



MASSACHUSETTS ASSOCIATION OF REALTORS®

2013-2014 Legislative Session Wrap Up

AMC Bill:

A bill before the legislature sought to prohibit real estate licensees from providing broker price opinions (BPOs) unless they also held an appraiser's license. Fortunately, MAR successfully amended the bill to include an exception for real estate licensees who provide BPOs in the normal course of business.

Debt Management:

MAR effectively lobbied to amend the Debt Management Services bill to allow REALTORS® to continue to work with lenders and sellers in short sales without the fear of violating the law. As drafted, this bill would have prohibited REALTORS® from discussing or negotiating with the seller's lender to modify the terms of an individual's obligation to repay a loan secured by a listed property. Absent a change in the bill, real estate licensees involved in short sales would have been out of compliance with the law without having first obtained a new license.

Housing Bond Bill:

Successfully Advocated for the Removal of Harmful 40B Provisions

The five-year housing bond bill authorized \$1.4 billion for housing in the commonwealth. More importantly, however, it originally contained harmful 40B provisions that would have severely weakened the affordable housing law in Massachusetts. MAR successfully advocated to the appointed conference committee to delete those harmful provisions from the bill.

Flood Insurance

MAR worked closely with Speaker DeLeo and Attorney General Coakley to pass legislation that limits the amount of flood insurance a lender can require on a home. Although we recognize that the National Flood Insurance Program (NFIP) is federally regulated, it is crucial that as one of the most affected states, Massachusetts does all that it can to help protect the interests and homes of its residents. Our combination of old housing stock, high cost of living and prominent coastline make flood insurance an essential, but expensive, aspect of a home.

Governor Patrick's Fiscal Year 2014 Budget Recommendations

In January 2013 Governor Patrick filed his FY '14 budget recommendations containing the repeal of three very important tax provisions for REALTORS®. MAR worked tirelessly to ensure that the Massachusetts House of Representatives and Senate understood the importance of these provisions detailed below and rejected Governor Patrick's Proposals.

CAPITAL GAINS EXCLUSION ON HOME SALES

This section of the budget would have removed one of the primary ways in which families accumulate wealth for retirement and the purchase of future homes. Had the Governor succeeded in eliminating this provision, the average homeowner would have been subject to a tax bill of over \$4,000 just for selling a home. This would be the equivalent of a \$250,000,000 annual sales tax on home sales in Massachusetts.

LEAD PAINT TAX CREDIT

The repeal of this tax credit would have put children at a much greater risk for lead poisoning; particularly those children of low and moderate-income families who own or reside in older homes. The credit is also important as it can remove lead paint from vacant apartments and help bring the much-needed living space back on the market.

TITLE V TAX CREDIT

The repeal of this tax credit would have added significant financial strain on low- and moderate-income homeowners. Without this incentive, fewer people will upgrade failing septic systems resulting in significant environmental risks.

Residential Sprinkler System Requirement

The Senate's Fiscal Year 2015 Budget included a provision that would have granted municipalities the authority to mandate the installation of automatic sprinklers in new or substantially rehabilitated one and two family homes. MAR successfully lobbied the Conference Committee to reject the Senate proposal. Therefore, it was not included in the FY 2015 budget that was sent to and signed by Governor Patrick.

Occupancy Taxes:

MAR successfully defeated independent pieces of legislation as well as multiple budget proposals that would have expanded occupancy taxes to include privately owned single family homes and condominiums. One such defeated proposal even included a provision that would have placed the real estate agent in joint liability with a homeowner who chose to violate the law.

Transportation Bond Bill:

MAR and the Greater New Bedford Association of REALTORS® supported the transportation bond bill that included \$2.3 billion for the South Coast Rail Project, which would extend the commuter rail to New Bedford.

Land Use Reform:

MAR successfully defeated legislation seeking to amend land use and zoning laws in the Commonwealth that would have negative impacts on housing production and property rights. However well intentioned the legislation was, it was crafted without the input of real estate professionals who regularly confront barriers to development in Massachusetts. The language of the bill would have failed to produce the housing we need.

Transfer Tax

MAR successfully opposed a proposal from Provincetown that would have placed a transfer fee of ½% on every transaction. This would have added thousands of dollars to the cost of buying or selling a home and therefore would have made homeownership significantly more difficult for people in that community.

STILL WORK TO BE DONE:

Scrap Metal Theft

MAR worked hard to pass legislation that would have regulated the sale of scrap metal. This is an effort to thwart criminals from stealing metal, usually copper piping, from vacant homes and quickly selling it to scrap metal dealers. Homes that have been robbed of plumbing and wiring are a community problem, hurting home values in neighborhoods in which thefts occur. The problem is widespread and cities and towns in the Commonwealth, as well as across the US, have become targets for metal thieves. 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, likely making the home ineligible for conventional mortgage financing. Although the bill was reported favorably from committee and even passed the Senate, the House did not act on the bill before the two year session ended on July 31st.

License Plates

MAR and its individual members made a strong push to pass legislation that would have lowered the threshold for the creation of distinctive license plates. Such a measure would allow more organizations to use distinctive vehicle license plates to help raise money for charities such as the REALTOR XYZ. MAR helped build a coalition of organizations interested in passing this legislation and will continue to promote the issue.