systems Bd. within 48 hrs.

C. Retain, in the same condition, all metal items received for 10 days.

Bill provides criminal penalties for providing false personal info, or for knowingly receiving stolen items.

Abandoned Property Registry

The primary difficulty in ensuring that vacant properties are kept in decent condition lies in the difficulty in locating their owners, who are responsible for keeping their property up to Code and prevent it from becoming a public nuisance.

In response to the growing foreclosure/vacancy problem, some cities have enacted local ordinances requiring the registration of vacant properties. However, there is no state law with a single, unified Registry.

S.2191 creates a 2-year pilot program establishing a state-wide vacant and foreclosed property registry housed within the Attorney General's Office.

Status: Engrossed in Senate; currently in House Ways & Means.

Action Needed: Ask your legislators to urge the Ways & Means Committee to release the Bill and vote "YES" if & when it comes up for consideration on the House Floor.

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REALTORS® OPPOSE

Real Estate Transfer Taxes

S.1316. *An Act Establishing the Martha's Vineyard Housing Bank.*

S.2123. *An Act Establishing the Nantucket Community Housing Bank.*

The Massachusetts Association of REALTORS® strongly opposes S.1316 & S.2123, two bills that would authorize the creation of a new transfer tax on the sale of property in the communities of Martha's Vineyard and Nantucket. MAR believes that the imposition of this type of new sales tax on homes could have serious implications for the Massachusetts economy and set the wrong precedent for the Commonwealth's tax policies. If passed, other Massachusetts communities facing budgetary issues and needs may seek similar authority to solve local revenue problems.

Martha's Vineyard and Nantucket seek to create funding for affordable housing. However, MAR sincerely believes that creating an "entrance or exit fee" to homeownership is the wrong way to solve this problem. No matter how well-intentioned, transfer taxes would increase the bottom-line price of many homes by thousands of dollars. MAR believes that the fact that these bills single out home sellers over a certain price (roughly all homes exceeding the median home price in each community) to subject them to this new tax only further exemplifies the inequitable nature of this taxing scheme. REALTORS® oppose real estate transfer taxes for the following reasons:

- **Discriminatory:** The proposed tax scheme is inequitable and discriminatory as it would single out a small segment of the population, specifically home buyers and sellers, to pay for a community wide need/responsibility.
- **"Equity Stripping:"** It is important to remember that, unlike a home purchase which can be financed, payment of a sales tax can't be financed. Such a tax would cost thousands of dollars due at closing from the buyer or taken from the seller's proceeds.

In some ways, a transfer tax can be looked at as a type of municipal “equity stripping” of the value of one’s home.

- **Prop 2½:** The tax would subvert the voter approval process inherent in a Proposition 2-1/2 override in which voters can decide whether to increase their own property taxes.
- **Unstable Revenue Source:** The real estate market is highly sensitive to economic downturns; this tax would provide an unstable source of revenue for a current and ongoing community need.
- **Barrier to entry:** The tax is exclusionary because it would increase the cost of home ownership and in effect create an additional barrier to entry for an already expensive part of the state.

Status: Reported Favorably by Revenue; currently on House Calendar (available for Floor Debate upon request of the Speaker).

Action Needed: Strongly urge your legislators to vote “NO” if these bills come up for consideration.

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REALTORS® SUPPORT

Selling City-Owned Property Efficiently (SCOPE)

H.3474, S.768. *An Act Relative to the Disposal of Municipally Owned Vacant Property.*

Sponsors: Sen. Jennifer L. Flanagan, Rep. Stephen DiNatale

This bill would give municipalities the option of selling municipally owned vacant and underutilized properties on the open market and get them into the hands buyers through a simplified and cost effective process.

In many cases these vacant and abandoned units detract from the quality of neighborhood life and, instead of generating property tax revenues, these properties create a drain on community resources and services.

This proposal for an alternative approach will provide municipalities with the ability to choose a market driven sales program using locally knowledgeable real estate brokers while at the same time, provide a clear and predictable path for the municipal seller, the broker, and the buyer.

By providing municipalities with this option, they will be able to access the network of independent private sector real estate brokers and agents to supply the marketing and brokerage services that most buyers and sellers have come to depend upon to help address their housing and real estate needs.

Status: Heard by Joint Committee on Municipalities & Regional Government; ordered to Study.

Action Needed: Ask your legislators to urge the Municipalities Chairs to recall Bill from Study, report it Favorably and to vote “YES” if & when these bills come up for consideration.

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REALTORS® SUPPORT

Real Estate Licensing [Continuing Ed.]

H.4169. *An Act Clarifying Continuing Education Requirements for Real Estate Brokers and Salespersons.*

Sponsor: Committee Redraft of H.3651 [Rep. David L. Flynn]

Currently, Real Estate Brokers & Salespersons must receive 12 hrs. of classroom instruction in order to be able to renew their license, which is less than approximately half of the other states. Every state in the United States requires real estate licensees to earn continuing education in order to maintain their real estate license. The commitment to provide a high level of professional services by securing and building up a strong educational foundation on an annual basis is a positive step both for real estate licensees and the consumers they serve throughout the Commonwealth.

H.4169 seeks to increase the Continuing Professional Education requirement up to no less than 20 hrs per 2-year cycle.

Status: Reported out favorably by the Joint Committee on Consumer Protection & Professional Licensure.

Action Needed: Ask your legislators to vote “YES” if this bill comes up for consideration.

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REALTORS® SUPPORT

Move & Store/Warehousing

H.1425, S.1791. *An Act Clarifying Warehousing.*

Sponsors: Rep. Kevin G. Honan, Rep. William Lantigua, Rep. Christine E. Canavan, Rep. Matthew Patrick, Sen. Anthony Petrucci

MAR supports this legislation which seeks to clarify a landlord’s obligation to pay for the cost of moving and storing their tenant’s property in an eviction proceeding. This bill would require that the storage facility used by the landlord be fully bonded, be within the Commonwealth and be within 20 miles from the location where the property is being removed.

This bill brings fairness and equity back into the eviction process. Recent changes to the eviction law in Massachusetts, while safeguarding the rights of tenants, have created a confusing procedure for moving and storing a tenant’s property.

Status: Reported Favorably by Joint Committee on Judiciary; H.1425 on House Calendar; S.1791 in Sen. Ethics & Rules.

Action Needed: Urge your legislators to move these Bills to House/Senate Floor and to vote “YES” if & when they come up for consideration.

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REALTORS® SUPPORT

Housing Production

H.1227. An Act to Authorize Limited Rate of Growth Controls and To Promote Housing Production.

Sponsor: Rep. Bradley H. Jones, Jr.

This bill seeks to prohibit city/town from restricting rates of development or issuance of building/special permits within specified time-frames, absent showing of specific circumstances and concerns to which such growth rate restriction constitutes a reasonable response.

A city/town must supplement a special restriction with a strategic plan to resolve any relevant concern(s) that supported the restriction.

Special growth restrictions terminate after 1 yr, but can be extended by local legislative body w/ report and recommendation of Planning Board.

Status: Heard by the Joint Committee on Housing.

Action Needed: : Ask your legislators to urge the Housing Chairs to recall Bill from Study, report it Favorably and to vote "YES" if & when these bills come up for consideration.