

**Joint Committee on Consumer Protection and Professional Licensure
2025-2026 (194th) Bill Summary**

BILL NUMBER: H449

TITLE: An Act eliminating forced broker's fees

SPONSOR(S): Nguyen, Tram

HEARING DATE: July 14, 2025

REPORTING DEADLINE: September 12, 2025

CURRENT LAW

Section 87DDD1/2 of Chapter 112 of the Massachusetts General Laws governs real estate brokers and salesmen, as well as fees for finding accommodations. No person shall engage in the business of finding dwelling accommodations for prospective tenants for a fee unless such person is a licensed broker or salesman as defined in section 87PP of chapter 112.

Section 87PP of chapter 112 defines brokers and salesmen as follows: "Real estate broker", any person who for another person and for a fee, commission or other valuable consideration, or with the intention or in the expectation or upon the promise of receiving or collecting a fee, commission or other valuable consideration, does any of the following:—sells, exchanges, purchases, rents or leases, or negotiates, or offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of any real estate, or lists or offers, attempts or agrees to list any real estate, or buys or offers to buy, sells or offers to sell or otherwise deals in options on real estate, or advertises or holds himself out as engaged in the business of selling, exchanging, purchasing, renting or leasing real estate, or assists or directs in the procuring of prospects or the negotiation or completion of any agreement or transaction which results or is intended to result in the sale, exchange, purchase, leasing or renting of any real estate.

Further, a "Real estate salesman" is defined as an individual who performs any act or engages in any transaction included in the foregoing definition of a broker, except the completing of the negotiation of any agreement or transaction which results or is intended to result in the sale, exchange, purchase, renting or leasing of any real estate.

Chapter 93A of the General Laws prohibits unfair methods of competition and the use of unfair or deceptive business acts and practices against other businesses and consumers; and provides for individuals, class actions, businesses, and the Attorney General's Office to take action against such acts.

Effective August 1, 2025, Sections 43, 54 and 55 of the Fiscal Year 2026 General Appropriations Act (Chapter 9 of the Acts of 2025) require that residential rental broker's fees must be paid by the party contracting with the broker.

SUMMARY

This legislation seeks to prohibit a licensed broker acting as agent of a landlord and lessor from charging a fee to a prospective tenant, and prohibits a landlord or lessor from demanding such a fee for engaging a broker's services from the prospective tenant. Violations would carry a fine of \$1,000 per violation, and would be subject to Chapter 93A.