Bureau of Municipal Finance Law
Patricia Hunt, Bureau Chief

St. 2018, c. 337
Rental and Insuring Short-Term
An Act Regulating
Rentals of property for more than 14 days in a calendar year.

January 1, 2019

For which a rental contract was entered into on or after July 1, 2019,

Short-term rentals of occupancies starting July 1, 2019

Applies to: Short-term rentals

Ameds G.L. C. 64G, Room Occupancy Excise by adding

Generally

Short-Term Rentals - SL 2018, C. 337
An Act Regulating and Insuring
- Term rentals for 14 days or less per calendar year, including those who transfer occupancy of short-term rentals must register with DOR.

- Excise is paid to DOR by operator (proprietor).


- 5.7% of rent

- State room occupancy excise

Generally

Short-term rentals - St. 2018, C. 337
An Act Regulating and Insuring
Short-term rental (64G:1)
Town council Government – majority vote of council

Town meeting

Town meeting Government – majority vote annual/special

Mayor, mayor approval

Cities – majority vote of city council and if have elected

Local acceptance (accept and establish rate)

Occupancy excise

Applies to all room occupancies subject to state room

Maximum rate = 6% (Boston 6.5%) of rent

\[(64 G: 34)\]

Local option 1 - local option room occupancy excise

Short-Term Rentals – S.T. 2018, c. 337

An Act Regulating and Insuring...
DOR collects local excise / distributes to city/town

See DLS Databank webpage for acceptance timetable

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<th>Table: Acceptance Vote</th>
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<td>May 31, 2019</td>
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<td>July 1, 2019</td>
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<td>Effective Vote</td>
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Local option room occupancy excise (64G:3A)

Must report acceptance to DLS Municipal Databank

Effective date of local excise

The 1st day of calendar quarter following 30 days after acceptance vote or 1st day of a later calendar quarter if so voted

Short-Term Rentals - St. 2018, C. 337
An Act Regulating and Insuring
city/town is required

No additional local acceptance or other action by

337, s. 15.

July 1, 2019 that are subject to state excise (St. 2018, C.
excise will automatically apply to short-term rentals on
If city/town has already accepted 64G:3A, local option

Local option: room occupancy excise (64G:3A)

Short-term Rentals - St. 2018, c. 337
An Act Regulating and Insuring
same as with original acceptance
Amendment and revocation procedure and effective dates are
not do so more than once in a 12-month period
exercise rate or revoke its acceptance of 6.4.5:3.A; however, it may
if city/town has already accepted 6.4.5:3.A, it may amend the
and establish local rate
If city/town has not yet accepted 6.4.5:3.A, may accept 6.4.5:3.A

Local option room occupancy excise (6.4.5:3.A)

Short-Term Rentals - SI. 2018, c. 337
An Act Regulating and Insuring
Guidance on the impact on tax rate
Consult with DLS Bureau of Accounts Representative for
adoption (Contract into at end of presentation)
Contract DLS Databank for Estimated Revenue if Initial
Revealed its Local Excise
Amends Its current Local Excise Rate
First time
Accepts 64G:3A and establishes a local excise for the
rate under 59:23 may be impacted when city/town:
Estimated receipts for purposes of setting the city/town tax
Impact on city/town tax rate

Local option room occupancy excise (64G:3A)

Short-Term Rentals - ST 2018, C. 337
An Act Regulating and Insuring
Datapank

Must report adoption of local option impact fee to DLS
which a contract was entered into on or after 7/1/19
Applies to certain short-term rentals on or after 7/1/19 for acceptance as for local excise
Separate acceptance vote required – same manner of
short-term rentals
up to 3% of rent for transfers of occupancy of certain
under 64G:3A
only available if city/town has accepted local option excise
(64G:3D)

Local Option 2 - Local option community impact fee

Short-Term Rentals - ST. 2018, C. 337
An Act Regulating and Insuring
operator's primary residence (64G:3D(p)) within a two- or three-family dwelling that includes also impose impact fee on short-term rental units located

If adopt above impact fee, may, by separate additional vote,

primary residence

or two- or three-family dwelling that includes operator's

short-term rental units in same city/town not located within single-

64G:3D(a) – applies to each transfer of occupancy of

local option community impact fee (64G:3D)

