



Legislation Summary:

An Act empowering cities and towns to support affordable housing with a fee on certain real estate transactions

Initial bill number(s): H2747/S1771 (Bill numbers will change as legislation proceeds.)

Sponsors: **Rep. Mike Connolly and Sen. Joanne M. Comerford**

Additional funds are needed for most municipalities to meet the dire need for affordable housing, particularly considering current high costs for land and construction. Some communities have already passed similar home rule petitions that need legislative approval. This bill allows any city or town willing to do so to enact laws that meet their local conditions in raising real estate transfer fees dedicated to affordable housing. The fees would apply to sales above the median price for single family homes.

Specific aspects of the transfer that could vary according to local preference:

- (1) The fee could be set between 0.5% and 2% of the sales price.
- (2) The fee could be paid by the seller or buyer or split between them.
- (3) Exceptions to the fee could be specified, (for example, transfers between family members).
- (4) The low sale price limit on transfer fees (but above the state or county median single family home price) can be determined.
- (5) Where fees are deposited (usually a Municipal Affordable Housing Trust or Community Preservation Funds) could be specified.
- (6) Specific limits could be set on the low and moderate income affordable housing that would be eligible for these funds, (but must follow guidelines in the funds listed in 5 above).
- (7) Sunset provisions are allowed.

League position

LWVMA supports these bills based on its national Meeting Basic Human Needs position. From [Impact on Issues 2022-24](#): “State and local governments should assist by establishing effective

agencies to aid, promote, coordinate, and supplement the housing programs of the federal government and the private sector. Government at all levels must make available sufficient funds for housing-assistance programs. • When families or individuals cannot afford decent housing, government should provide assistance in the form of income and/or subsidized housing.” (p. 147)