

CCVMHB: Transfer Fee Legislative summary, August 2021

History: In 2005, the 6 Martha's Vineyard towns all passed resolutions to establish a regional housing bank, to be funded by a transfer fee on real estate transactions over a certain amount. Legislation was written and filed. In 2006, the bill was amended to include Nantucket, allowing each island the ability to establish a transfer fee specifically to fund affordable housing. *This 2006 bill advanced in the legislature, but ultimately failed -- due largely to lobbying pressure from the MA Association of Realtors.* No second attempt was made by MVY. Nantucket launched another attempt in 2015, filing every legislative session via a Home Rule Petition. That petition has not passed the legislature.

What's Different This Time Around: Over the last two years, Concord, Somerville, Brookline and Boston have also all filed Home Rule Petitions for transfer fees to fund affordable housing. **Together with Nantucket, these cities joined efforts to form the Transfer Fee Coalition, (www.realestatetransferfee.org) filing the H1377/S868 consensus bill in both the MA House and Senate in February 2021.** Arlington, Chatham, Truro, and Wellfleet have recently passed Home Rule Petitions for transfer fees, with other cities/regions including Northampton, Salem, the Pioneer Valley and Watertown, now investigating transfer fees to fund affordable housing.

This piece of state-level enabling legislation would allow all municipalities in the Commonwealth to establish real estate transfer fees to fund affordable housing on sales above state median home price (currently \$503,000). Each locality can set their exemption threshold higher as they choose (eg- Boston, Nantucket and Chatham are seeking a \$2 million threshold).

Interest in the bill is growing as the housing crisis worsens across the Commonwealth.

Would These Bills Serve MVY?: Yes. CCMVHB, along with Pioneer Valley and Arlington participants, **have asked for an amendment to include a provision for regional housing banks, which are more efficient for rural areas and for some metro areas. Along with Nantucket, we have also requested a clause to allow the Islands to serve a larger income range of year-round residents, to keep our workforce on the Islands.**

Legislative sponsors of the consensus bill are Sen Joanne Comerford (Hampshire/Worcester/Franklin) and Rep Mike Connolly(26thMiddlesex/Somerville).

This bill is currently in the Joint Committee on Housing, and as of August 2021 has not yet been sent to hearing. **Links to the bills:**

<https://malegislature.gov/Bills/192/S868>

<https://malegislature.gov/Search?SearchTerms=H1377>

Are There Other Bills to Watch?: Yes, H2895. Representative Dylan Fernandes and Representative Liz Malia have filed this **alternate piece of transfer fee legislation, with slightly different provisions – most notably a higher exemption threshold set at \$1 million.** The exemption threshold would meet the needs of MVY, Nantucket, Boston, Chatham, and potentially Somerville, Wellfleet, Truro and Ptown. **This bill already includes a provision for regional housing banks.**

H2895 is currently in the Joint Committee on Revenue, and had a hearing July 22, 2021. It has not yet been reported out of committee, so written support to the legislature is important:

<https://malegislature.gov/Bills/192/H2895>

What This All Means: **If one of these pieces of enabling legislation passes, it paves the way for the six Vineyard towns to jointly file local legislation to establish an island-wide Housing Bank funded by transfer fees.** The state-wide effort has energy behind it, and Boston's entry into the transfer fee conversation makes it a much larger topic in the legislature. To that end, in addition to working toward local Town Meeting resolutions in all 6 towns here on Island, CCMVHB is active in supporting the state-level effort through the Transfer Fee Coalition, and in providing information on that effort to the island community.