

OFFERED BY COUNCILORS LIZ BREADON AND RUTHZEE LOUIJEUNE



CITY OF BOSTON

IN THE YEAR TWO THOUSAND TWENTY-FIVE

HOME RULE PETITION

- WHEREAS*, Boston remains one of the last major rental markets where prospective tenants are commonly required to pay broker fees, in addition to first and last month's rent and a security deposit—costs that can be equivalent to four months' rent; *and*
- WHEREAS*, The shortage of housing stock in the Greater Boston area enables property owners to pass broker fees onto tenants, even when tenants did not solicit these services, worsening inequities in a market where renters face limited options; *and*
- WHEREAS*, According to The Boston Foundation's 2024 *Greater Boston Housing Report Card*, half of all renters in the region are cost-burdened, with increasing numbers of renter households spending over 30 percent of their income on rent; *and*
- WHEREAS*, Real estate brokers and salespersons who negotiate agreements for the sale, rental, or lease of property are regulated under sections 87PP to 87DDD1/2 of chapter 112 of the Massachusetts General Laws and Title 254 of the Code of Massachusetts Regulations (CMR), which includes requirements for written disclosure of broker fees to prospective tenants under 254 CMR 7.00; *and*
- WHEREAS*, Studies continue to expose systemic housing discrimination by real estate brokers: *Qualified Renters Need Not Apply* (2020) by The Boston Foundation and Suffolk University Law School found brokers perpetuate inequities and recommended eliminating broker fees; the *2023 Fair Housing Trends Report* by the National Fair Housing Alliance documented record housing discrimination complaints, including rental-related racial bias; and investigations by the Housing Rights Initiative revealed widespread discriminatory practices; *and*
- WHEREAS*, In February 2020, the Mayor of the City of Boston announced a working group to study the impact of broker fees on the Boston rental market; however, the COVID-19 pandemic prevented its appointment before its work began; *and*
- WHEREAS*, Legislative proposals to prohibit tenant-paid broker fees for landlord-requested services emphasize affordability and flexibility by reducing upfront costs and alleviating financial barriers, while also promoting renter protections and equitable practices by requiring licensed brokers or salespersons to contract with only one party—either a tenant or a landlord—and ensuring broker fees are paid solely by the party engaging the broker, fostering transparency and fairness in rental housing transactions; *NOW, THEREFORE BE IT*

ORDERED: That a petition to the General Court, accompanied by a bill for a special law relating to the City of Boston, to be filed with an attested copy of this Order be, and hereby is, approved under Clause 1 of Section 8 of Article II, as amended, of the Articles of Amendment to the Constitution of the Commonwealth of Massachusetts, to the end that legislation be adopted precisely as follows, except for clerical or editorial changes of form only: —

**PETITION FOR A SPECIAL LAW RE:
AN ACT REQUIRING THAT BROKER FEES IN THE CITY OF BOSTON
BE PAID BY THE PARTY WHO SOLICITS A LICENSED BROKER**

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding any general or special law to the contrary, in the city of Boston, any person who performs real estate brokerage activities and is licensed or registered pursuant to sections 87PP to 87DDD1/2, inclusive, of chapter 112 of the General Laws may solely contract with a prospective tenant to find for rent residential or commercial real estate property for a tenant and present an offer to lease to the landlord or landlord's agent and negotiate on behalf of the tenant or may solely contract with a landlord or landlord's agent to find a tenant for a property. Any fee shall only be paid by the party, lessor or tenant who originally engaged and entered into a contract with the licensed broker or salesperson.

SECTION 2. This act shall take effect upon passage.

Filed on: January 8, 2025