



## **An Act to Sustain Community Preservation Revenue (H.2587 & S.1459) - sponsored by Rep. Kulik and Sen. Creem**

### **The CPA Protects Open Space, Preserves Historic Buildings and Builds Community Housing**

The Community Preservation Act (CPA) was passed in 2000 and allows cities and towns to establish a dedicated local fund for open space, historic preservation, community housing, and outdoor recreation projects. CPA is adopted through a local ballot referendum, following initial approval by a municipality's legislative body or a ballot question petition.

Cities and towns that adopt the CPA obtain community preservation funds from two sources - a local property tax surcharge and a yearly distribution from the statewide CPA Trust Fund. Statewide CPA Trust fund revenues are derived from a surcharge placed on all real estate transactions at the Commonwealth's Registries of Deeds. Each CPA community receives their distribution from the trust fund at a formula-based percentage of what they raised locally. The legislature approved funding from the Commonwealth's budget surplus in FY 2013 and FY 2014 to bolster the statewide CPA Trust Fund funding short term, and the program's immediate future requires a similar transfer of \$25 million from the FY15 budget surplus.

### **The State Needs to Fulfill Its Commitment to Match Local Funds**

A core premise of the CPA is that state government will provide matching funds as an incentive for cities and towns to adopt CPA. 158 cities and towns have responded to this opportunity. However, as the program has grown the dollars available for matching funds have not kept up with the growth of the program. Therefore, we urge passage of legislation increasing the program's dedicated funding component – registry of deeds recording fees, so that the state provides a minimum 50% base match to all CPA cities and towns.

This bill allows the Department of Revenue to raise the surcharge on real estate transactions at the Commonwealth's Registry of Deeds to ensure that there is a 50% first round match for CPA communities. That surcharge cannot exceed \$50. If the maximum surcharge has been reached and the fund still cannot support a 50% first round match distribution then that distribution would be less.

### **The Impact Statewide**

158 communities (45% of the state's communities) have adopted CPA; close to \$1.4 billion dollars have been raised to date for community preservation projects statewide.

The 7,500 completed CPA projects have:

- helped develop 8,500 housing units
- protected 21,800 acres of open space
- preserved 3,600 historic sites & resources
- initiated 1,250 recreation projects

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