



BOSTON CITY COUNCIL

Committee on Government Operations
Gabriela Coletta Zapata, Chair

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REPORT OF COMMITTEE CHAIR

April 13, 2026

Dear Councilors,

The Committee on Government Operations was referred the following docket for consideration:

Docket #0163, Petition for a Special Law re: An Act Relative to Real Estate Transfer Fees and Senior Property Tax Relief.

This matter was sponsored by Councilors Henry Santana, Ruthzee Louijeune, and Sharon Durkan, and was referred to the Committee on January 28, 2026.

Summary of Legislation

Docket #0163 is a home rule petition that seeks to authorize the City of Boston to impose a real estate transfer fee on certain high-value transactions and to expand the senior homeowner property tax exemption program.

Section 1 of the petition establishes its legislative purpose by declaring that the City of Boston is experiencing a housing emergency driven by several factors, including an inadequate supply of affordable housing, rising housing costs, speculative real estate practices, and outdated legislation. This section underscores the impact such conditions have on all residents, particularly with respect to seniors, stating that the petition is intended to address these issues by enabling the City to: (1) generate revenue for affordable housing through a real estate transfer fee, and (2) expand access to property tax relief for seniors.

Section 2 of the petition authorizes the City to impose a transfer fee of up to 2% on the purchase price on certain real estate transactions, including direct transfers of real property and transfers of controlling interests in entities that hold interest in real property situated within the City. This section provides that the fee shall be paid by the seller of the property to be transferred and further authorizes the City to define key terms, including what constitutes a controlling interest, through local ordinance.

Section 3 of the petition establishes a value based exemption for all real property interest transactions, providing that the first \$2,000,000 of the purchase price shall not be subject to the transfer fee. Under this section, every five years the City Council, with the approval of the Mayor, may adjust (but not reduce) the amount of purchase price to be exempted from the fee based on changes in the median citywide sales price.

Section 4 of the petition governs the collection and allocation of the transfer fee, authorizing the City to collect the fee directly or to enter into an agreement with the Suffolk County Registry of Deeds for collection. It also provides enforcement mechanisms, including the ability to impose liens and pursue collection remedies consistent with those available for real property taxes. This section directs the City to deposit all fees collected into the Neighborhood Housing Trust (NHT), and allows the City to, by ordinance, allow the reservation and allocation of funds through the annual budget process for a range of



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housing-related purposes, including housing creation, preservation, affordability, and programs supporting seniors and low-income residents.

Section 5 of the petition establishes procedural requirements for transactions subject to the transfer fee, requiring that each transfer be accompanied by an affidavit attesting to the purchase price, the applicable fee, and any claimed exemption. Upon verification, this section requires the City to issue a certificate confirming payment or exemption, and further provides that the Registry of Deeds shall not record a deed unless such certificate is presented, thereby ensuring compliance prior to recording.

Section 6 of the petition establishes categorical exemptions for transfers between family members, transfers of convenience, and transfers involving governmental entities, and authorizes the City to further define these categories by ordinance.

Section 7 of the petition clarifies that the transfer fee is not self-executing and must be accepted and the amount (up to 2%) determined by the City through an ordinance. The City may also by ordinance adjust the exempted value, establish additional exemptions, and adopt regulations necessary for the implementation and enforcement of the fee.

Section 8 of the petition requires the City to prepare and issue an annual report detailing the collection and use of transfer fee revenues, including information on fee receipts (payer categories, property types, and locations) as well as a summary of how such funds have been allocated to affordable housing programs and quantify senior tax relief.

Section 9 of the petition provides for an expansion of the senior homeowner property tax exemption program by modifying eligibility criteria under Massachusetts General Laws Chapter 59, Section 5, Clause 41C. Specifically, this section increases the base exemption amount from \$500 to \$1,500 and replaces the fixed income eligibility thresholds with a standard tied to 50 percent of Area Median Income, adjusted for household size, as determined annually by the U.S. Department of Housing and Urban Development. This section also raises allowable asset limits from \$28,000 to not more than \$80,000 for a single applicant and from \$30,000 to not more than \$110,000 for a married couple.

Section 10 of the petition contains a severability clause, providing that if any provision of the act is determined to be invalid or beyond the authority of the General Court, such determination shall not affect the validity or enforceability of the remaining provisions.

Section 11 of the petition declares that the act shall take effect immediately upon its approval by the Governor.

