

Property Tax Bureau
Informational Guideline Release (IGR) No. 00-209
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(As amended by IGR No. 01-207 and IGR No. 02-208)

COMMUNITY PRESERVATION FUND

(G.L. Ch. 44B)

(Added by Chapter 267 of the Acts of 2000; Amended by Chapter 165 of the Acts of 2002)

This Informational Guideline Release (IGR) explains to local officials the procedures and requirements for establishing a special fund that may be appropriated and spent for certain open space, historic resource and affordable housing purposes.

Topical Index Key:

Borrowing
Collection Procedures
Special Funds
Tax Bills

Distribution:

Assessors
Collectors
Treasurers
Clerks
Accountants and Auditors
Mayors/Selectmen
City/Town Managers/Exec. Secys.
Finance Directors
City/Town Councils
City Solicitors/Town Counsels

TABLE OF CONTENTS

COMMUNITY PRESERVATION ACT SUMMARY	Page 1
GUIDELINES	2
I. COMMUNITY PRESERVATION ACT ADOPTION	2
A. Acceptance by Legislative Body and Electorate	2
1. Legislative Body Action	2
a. Required Action	2
b. Discretionary Action	2
c. Timing	3
2. Voter Action	3
a. Question Form	3
b. Question Summary	3
c. Question Approval	3
B. Acceptance by Petition	4
C. Effective Date	4
D. Notification of Acceptance	4
E. Amended Acceptance	4
F. Revocation of Acceptance	5
II. COMMUNITY PRESERVATION SURCHARGE	5
A. Surcharge Assessment and Billing	5
B. Surcharge Amount	5
C. Delinquent Surcharges	5
D. Partial Payments	6
E. Collection Remedies	6
F. Abatements and Exemptions	6
G. Refund Accounting	6
H. Surcharge Deferrals	6
I. Surcharge on Classified Land Taxes	7
J. Local Option Surcharge Exemptions	7
1. Decisionmaker	7
2. Eligibility Date	7
3. Eligibility Requirements	7
a. Residential Exemption	7
b. Commercial/Industrial Exemption	7
c. Low Income/Low or Moderate Income Senior Exemption	8
(1) Eligible Taxpayers	8
(2) Income Limits	8
(3) Exemption Amount	9
4. Applications	9

III.	FUNDS	9
	A. Community Preservation Fund	9
	1. Account	9
	2. Revenues	9
	3. Turnovers	10
	4. Investment	10
	5. Interest	10
	6. Expenditures	10
	a. Expenditure Prerequisites	10
	b. Allowable Expenditures	11
	(1) Community Preservation Purposes	11
	(2) Related Purposes	11
	c. Prohibited Expenditures	12
	7. Annual Commitment of Current Year Revenues	13
	a. Minimum Annual Commitment	13
	b. Annual Fund Revenues	13
	(1) Definition	13
	(2) Amount Committed	14
	(3) Revenue Shortfalls	14
	8. Other Available Fund Financing Sources	14
	a. Community Preservation Fund Reserves	14
	b. Community Preservation Fund Balance	15
	c. Community Preservation Fund Excess Bond Proceeds	15
	9. Supplemental Appropriations	15
	10. Surcharge Revocation	16
	B. Massachusetts Community Preservation Trust Fund	16
	1. Trust Fund	16
	2. Trust Fund Administration	17
	3. Trust Fund Distributions	17
	a. Maximum Distribution	17
	b. First Round Match Distribution	18
	c. Second Round Equity Distribution	18
	d. Third Round Surplus Distribution	19
IV.	BORROWING	19
	A. Purposes and Terms	20
	B. Temporary and Permanent Borrowing	20
	C. Amount Borrowed	20
	D. Repayment Terms	20
	E. Excess Bond Proceeds	21
	F. Surcharge Expiration	21

V.	COMMUNITY PRESERVATION PROPERTY	21
A.	Acquisition	21
B.	Ownership and Management	21
C.	Usage Restrictions	22
D.	Damage	22
E.	Disposition	22
VI.	COMMUNITY PRESERVATION COMMITTEE	22
A.	Establishment	22
B.	Membership	23
C.	Action	23
D.	Role	23
	1. Annual Needs Study	24
	2. Annual Recommendations and Budget	24
	3. Additional Recommendations	25
	4. Legislative Body Action on Recommendations	25
E.	Recordkeeping	25
	1. Recommendations	25
	2. Expenditures	26
	3. Property Interests	26
VII.	ANNUAL REPORTING REQUIREMENTS	26
VIII.	ACCOUNTING ISSUES	27

