

# Community Preservation Act

## WHAT IS THE COMMUNITY PRESERVATION ACT?

The Community Preservation Act is statewide enabling legislation in Massachusetts giving communities the authority to create a Community Preservation Fund by placing a surcharge on local property tax. The Act allows Massachusetts communities to establish a reliable funding source for open space, historic resources, and community housing purposes.

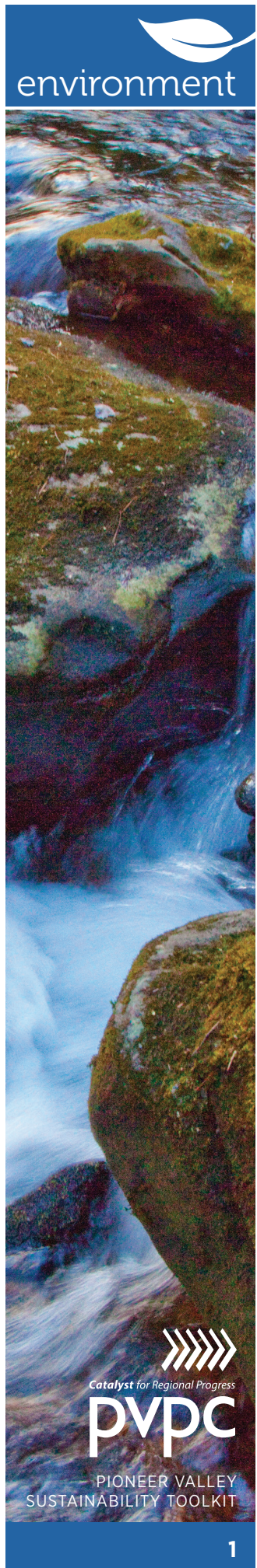
## HOW CAN MY COMMUNITY ENACT THE COMMUNITY PRESERVATION ACT?

The Community Preservation Act must be voted on as a referendum at a local or state election. The Community Preservation Act may be placed on the ballot either through legislative body action (Town Meeting vote) or through a citizen's petition signed by at least 5% of the registered voters. The ballot question must include the percentage of the property tax surcharge. A majority of voters must approve the referendum to enact the Community Preservation Act.

Once the community enacts the Community Preservation Act, the community is then required to create a local community preservation committee responsible for studying the needs, possibilities, and resources of the city or town regarding community preservation. This committee is charged with making recommendations to the local legislative body for the acquisition, creation, and preservation of four community preservation interests: open space, historic resources, land for recreational use, and community housing. The committee may also recommend that moneys be spent to rehabilitate or restore any resources acquired or created through the community preservation fund.

## HOW CAN MY COMMUNITY USE THE COMMUNITY PRESERVATION FUNDS?

Of the fund's annual revenues, a minimum of 10 percent each must be directed to open space (not including recreation lands), historic resources, and community housing issues. The remaining 70 percent of the funds may be used for any combination of community preservation issues, including recreational uses, deemed appropriate by and for the community.



## IS THERE A STATE MATCH AND HOW IS IT FUNDED?

The commonwealth will provide matching funds through a new Massachusetts Community Preservation Trust Fund, which will be financed through surcharges on certain fees of the registers of deeds.

## HOW IS THE STATE MATCH DISTRIBUTED?

The state matching funds will be distributed in up to three (3) funding rounds. The first round distributing 80% of the state funds raised is the Match Distribution round. Each community that has enacted the Community Preservation Act will receive the same percentage match (5-100%) against the total money raised through their surcharge. The current match value is 35%.

The second and third rounds of funding are available for those communities who have adopted the maximum 3% surcharge. The eligible communities will be ranked based on property valuation per capita and population. The funds will be distributed based on the community's ranking.

## HOW MUCH WOULD THE CPA SURCHARGE BE?

The following example of potential CPA Surcharges are based on the FY08 Tax Rate of \$13.30 per \$1,000 assessed property value. The table illustrates potential surcharges from 1 to 3% for property valued between \$100,000 to \$300,000 and, potential surcharge amounts when the first \$100,000 assessed value is exempted from the surcharge.

### CPA Surcharge Calculator:

TOWN:	Ware					
Tax rate:	\$13.30					
		CPA surcharge for house valued at:				
CPA %	Exemption	\$300,000	\$250,000	\$200,000	\$150,000	\$100,000
3	none	\$119.70	\$99.75	\$79.80	\$59.85	\$39.90
2	none	\$79.80	\$66.50	\$53.20	\$39.90	\$26.60
1	none	\$39.90	\$33.25	\$26.60	\$19.95	\$13.30
3	first \$100K	\$79.80	\$59.85	\$39.90	\$19.95	\$0.00
2	first \$100K	\$53.20	\$39.90	\$26.60	\$13.30	\$0.00
1	first \$100K	\$26.60	\$19.95	\$13.30	\$6.65	\$0.00

Other populations that can be exempted from any surcharge under the Community Preservation Act include:

- » low to moderate income households
- » the elderly
- » the full value of commercial/industrial properties in communities with a classified tax structure

FOR MORE INFORMATION ON THE COMMUNITY PRESERVATION ACT, VISIT:  
<http://www.communitypreservation.org/>

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## FOR MORE INFORMATION, PLEASE CONTACT

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