

HOUSE No. 3121

The Commonwealth of Massachusetts

PRESENTED BY:

James K. Hawkins

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 ending large investor control of homes in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>1/15/2025</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>1/23/2025</i>
<i>Dennis C. Gallagher</i>	<i>8th Plymouth</i>	<i>1/22/2025</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>2/15/2025</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>4/2/2025</i>
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>2/19/2025</i>

HOUSE No. 3121

By Representative Hawkins of Attleboro, a petition (accompanied by bill, House, No. 3121) of James K. Hawkins and others for legislation to establish an excise tax for certain applicable taxpayers in excess of the maximum permissible for single-family residences. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 4830 OF 2023-2024.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act ending large investor control of homes in Massachusetts.

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

1 SECTION 1. The General Laws is hereby amended by inserting after chapter 64N the
2 following chapter:-

3 Chapter 64O. Ending Large Investor Control of Homes in Massachusetts.

4 Section 1. For the purposes of this chapter, the following terms shall, unless the context
5 clearly requires otherwise, have the following meanings:

6 “Applicable date”, the last day of the first full taxable year: (i) after the date of the
7 enactment of this chapter; or (ii) preceding the taxable year in which the taxpayer became a
8 hedge fund taxpayer.

9 “Applicable small property”, is any small property acquired on or before the applicable
10 date.

11 “Applicable taxpayer”, is any person or entity that manages funds pooled from investors
12 and is a fiduciary with respect to such investors. The term “applicable taxpayer” shall not include
13 an organization that is described in section 501(c)(3) and exempt from tax under section 501(a)
14 of the Internal Revenue Code, or an organization primarily engaged in the construction or
15 rehabilitation of single-family residences.

16 “Disqualified sale”, any sale or transfer to: (i) a corporation or other entity engaged in the
17 conduct of any trade or commerce; or (ii) an individual who does not intend to occupy the single-
18 family residence.

19 “Large investor”, any applicable taxpayer that has \$10,000,000 or more in net value or
20 assets under management on any day during the taxable year.

21 “Small property”, a residential property located in the commonwealth consisting of 1 to 4
22 dwelling units. The term shall not include any property that: (i) is unoccupied and was acquired
23 through foreclosure; (ii) is used as the principal residence of any person who has an ownership
24 interest in the applicable taxpayer; (iii) was constructed, acquired or operated with federally
25 appropriated funding sources; (iv) is legally deemed affordable housing; or (v) a legal nonprofit.

26 Section 2. (a) There shall be levied on an applicable taxpayer that fails to meet the
27 requirements of section 3 an excise tax equal to the product of: (i) \$10,000,000; and (ii) the
28 number of applicable small properties owned by an applicable taxpayer in excess of the
29 maximum permissible small properties, as determined in section 3.

30 (b) The Executive Office of Housing and Livable Communities shall deposit any money
31 collected pursuant to this chapter in the Housing Down Payment Trust Fund, established in
32 section 5.

33 Section 3. (a) As of the last day of a taxable year, an applicable taxpayer shall own equal
34 to or less than the maximum permissible small properties, as determined in subsection (b), or be
35 subject to the excise tax established in section 2. A small property that is sold or transferred in a
36 disqualified sale during the taxable year shall be treated as a small property that is owned by the
37 applicable taxpayer as of the last day of such taxable year for the purposes of this chapter.

38 (b) The maximum permissible small properties with respect to any applicable taxpayer
39 for any taxable year shall be determined as follows:

40 In the case of— the maximum permissible small properties for a large investor taxpayer
41 is— the maximum permissible small property residences for any other applicable taxpayer is—

42 the first taxable year beginning after the applicable date . . . 90 percent of the number of
43 applicable small properties owned by the taxpayer on the applicable date 50 plus 90 percent of
44 the number of small properties owned by the taxpayer on the applicable date

45 the second taxable year beginning after the applicable date . . . 80 percent of the number
46 of applicable small properties owned by the taxpayer on the applicable date 50 plus 80 percent of
47 the number of applicable small properties owned by the taxpayer on the applicable date

48 the third taxable year beginning after the applicable date . . . 70 percent of the number of
49 applicable small properties owned by the taxpayer on the applicable date 50 plus 70 percent of
50 the number of applicable small properties owned by the taxpayer on the applicable date

