

Island affordable housing bill killed by House

By DAVID KIBBE
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BOSTON - A proposal by Martha's Vineyard and Nantucket to impose a 1 percent transfer fee on the sale of luxury homes to fund affordable housing was rejected by the state House of Representatives yesterday. Critics called the measure discriminatory tax.

The Senate had approved the

home-rule petition, which would have been subject to town referendums on the islands. But the House stripped Nantucket from the legislation before the debate, then defeated the proposed Martha's Vineyard transfer tax in a 90-64 vote.

Rep. Eric Turkington, D-Falmouth, who filed the bill with Sen. Robert O'Leary, D-Barnstable, attributed the defeat mainly to lobbying by the Massachusetts Association of Realtors. Turkington said the idea had strong support from real estate agents on the two islands.

"The islands are very imaginative places, and they've got a lot of smart people who want to make things happen in that area," Turkington said after the House vote. "I expect we will take a few days to sort of soothe their wounds, and then get together to work, frankly, with the realtors and try to find something that will work for these places."

The legislation would have exempted the first \$750,000 from sales on Martha's Vineyard and the first \$2 million on Nantucket. The fee would have been paid by the seller.

Nantucket officials estimated the proposed housing bank would have generated as much as \$4 million a year to increase affordable housing and fund down payment and rent stabilization programs.

On Martha's Vineyard, it was expected to raise \$2.3 million a year for affordable housing, legislators said.

Turkington said Martha's Vineyard officials, who first proposed the idea, knew the measure would be a tough sell on Beacon Hill.

"When this was first proposed, O'Leary and I both met with the advocates on the Vineyard and told them this was very much of an uphill struggle," Turkington said. "We told them the Realtors would be extremely active opponents, and they are extremely effective up here. They have members in every district who have telephones and fax machines."

House leaders objected to the Senate adding Nantucket to the bill late in the session, so it was taken out by the House Ways and Means Committee before yesterday's vote.

Speaking on the House floor, Turkington said rapidly escalating housing prices on Martha's

Vineyard were pricing out the "working families that make the community work."

"Some say it would be unfair to tax only one segment of the community," he said. "The people that are buying the million-dollar homes, it is eminently fair that they should be contributing to solve the problem."

Rep. Jeffrey Davis Perry, R-Sandwich, fought against the proposal, calling it a "discriminatory tax."

He said the islands had chosen to spend much of their Community Preservation Act money on land conservation, rather than housing.

And he rejected the argument that the islands faced a unique housing crisis.

"The islands are not that different," Perry said. "They are struggling with affordable housing, just like my community, just like your community."

Rep. Matthew Patrick, D-Falmouth, who supported the transfer fee, said the majority of workers on the Cape and Islands are in service and retail jobs.

"The difference between the rich and the middle class is growing bigger and bigger than ever on Cape Cod," he said.

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