



January 8, 2021

His Excellency Charles D. Baker
Governor
Commonwealth of Massachusetts
State House, Room 360
Boston, MA 02133

RE: Section 83 of H 5250, Tenant Right of First Refusal

Dear Governor Baker:

On behalf of the Massachusetts Bankers Association's (MBA) more than 130 commercial, savings and cooperative banks and federal savings institution members with 72,000 employees located throughout the Commonwealth and New England, we are writing to express our opposition to Section 83 of H 5250, An Act Enabling Partnerships for Growth. This provision establishes a tenant's right of first refusal for certain multi-family real estate transactions in the Commonwealth.

The provision, which is structured as a local option for municipalities, will create significant delays in the sale of multi-family real estate, potentially affecting sale prices and other market conditions. In addition, because the bill allows each municipality to adopt different standards with regards to a Right of First Refusal program, it is likely that sales in neighboring cities or towns could be subject to substantially different rules with regards to the number of units in a building subject to these requirements; additional protections for certain classes of tenant; and whether a tenant organization is eligible to partner with a for-profit or non-profit entity with the ability to finance the transaction or operate the property.

Under the bill, property owners are required to adhere to a schedule determined by the municipality, provide notice to tenant organizations about the impending sale and provide 30 days after the owner announces the intent to sell. If the tenants fail to submit an offer, the owner can proceed. However, once a valid purchase contract is signed, the owner must provide it to the tenant organization which has an additional 30 days to make an offer to purchase and there is an additional 30 day period for which a counteroffer can be made. All of these potential delays could result in a potential buyer walking away from a deal for any number of reasons.

Even if a tenant group submits a valid purchase and sale, they may not be able to secure financing and the property may ultimately be sold to a third-party after a lengthy delay which could also negatively affect the purchase price. The provisions also apply to short sales and foreclosures, further complicating these processes and forcing owners facing financial difficulty to undertake a lengthy process before selling their properties. For these reasons, the Association respectfully asks that you veto Section 83 of H 5250.

Thank you for the opportunity to provide our views on this important legislation. If you have any questions or need additional information, please contact [Jon Skarin](#) or [Brad Papalardo](#).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kathleen M. Murphy', is written over a light blue circular stamp.

[Kathleen M. Murphy](#)
President and CEO