ATTACHMENTS

Glossary of Community Preservation Act Definitions
Sample Community Preservation Acceptance Vote
Notification of Acceptance
Community Preservation Surcharge Low/Moderate Income Exemption - Exemption Eligibility Requirements
Community Preservation Surcharge Low/Moderate Income Exemption - Annual Income Limit by Household Type and Size
Application for Community Preservation Act Exemption (CP-4) (Low Income Persons/Low or Moderate Income Seniors)
Sample Appropriation Votes
Community Preservation Surcharge Report (CP-1)
Community Preservation Fund Report (CP-2)
Community Preservation Initiatives Report (CP-3)
Sample Accounting Entries
Tax Rate Recapitulation Schedule A-4

(As amended by IGR No. 01-207 and IGR No. 02-208)

COMMUNITY PRESERVATION FUND

(G.L. Ch. 44B)

(Added by Chapter 267 of the Acts of 2000; Amended by Chapter 165 of the Acts of 2002)

SUMMARY:

These guidelines explain the municipal finance provisions of the Community Preservation Act, which is found in the new General Laws Chapter 44B. Under the act, any city or town, including those that have adopted the Cape Cod Land Bank Fund or other special act open space acquisition funds, may establish a special "Community Preservation Fund" that may be appropriated and spent for certain open space, historic resource and affordable housing purposes. To establish the fund, a community must accept G.L. Ch. 44B §§3-7. Acceptance requires majority approval of both the community's legislative body and voters at the next regular municipal or state election.

The primary source of revenue for the local Community Preservation Fund is a property tax surcharge of up to three percent that will be assessed on each parcel of taxable real estate within the community. Amounts generated by the surcharge are not subject to the levy limitations of Proposition 2½. A second source of revenue for the fund will be annual distributions received from the state "Massachusetts Community Preservation Trust Fund," also created under the act. Monies distributed from the state trust fund will come primarily from surcharges on fees charged for recording various documents with the Registry of Deeds or Land Court. The local Community Preservation Fund is also credited with proceeds from the disposition of real property acquired with fund monies.

A community accepting the act must also establish a Community Preservation Committee to make annual recommendations to its legislative body regarding expenditures from its Community Preservation Fund. For each fiscal year, the community must spend or reserve at least 10% of the annual revenues in the fund for each of the act's community preservation purposes: open space, historic resources and affordable housing.

A community may borrow in order to fund the act's community preservation purposes. All borrowings are subject to G.L. Ch. 44. Debt issued under the act may be repaid on a "level debt service" basis or other schedule providing for more rapid amortization of principal.

Communities may accept G.L. Ch. 44B §§ 3-7 any time after December 13, 2000.

GUIDELINES:

I. COMMUNITY PRESERVATION ACT ADOPTION

A. Acceptance by Legislative Body and Electorate

Acceptance requires approval of both the legislative body of the city or town and the electorate at the next regular municipal or state election. G.L. Ch. 44B §3.

1. Legislative Body Action

A majority of the legislative body of the city or town must first approve a specific proposal to present to the voters. The legislative body is defined as town meeting, town council, city council, board of alderman or other body with the power to approve budgets, authorize debt and adopt by-laws or ordinances for the community. (See attached glossary of Community Preservation Act definitions).

a. Required Action

The legislative body must accept G.L. Ch. 44B §§3 through 7 and approve the amount of the surcharge. The approved surcharge cannot exceed three percent.

b. Discretionary Action

The legislative body may include any or all of the following surcharge exemptions in the proposal to be presented to the voters:

- (1) An exemption for property owned and occupied as a domicile by a person who would qualify for low income housing or low or moderate income senior housing in the community. (See attached glossary of definitions).
- (2) An exemption for Class Three, Commercial, and Class Four, Industrial, property if the community annually adopts a higher tax rate for those classes.
- (3) An exemption for \$100,000 of the assessed valuation of Class One, Residential, parcels.

(See attached sample acceptance vote).

c. Timing

After the legislative body accepts the act and adopts a surcharge plan, the acceptance referendum must be placed before the voters at the next regularly scheduled municipal or state election.

If the next regularly scheduled election is a municipal election, the legislative body must act in sufficient time to give the city or town clerk at least 35 days advance notice of the referendum. If the next election is a state election, the secretary of state must receive at least 60 days advance notice of the referendum.

2. Voter Action

The actions of the legislative body must be submitted to the voters for acceptance at the next regular municipal or state election.

a. Question Form

The referendum question presented to the voters must read as follows:

Shall the (city or town) accept sections 3 to 7, inclusive of chapter 44B of the General Laws, as approved by its legislative body, a summary of which appears below?

b. Question Summary

A fair and concise summary of the Community Preservation Act provisions that are the subject of the referendum must appear underneath the question. The summary is to be prepared by the community's city solicitor or town counsel and must include the surcharge percentage approved by the legislative body. It should also include the exemptions, if any, adopted by the legislative body.

c. Question Approval

The question is approved and the statute accepted if a majority of the voters voting on the referendum question vote "yes."