51 the fourth taxable year beginning after the applicable date . . . 60 percent of the number of
52 applicable small properties owned by the taxpayer on the applicable date 50 plus 60 percent of
53 the number of applicable small properties owned by the taxpayer on the applicable date

54 the fifth taxable year beginning after the applicable date . . . 50 percent of the number of
55 applicable small properties owned by the taxpayer on the applicable date 50 plus 50 percent of
56 the number of applicable small properties owned by the taxpayer on the applicable date

57 the sixth taxable year beginning after the applicable date . . . 40 percent of the number of
58 applicable small properties owned by the taxpayer on the applicable date 50 plus 40 percent of
59 the number of applicable small properties owned by the taxpayer on the applicable date

60 the seventh taxable year beginning after the applicable date . . . 30 percent of the number
61 of applicable small properties owned by the taxpayer on the applicable date 50 plus 30 percent of
62 the number of applicable small properties owned by the taxpayer on the applicable date

63 the eighth taxable year beginning after the applicable date . . . 20 percent of the number
64 of applicable small properties owned by the taxpayer on the applicable date 50 plus 20 percent of
65 the number of applicable small properties owned by the taxpayer on the applicable date

66 the ninth taxable year beginning after the applicable date . . . 10 percent of the number of
67 applicable small properties owned by the taxpayer on the applicable date 50 plus 10 percent of
68 the number of applicable small properties owned by the taxpayer on the applicable date

69 any taxable year beginning more than 9 years after the applicable date . . . 0 50.

70 Section 4. (a) For the purposes of this chapter, an applicable taxpayer shall be considered
71 as having acquired a small property if it acquires 10 per cent or greater ownership interest in the
72 small property.

73 (b) For the purposes of this chapter, an applicable taxpayer shall be considered as owning
74 a small property if it owns a 10 per cent or greater ownership interest in the small property.

75 Section 5. (a) There shall be established and set up on the books of the commonwealth a
76 fund known as the Housing Down Payment Trust Fund, to be administered by the Executive
77 Office of Housing and Livable Communities, in coordination with the Massachusetts Housing
78 Finance Agency and the Department of Revenue. The fund shall be credited with: (i) funds
79 transferred pursuant to section 2; (ii) appropriations or other money authorized or transferred by
80 the general court and specifically designated to be credited to the fund; (iii) funds from public
81 and private sources, including, but not limited to, gifts, grants and donations; and (iv) any
82 interest earned on the assets of the fund.

83 (b) The executive office, in coordination with the Massachusetts Housing Finance
84 Agency and the Department of Revenue, shall use the fund to provide grants for down payment
85 assistance to first-time homebuyers purchasing small properties.

86 (c) Annually, the executive office shall submit to the clerks of the House of
87 Representatives and the Senate and the joint committee on housing a report including (i) the
88 amount and source of the deposits to the trust fund; (ii) the number of grants provided from the
89 trust fund under subsection (b); and (iii) demographic and financial information about grant
90 applicants and recipients.

91 Section 6. For each sale or transfer of an applicable small property by an applicable
92 taxpayer, the Executive Office of Housing and Livable Communities shall require a certification
93 signed by the purchaser or transferee that states: (i) the name and address of the purchaser or
94 transferee; (ii) whether the sale is a disqualified sale; and (iii) whether the purchaser or transferee
95 owns any other small properties at the time of the sale or transfer.

96 Section 7. Annually, the Executive Office of Housing and Livable Communities shall
97 submit to the clerks of the House of Representatives and the Senate and the joint committee on
98 housing a report including (i) the number of small properties owned by each applicable taxpayer
99 in the preceding taxable year; (ii) the number of small properties acquired by each applicable
100 taxpayer in the preceding taxable year; and (iii) the number of transfers or sales of small
101 properties by each applicable taxpayer in the preceding taxable year, and whether the purchaser
102 or transferee owned any other small properties at the time of the transfer or sale.

103 SECTION 2. Not later than 180 days following the passage of this act, the Executive
104 Office of Housing and Livable Communities shall publish: (i) a form to be used for calculating
105 the tax owed under chapter 64O of the General Laws, as added by section 1; and (ii) a form to be
106 used for the certification of the sale or transfer of a single-family residence by an applicable
107 taxpayer, as required by section 6 of said chapter 64O.

108 SECTION 3. The Executive Office of Housing and Livable Communities shall
109 promulgate any rules or regulations necessary to implement this act within 90 days following the
110 passage of this act.