

Annual Town Meeting Warrant Article 30
Tuesday, April 23, 2024

Article 30: To see if the town will vote to increase the local room occupancy excise on the transfer of occupancy of a room or rooms in a bed and breakfast establishment, hotel, lodging house, short-term rental or motel as provided by M.G.L. c 64G, Section 3A from 4% to 6%. (Recommended by Finance Advisory Committee)

Information on Room Occupancy Excise Local Tax Rate

Towns in Massachusetts are allowed to impose a room occupancy excise tax rate of 6%. This tax is paid by renters and the revenues are deposited in the Town's general fund.

Chilmark currently has a 4% rate and will be voting at the Annual Town Meeting in 2024 to raise the percentage to 6%. The rate in Aquinnah, Tisbury, West Tisbury and Oak Bluffs is 6%; Edgartown just voted at this year's Annual Town Meeting to raise to 6%.

For Chilmark, it is estimated that this increased percentage could annually bring an additional \$200,000 to the Town's revenue.

Key Points

- This increase does not affect the taxpayer in Chilmark, nor will the percentage increase affect the current 4% revenue the Town is receiving for the General Fund.
- There will be a future warrant article recommending a dollar amount to be contributed to the Molly Flender Affordable Housing Trust to support affordable and community housing in Chilmark. Given the increasing need and costs of affordable/community housing, this is an important and available tool for annual revenue to support housing initiatives. [L] [SEP]
- Ryan Castle, the CEO of CC&I Association of Realtors & MLS has stated that there is no discernable difference in bookings for towns with 4% vs. 6% Rooms Tax rate. "For example, a brokerage has not seen one town with a lower percentage getting more bookings than the properties with a higher percentage in the neighboring town." [L] [SEP]
- A voted increase to 6% will also indicate to the State Legislature that Chilmark, along with other towns on the Island, are using every tool possible for revenue for affordable/community housing as the Legislature considers the transfer fee (Housing Bank). [L] [SEP]

The Chilmark Housing Committee
Jim Feiner, Chair Allison Cameron Parry Peter Cook
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