HOUSE DOCKET, NO. 5139 FILED ON: 5/25/2022

HOUSE . . . . . No. 4953

The Commonwealth of Massachusetts

PRESENTED BY:

William C. Galvin

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act limiting rent increases and creating a rental arbitrator.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
William C. Galvin	*6th Norfolk*	*5/25/2022*

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HOUSE . . . . . No. 4953

By Mr. Galvin of Canton, a petition (subject to Joint Rule 12) of William C. Galvin for legislation to limit rent increases and create a rental arbitrator within the office of the Attorney General. Housing.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act limiting rent increases and creating a rental arbitrator.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to establish forthwith a rental arbitrator and limit rent increases for residential tenants, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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. Chapter 12 of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by adding the following section:-

Section 36. (a) For the purposes of this section the following terms shall, unless the context clearly requires otherwise, have the following meanings:-

"Chained Consumer Price Index for All Urban Consumers" or "C-CPI-U", the consumer price index for all urban consumers, defined in 26 U.S.C. § 1(f)(6) and published by the Bureau of Labor Statistics of the Department of Labor.

"Dwelling unit", any building or structure, or any unit therein or part thereof, and all the common areas inside and outside such building or structure, occupied or intended for occupancy

as a residence by 1 or more individuals; including manufactured housing or a lot therefor. The term “dwelling unit” shall not include publicly subsidized housing units.

“Landlord”, the owner or managing agent of any dwelling unit.

“Lease”, an agreement, whether in writing or otherwise, between a landlord and tenant for the rent of a dwelling unit or any room therein.

“Rental arbitrator”, a position within the office of the attorney general that receives, reviews and assists in the resolution of complaints from landlords and tenants.

“Significant investment or improvement”, the replacement or substantial modification of any structural, electrical, plumbing or mechanical system, and other improvements beyond routine maintenance or cosmetic changes.

“Tenant”, a person occupying a dwelling unit.

(b)There shall be a rental arbitrator within the office of the attorney general, to be appointed by the attorney general. The rental arbitrator shall receive, review and assist in resolving complaints from tenants and landlords, including complaints regarding rent increase disputes for dwelling units.

(c) A landlord shall not increase a tenant’s rent or the total rent of a dwelling unit during any 12-month period, even if a new lease agreement is signed or other rental agreement is entered into, by an amount of more than 5 per cent plus the most recent Chained Consumer Price Index for All Urban Consumers, or 10 per cent, whichever is lower. The landlord may increase the existing tenant’s rent by an amount of more than 5 per cent plus the C-CPI-U, or 10 per cent, whichever is lower, if the landlord can show cause to the tenant for the greater increase, which

the landlord shall explain in writing. Cause for a rent increase without restriction may include, but is not limited to: significant investment and improvement by the landlord to the dwelling unit during the preceding 12 calendar months; the introduction of additional tenants to the dwelling unit; or the introduction of pets or additional pets into the dwelling unit. A tenant may appeal a rent increase that violates this subsection to the rental arbitrator.

(d) A landlord signing a lease with a new tenant is not subject to the rent increase restrictions of subsection (c). However, a landlord shall not deny the renewal of an existing tenant's lease to avoid the rent increase restrictions of said subsection (c). Tenants may submit complaints of lease nonrenewal in violation of this subsection to the rental arbitrator.

(e) Upon the receipt of a credible complaint of a violation of this section, the rental arbitrator shall notify all involved parties and permit them to submit statements and evidence for the arbitrator's review. The rental arbitrator may conduct a hearing. For disputes involving rent increases, the tenant shall continue to pay their existing rent until the rental arbitrator issues a determination on whether the rent increase violates this section. The rental arbitrator shall reach a final determination within 90 calendar days of receipt of the initial complaint.

The rental arbitrator's determination that the landlord violated subsection (c) shall serve as an affirmative defense for a tenant to an eviction action for nonpayment of rent.

(f) Landlords who violate this section shall return rent overpayments to tenants and may be punished for a first offense by a fine of not more than $1,000, for a second offense, by a fine of not less than $1,000.

(g) The rental arbitrator may conduct an annual review of the rental market and, if they find that market conditions require it, may permit landlords to increase rent by more than the restrictions provided for in subsection (c).

(h) Annually, not later than January 1, the rental arbitrator shall file a report on their activities with the clerks of the house of representatives and senate and the joint committee on housing. The report shall include, but not be limited to: (i) the number of complaints received by the rental arbitrator; (ii) the types of complaints received by the rental arbitrator; (iii) the types of outcomes reached for the complaints received; and (iv) any observations or recommendations of the rental arbitrator on the state of the residential rental market.

SECTION 2. Chapter 40P of the General Laws is hereby repealed.