

Local Option Transfer Fees in the Affordable Homes Act

What is the LOHA Coalition requesting?

Threshold:

H.4138: Governor Healey proposed a minimum threshold of \$1 million or county median home sale price, whichever is higher. The Governor's language would also allow a community to set their threshold as high as they would like above this minimum threshold. A community could even elect to have a \$100 million threshold under this language.

LOHA Request: LOHA is proposing a minimum threshold of \$1 million or county median home sale price, whichever is lower. This will allow communities with average property values below \$1 million to access the tool and generate revenue. LOHA also supports allowing communities to set their thresholds as high as they would like above this minimum threshold. Under our requested language, a community could even elect to have a \$100 million threshold.

Exemptions:

H.4138: Governor Healey proposed several mandatory exemptions for transfers between families, distributions from trusts, transfers without consideration, affordable housing units and more. However, the Governor's bill did not make entirely clear whether a municipality could create further local exemptions.

LOHA Request: LOHA supports including the same mandatory exemptions proposed by the Governor. However, we also believe communities should be allowed to set further local exemptions at their discretion. This would allow communities to exempt groups such as seniors, first-time homebuyers, and even owner-occupants.

Buyer/Seller Flexibility:

H.4138: Governor Healey proposed that all transfer fees be placed on the seller.

LOHA Request: LOHA supports allowing a community to decide whether fees should be borne by the buyer or the seller, or apportioned between the two.

Application of Fee:

H.4138: Governor Healey proposed that fees only be applied to the amount of a transaction in excess of the established threshold. For example, on a \$1.5 million home with a \$1 million threshold, the fee would only be applied to the \$500,000 above the threshold.

LOHA Request: LOHA supports allowing municipalities the option to apply fees to the full amount of a transaction. This will allow communities to collect significant revenue while also allowing broad exemptions to protect vulnerable community members.