

## 1. SHORT-TERM RENTAL LAW PASSED 2019

Massachusetts adopted a law taxing and regulating the short-term rental market. This law expands the state's hotel and motel tax to include the short-term rental of homes (condominiums, single family, multifamily, etc.). Massachusetts is one of the last states to adopt this type of tax. The tax applies to all rentals for a period of 31 days or less, regardless of whether the rental is for recreational, personal, or business use.

The law exempts from tax any 2019 rental that is booked on or before December 31, 2018. Rentals booked on or after January 1, 2019 for stays on or after July 1, 2019 will be subject to the tax.

## 2. SHORT-TERM RENTAL COMMUNITY IMPACT FEE DISCLOSURE

Cities or towns may impose a community impact fee of up to three (3%) percent of the total amount of rent for each occupancy transfer of short-term rentals in the following circumstances. Each city or town can vote to impose no fee, a fee on one of the following conditions, or a fee on both conditions:

1. Two (2) or more short-term rentals are operated by the same proprietor, lessee, sublessee, mortgagee in possession, or licensee are located in the same city or town, but not within a single-family, two-family, or three-family dwelling that includes the operator's primary residence.
2. The short-term rental unit is located within a two-family or three-family dwelling that includes the operator's primary residence.

Check with your municipality to see what, if any, fee your city or town imposes. Operators are required to pay community impact fees monthly to the municipality.

## 3. SHORT-TERM RENTAL 14-DAY TAX EXEMPTION DISCLOSURE

A proprietor, lessee, sublessee, mortgagee in possession, or licensee operating a short-term rental for 14 days or less in a calendar year is not subject to the short-term rental tax, provided they have:

1. registered with the commissioner of the MA Department of Revenue; and
2. annually filed a signed declaration with the commissioner, setting forth the intention to transfer the short-term rental for not more than 14 days in a calendar year.

If the short-term rental operator transfers the short-term rental for 15 days or more in the same calendar year, or fails to register and file a declaration, then they will be liable for the payment of the short-term rental tax, including payment of required taxes and fees on the first 14 days the short-term rental was transferred in the calendar year.



## 4. SHORT-TERM RENTAL INSURANCE DISCLOSURE

A person who uses property(ies) of which they are the proprietor, lessee, sublessee, mortgagee in possession, or licensee to operate a short-term rental(s) is required to either:

1. maintain at least \$1,000,000 in liability insurance for each short-term rental that defends and indemnifies them and any tenants or owners in the building for bodily injury and property damage arising from the short-term rental; or
2. offer their short-term rental through a hosting platform that maintains equal or greater coverage.

Standard homeowners or renter's insurance may not cover property damage or bodily injury to a third-party arising from the short-term rental.

## 5. SHORT-TERM RENTAL REGISTRY DISCLOSURE

Each rental unit will need to be listed with the state short-term rental registry. Additionally, each city and town is permitted to create a registration requirement for short term rentals. Check with your municipal government office for details.

## 6. SHORT-TERM RENTAL INSPECTION DISCLOSURE

Cities and towns may implement a health and safety inspection requirement and set the frequency of inspections. Short-term rental operators are required to cover the cost of inspections and will likely face a fee to cover registration costs as well.

**All buyers, homeowners or property owners in the state of Massachusetts must seek information directly from the municipality where the property is located to determine impact fees, registry requirements, inspections and any other short-term rental regulations within the city/town. This disclosure is strictly a notice that a new law was passed that could impact the short-term rental regulations of a property located in the Commonwealth of Massachusetts.**

- **7. ACKNOWLEDGMENT:** I acknowledge receipt of this Short-Term Rental Disclosure Notification.

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Signature

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Printed Name

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Today's Date

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Signature

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Printed Name

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Today's Date

