

## **Overview of the Massachusetts Community Preservation Act**

Passed in September 2000, the Community Preservation Act (CPA) enables communities to levy a property tax surcharge of up to 3.0 percent on real property for the purpose of creating a local community preservation fund and qualifying for state matching funds.

CPA funds can be used to acquire and protect open space, preserve historic buildings and landscapes, and create and maintain affordable housing. Annually, at least 10 percent of the funds must be used for each of these purposes, while the remaining 70 percent may be allocated among the three areas or be set aside for future spending as the community decides.

The law allows communities to provide any or all of the following exemptions:

- Property owned and occupied by a person who qualifies for low-income housing or low- or moderate-income senior housing;
- The first \$100,000 of taxable value of residential real property;
- Commercial or industrial property in cities or towns with classified tax rates (i.e., communities that impose a higher tax rate on business properties than residential).

A majority of local voters in a regularly scheduled municipal or general state election must approve the local CPA surcharge. Once approved, the surcharge must remain in effect for at least five years, although the level of the surcharge and the allowed exemptions may be altered during this period by a majority vote of the local legislative body (i.e., town meeting or city council) followed by voter approval.

State matching funds are generated through a surcharge of \$20 on most filings at the Registry of Deeds and land filings at the Land Court, with municipal liens charged \$10 and homestead declarations exempt. The Taxpayers Foundation estimates that the state will generate approximately \$30 million during the first year of the surcharge, which is to be placed into the Community Preservation Trust Fund. Depending on the amount available in the fund, communities are eligible to receive matching funds up to 100 percent of local revenues raised through the CPA surcharge. The first disbursement of state funds will occur in October 2002 for those communities that have approved a CPA surcharge and raised funds as of June 30, 2002.

The law requires that a local community preservation committee -- consisting of five to nine members and representing conservation, parks and historical commissions, the planning board and housing authority -- make annual recommendations to the community's local legislative body on how to spend the funds. The local legislative body must either approve or reduce the level of expenditures proposed by the community preservation committee. The local legislative body may not add to the recommended spending amounts.

**Community Preservation Act - approved as of November 7, 2001**

Community	Surcharge	Exemptions	<u>Estimated revenues from CPA surcharge</u>			<u>Percentage of CPA revenues</u>	
			Residential	Businesses	Total	Residential	Businesses
Agawam	1 percent	LI	177,650	97,179	274,829	65%	35%
Amherst	1 percent	LI, \$100K	118,183	24,433	142,616	83%	17%
Aquinnah	3 percent	\$100K	33,830	320	34,150	99%	1%
Ayer	3 percent	LI	101,484	118,472	219,956	46%	54%
Bedford	3 percent	LI, \$100K	357,821	373,202	731,023	49%	51%
Boxford	3 percent	LI, \$100K	312,960	4,522	317,482	99%	1%
Cambridge	3 percent	LI, \$100K	1,600,000	3,298,886	4,898,886	33%	67%
Carlisle	2 percent	LI, \$100K	197,754	2,307	200,061	99%	1%
Chelmsford	0.5 percent	\$100K	119,995	42,154	162,149	74%	26%
Chilmark	3 percent	LI, \$100K	102,928	1,002	103,930	99%	1%
Cohasset	1.5 percent	LI, \$100K	177,195	14,560	191,755	92%	8%
Dracut	2 percent	LI	419,121	34,080	453,201	92%	8%
Duxbury	3 percent	None	776,909	24,208	801,117	97%	3%
Easthampton	3 percent	\$100K	117,055	40,830	157,885	74%	26%
Easton	3 percent	LI, \$100K	397,107	81,828	478,935	83%	17%
Georgetown	3 percent	LI, \$100K	144,810	22,239	167,049	87%	13%
Hampden	1 percent	\$100K	20,469	3,066	23,535	87%	13%
Harvard	1.1 percent	None	95,905	3,919	99,824	96%	4%
Hingham	1.5 percent	LI, \$100K	348,939	63,627	412,566	85%	15%
Holliston	1.5 percent	LI, \$100K	171,908	25,847	197,755	87%	13%
Hopkinton	2 percent	LI, \$100K	305,836	82,152	387,988	79%	21%
Marshfield	3 percent	LI, \$100K	445,668	57,489	503,157	89%	11%
Medway	3 percent	LI, \$100K	233,535	47,177	280,712	83%	17%
Nantucket	3 percent	LI, \$100K, C/I	711,060	0	711,060	100%	0%
Newton	1 percent	None	1,256,247	271,865	1,528,112	82%	18%
Norfolk	3 percent	LI, \$100K	225,126	13,975	239,101	94%	6%
North Andover	3 percent	LI, \$100K	657,614	168,574	826,188	80%	20%
Peabody	1 percent	None	279,368	190,156	469,524	60%	40%
Rowley	3 percent	LI	173,102	25,307	198,409	87%	13%
Southampton	3 percent	\$100K	49,745	8,143	57,888	86%	14%
Stow	3 percent	LI, \$100K	204,786	25,842	230,628	89%	11%
Sturbridge	3 percent	\$100K	84,879	62,849	147,728	57%	43%
Tyngsborough	3 percent	LI, \$100K	200,475	50,356	250,831	80%	20%
Wayland	1.5 percent	LI, \$100K	341,296	19,237	360,533	95%	5%
Westford	3 percent	LI, \$100K	642,820	135,808	778,628	83%	17%
Weston	3 percent	LI, \$100K	808,079	40,107	848,186	95%	5%
Total - approved to date (36 communities)			12,411,661	5,475,718	17,887,379	69%	31%

Exemptions:

LI -- Exempts property owned and occupied by a person who qualifies for low-income housing or low- or moderate-income senior housing.

\$100K -- Exempts the first \$100,000 of taxable value of residential real estate.

C/I -- Exempts class three commercial or class four industrial properties in cities or towns with classified tax rates.

## **Community Preservation Act - rejected as of November 7, 2001**

Community	Result
Ashfield	Failed election
Ashland	Failed election
Becket	Failed at town meeting
Belchertown	Failed election
Berlin	Failed election
Beverly	Failed election
Bolton	Failed at town meeting
Boston	Failed election
Boxborough	Failed at town meeting
Carver	Failed at town meeting
Clarksburg	Failed at town meeting
Dunstable	Failed at town meeting
Framingham	Failed at town meeting, citizens' petition, failed election
Gloucester	Failed election
Groton	Failed at town meeting
Halifax	Failed election
Hull	Failed election
Kingston	Failed election
Malden	Failed election
Manchester	Failed at town meeting
Merrimac	Failed election
Methuen	Failed election
Millis	Failed at town meeting
Northampton	Failed by city council
Orleans	Failed election
Plainville	Failed election
Plympton	Failed election
Princeton	Failed at town meeting
Rehoboth	Failed election
Rockport	Failed election
Saugus	Failed election
Sharon	Failed election
Shirley	Failed election
Shutesbury	Failed at town meeting
Southborough	Failed election
Sterling	Failed election
Sudbury	Failed election
Tisbury	Failed at town meeting
Wakefield	Failed election
Waltham	Failed election
West Bridgewater	Failed at town meeting
West Tisbury	Failed election
Westhampton	Failed election
Westwood	Failed election
Williamsburg	Failed at town meeting
Winthrop	Failed election
Woburn	Failed election