The following report is from MRLDA Lobbyist, Patrick Huntington of Mass Bay Associates.

Issues Update:

Data Breach Legislation

On January 10, 2019 Governor Baker signed a new law that amends the current data breach reporting law. The law which will take effect on April 11, 2019 imposes new responsibilities on financial institution and retailers. Companies that store personal information of Massachusetts residents will be required to notify the Office of Consumer Affairs and Business Regulation and the Attorney General when they know or have reason to know of a breach of their company’s consumer data files. In addition to providing notice to government agencies, retailers must also notify the consumers whose information has been placed at risk.

Holders of data which contains Social Security numbers that have been breached will be required to contract with a third-party vendor to provide credit monitoring services to the affected consumers at no cost to the consumer for 18 months. The business will be required to provide those consumers with the relative information needed to ensure that they enroll in the credit monitoring program. A copy of the notice must also be provided to the Attorney General. A business may not require a consumer to waive their right under this law as a condition for doing business.

Businesses will also be required to obtain the written, verbal or electronic consent of the consumer prior to requesting a consumer’s credit report. The business must also disclose to the consumer the reasons for accessing the report. A business that has obtained the consumer’s consent will not have to obtain additional consent for future transactions for activities that involve; (i) the same credit transaction; (ii) a review of an existing account; (iii) reviewing an increase in the consumer’s existing credit line; or (iv) undertaking collection activity on an existing consumer account.

New Sales Tax Collection Proposal

Governor Charlie Baker recently proposed a new plan to enhance the collection of sales tax payments as part of his proposed budget for FY 2020. His proposal would enable the Department of Revenue to require selected retailers to submit preliminary sales tax collection on a monthly basis in a format that is similar to the pre-payment of estimated income taxes. Businesses with $1.6 million in annual taxable sales, or a $100,000 annual sales tax liability, would be subject to the expedited tax payment if selected by the Commissioner of Revenue. This plan would change the current system for material suppliers that have 50 days after the end of each month to submit their payments. Approval of this plan would have a significant impact on MRLDA members.

Governor Baker has also proposed to increase the deeds excise tax by fifty-percent from the current $4.00 to $6.00 for every $1,000 of the sales price of a home. The new funds would be dedicated to a Global Warming Solutions Trust Fund that would help communities to fund programs to address the impacts of global warming. The Legislature will also be considering several bills that seek to impose additional assessments on the sale of homes with a value of more than $1 million. These taxes would be approved on a local basis and the funds would be used to fund the construction of low to moderate income housing units. The public hearings on those bills has not been scheduled.

Questions?
Please contact Kirk Ives, Director of Government Affairs at 518-880-6376 or kives@nrla.org.