Short-Term Rentals - St. 2018, C. 337
An Act Regulating and Insuring
Impact fee that is not dedicated to General Fund revenue

next following July 1)

amended by later legislative body vote (also effective

Dedication vote effective July 1 following vote until

Legislative body may vote to dedicate > required 35%

Projects"

appropriation for "affordable housing or local infrastructure

Establish special revenue fund - receipts reserved for

local infrastructure projects - 64G:3D(c)

35% of impact fees must be dedicated to "affordable housing or

Legislature pending to require payment to DOR

Paid monthly by the operator directly to city/town - 64G:3D(c)

Local option community impact fee (64G:3D)

Short-Term Rentals - SL 2018, C. 337
An Act Regulating and Insuring
Suggest consult with local counsel —
administration
Establish penalties for violations and reasonable fee for registration with DOR
Require licensing, but city/town may accept a certificate of may rent out in a year
Regulate location of operators and number of days operators may registered with DOR. By-law or ordinance may
Adoption of by-law or ordinance to regulate "operators"

— Local Option 3 — Local By-Law / Ordinance (64G:14)

Short-Term Rentals - ST 2018, C 337
An Act Regulating and Insuring
July 1, 2019

Legislation pending to amend effective date for all to

Rentals (effective July 1, 2019)

Effective date is March 28, 2019, except for short-term
Cape Cod and Islands Water Protection Fund

2.75% excise is paid by operator to DOR for transfer to

Protection (DEP)

Equivalency plan determined by Depts. of Environmental

of federal Clean Water Act or

Area wide wastewater management plan under s. 208

Nantucket and Dukes County, if city/town is subject to

2.75% additional excise in cities/towns within Barnstable,

Cape Cod and Islands Water Protection Fund

An Act Regulating and Insuring
Legislation pending to amend effective date (legislative body vote)

Joining Fund as "municipality may designate" Fund after June 1 = 1st day of calendar quarter after effective date of excise for those becoming member of

Equivalent plan to join the Fund with DEP to obtain its determination of a "suitable current members of the Fund; they will need to work

Island towns (Nantucket and Dukes County) are not

2.75% additional excise will apply according to DEP management plan and so all are members of the Fund subject to a section 208 area wide wastewater

Mainland Cape - All Barnstable County towns are currently

Cape Cod and Islands Water Protection Fund

Short-term Rents - 51, 2014, c. 337
An Act Regulating and Insuring
vote to return to the Fund receive funding from the Fund for two years after its withdrawal, but shall not return to the Fund after withdrawal, but shall not
City/town may, by majority Legislative body vote,
- effective date of legislation
- No withdrawal from Fund until 3/28/20 - one year after award from the Fund
- May not withdraw during term of financial assistance
- Legislative body; however
- City/town may withdraw from Fund by 2/3 vote of
Cape Cod and Islands Water Protection Fund

Short-Term Rentals - ST 2018, C. 337
An Act Regulating and Insuring
quarter effective date unless municipality wishes later calendar effective date. Legislative body vote would not be required for.

(Section 57)

Later calendar quarter as municipality may designate after the municipality has joined the fund or on 1st day of June 1 to "First day of calendar quarter following 30 days after Change effective date for those joining Cape Fund after Change effective date to city/town (Section 22)

d for distribution to city/town (Section 22)

Requie payment of local option community impact fee to Further amendment definition of "rent" (Section 21)

through 28 (Section 58)

or new sections of G.L. c. 64G: 1 through 7B and 12 Change effective date to July 1, 2019 of following revised

H. 74 Governor's FY 19 Supplemental Budget Proposals

Short-term Renter's St. 2018, c. 337

An Act Regulating and Insuring
Regional Plans / Section 208 Plan

http://www.capecodcommission.org/
- Cape Cod Commission website
- Occupancy Relating To Property-Taxation-cpa-meals-and-room
- http://www.mass.gov/service-details/local-options
- Division of Local Services - Local Option Webpage
- http://www.mass.gov/regs/massachusetts-department
- FAQs and Draft TIR - DOR website

City/town should update this information annually
databank@ dors.state.ma.us
available through DLS DataBank on Request – contact
list of establishments who are registered with DOR is

Additional References/Information

Short-term Rentals - ST 2018, c. 337
An Act Regulating and Insuring