Information Received at Hearing

The Committee held a hearing on Friday, April 10, 2026 to discuss Docket #0163. The Committee heard from panelists on behalf of the Administration including City of Boston Chief of Housing Sheila Dillon, Boston Housing Authority Administrator Kenzie Bok, City of Boston and Age Strong Commissioner Emily Shea.



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Chief Dillon characterized the current housing landscape as a point of crisis, noting that while the proposed transfer fee policy would have been helpful in past years, it has now become critical. It was explained that the transfer fee is designed to target high-value transactions while protecting average homeowners. Chief Dillon highlighted that the first \$2 million of a sale is totally exempted, and the fee would only apply to profit above that threshold. She also clarified that the City holds the authority to create additional exemptions via ordinance, such as transfers between family members or developments specifically for affordable housing. Analysis shared by the panel suggested that had this policy been in place in 2022, it would have generated approximately \$180 million in revenue over the past four years. Administrator Bok noted that a transfer fee is a strategic mechanism because it only requests funds at the time of a sale when liquidity is readily available to the seller. Responding to concerns about rising property values, Chief Dillon explained that the ordinance allows for the \$2 million exemption threshold to be reevaluated every five years to ensure the policy keeps pace with the market, and remains targeted at speculative investors, not Boston residents.

Proponents argued that traditional funding streams are no longer sufficient to meet Boston's housing demands. Chief Dillon cited a "perfect storm" of fiscal constraints including declining HUD grants, the winding down of ARPA funds, a decrease in development-linked revenue, and a generally constrained City budget. Administrator Bok highlighted that federal public housing receives significantly less than what is required, arguing that upfront investments are necessary to unlock further federal vouchers and stabilize the existing system. Chief Dillon noted that the City has an ongoing pipeline of income-restricted housing projects that are currently stalled due to a lack of resources.

Regarding the need for senior property tax relief, Commissioner Shea highlighted increasing disparity on the "Elder Index," which measures the actual cost of living for seniors. Commissioner Shea reported that over two-thirds of single seniors and roughly 40% of senior couples in Boston do not earn enough to cover basic costs of living. It was noted that the older population has grown 61% in the last 25 years, a trend expected to continue through 2050. The Home Rule Petition would provide direct relief by expanding the 41C tax exemption, raising the eligible AMI to 50%, doubling the asset limit, and increasing the base exemption to \$1,500. The rising housing insecurity among senior women in particular was discussed, and it was reiterated that expanding these benefits would provide tangible support for those who cannot meet basic expenses on Social Security alone.

It was explained that funds generated by the fee would be directed to the Neighborhood Housing Trust (NHT), which Chief Dillon described as an existing well-run and disciplined steward of housing funds in the City. These resources would be used for the development or preservation of income-restricted housing up to 80% AMI. Addressing questions on the HUD 202 program, Chief Dillon noted that federal support has shifted from capital grants to smaller operating subsidies, meaning the transfer fee could effectively fill the void left by the decline of previous federal models. Chief Dillon emphasized that while the current focus of the proposal is on building dedicated units, the City remains open to conversations regarding preventative supports and other ways the funding could be used to support Boston renters and homeowners.

Chief Dillon noted that the legislation in its current form has been modified in response to past criticism from the State House, increasing the base exemption and the time periods for review and adjustment. Regarding concerns that the fee might discourage sales, Chief Dillon argued the fee is relatively small



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compared to the total profit margins realized in high-value transactions. While this petition is specific to Boston, Chief Dillon and Administrator Bok noted that dozens of other Massachusetts municipalities have filed similar petitions, signaling that this is an increasingly common and desirable framework used to address regional housing challenges.

The Committee also heard from a panel of housing advocates, including East Boston Community Development Corporation Co-Executive Director Tanya Hahnel, Asian Community Development Corporation Executive Director Angie Liou, Massachusetts Senior Action Council Boston Chapter President Lillie Bryan, and Madison Park Development Corporation Vice President of Real Estate Intiya Ambrogi-Isaza. Panelists shared challenges they've experienced in the affordable housing space, and shared the positive impact the transfer fee would have on the work they are doing to keep residents in their homes and neighborhoods.

The Committee heard substantive public testimony in favor of the proposal from residents and non-profit leaders, in particular, residents of Chinatown, seniors, and representatives from neighborhood land trusts and community development corporations.

Committee Chair Recommended Action

As Chair of the Committee on Government Operations, I recommend moving the listed docket from the Committee to the full Council for discussion and formal action. At this time, my recommendation to the full Council will be that this matter **OUGHT TO PASS**.

Gabriela Coletta Zapata, Chair
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