**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.