B. Acceptance by Petition

An alternative acceptance procedure may be used if the legislative body of the city or town does not accept the act and approve a surcharge amount at least 90 days before a regular municipal, or 120 days before a regular state, election. G.L. Ch. 44B §3(h).

Under the alternative procedure, a referendum question seeking acceptance of the act, approval of a specific surcharge percentage and approval of any allowable exemptions may be placed on the ballot by petition. The petition must be signed by at least five percent of the registered voters of the city or town and filed with the local board of registrars of voters, board of election commissioners or election commission. The board or commission must certify the signatures within seven days of filing.

The city or town clerk or secretary of state must then place the question on the ballot at the next regular municipal or state election held after certain minimum time periods. If the question is to appear on a municipal election ballot, the election must be held at least 35 days after the certification of the signatures. For questions appearing on a state election ballot, at least 60 days must elapse before the election can occur.

C. Effective Date

A community accepting the statute at an election held before the actual tax commitment for a fiscal year is made may impose the surcharge beginning in that fiscal year, or in the fiscal year that begins the July 1 after the election, as specified in the acceptance vote of the legislative body.

D. Notification of Acceptance

The city or town clerk must notify the Municipal Data Management/Technical Assistance Bureau if the statute is accepted. (See attached "Notification of Acceptance"). The notification should be made as soon as practicable after the referendum election, but it must be received not later than September 15 of the fiscal year following the close of the fiscal year the surcharge is first assessed in order for the community to receive distributions from the state trust fund.

E. Amended Acceptance

A city or town may amend the surcharge percentage and exemptions. Amendment is by majority vote of the legislative body and by referendum. G.L. Ch. 44B §16(a).

F. Revocation of Acceptance

Acceptance may be revoked, but the city or town must wait until at least five years after the referendum passes to do so. Revocation is by majority vote of the legislative body and by referendum. G.L. Ch. 44B §16(b). The surcharge continues to be assessed, however, until all obligations incurred and funded by the city or town from Community Preservation Fund revenues are paid. See Section III-A-10 below.

II. COMMUNITY PRESERVATION SURCHARGE

In a city or town that accepts G.L. Ch. 44B §§3-7, a community preservation surcharge is assessed on the municipality's real estate taxes. Taxes assessed on personal property, or by water, fire or other tax levying districts within the municipality, are not subject to the surcharge.

A. Surcharge Assessment and Billing

The surcharge is imposed on every type of real estate tax assessment made by the community, including all preliminary, actual, omitted, revised and supplemental assessments. The surcharge must be displayed as a separate item on the tax bills, commitments and warrants issued for those assessments. Assessors should also forward a separate notice of commitment for the surcharge to the accounting officer.

B. Surcharge Amount

The surcharge is calculated by multiplying the real estate tax on the parcel, as reduced by any property tax exemptions received under G.L. Ch. 59 §5 or other statutes, by the adopted percentage.

Therefore, real estate parcels that are fully exempt from property taxes are not subject to any surcharge. Parcels may also be fully or partially exempt from the surcharge if the community adopts any of the Community Preservation Act exemptions. See Section I-A-1-b above.

C. Delinquent Surcharges

Surcharges not paid by the due date accrue interest at 14 percent per year computed in the same manner as overdue property taxes in the community. Interest on overdue surcharges belongs to the Community Preservation Fund. *(As amended by IGR 01-207).*

D. Partial Payments

If a taxpayer expressly directs the tax collector to apply a payment to the regular real estate tax and not the surcharge, the collector must apply the payment as directed. Otherwise, the collector may determine how to apply the payment.

E. Collection Remedies

Collectors may enforce collection of the surcharge with any or all of the remedies available for collection of regular real estate taxes, including a tax taking. G.L. Ch. 44B §4(c); G.L. Ch. 60. The lien for the surcharge arises as of the January 1 assessment date of the fiscal year the surcharge relates to and terminates the same time as that year's real estate tax lien. Collectors should perform timely takings to ensure that both liens do not terminate. G.L. Ch. 60 §37; G.L. Ch. 60 §53.

A standard notation should be pre-printed on all municipal lien certificates that real estate taxes in the community are subject to the community preservation surcharge under G.L. Ch. 44B. Collectors should list separately the amount of any outstanding surcharge on the certificate in the same manner as an outstanding district tax is shown.

F. Abatements and Exemptions

All committed surcharge amounts abated or exempted are charged to the Community Preservation surcharge receivable of the fiscal year. This includes reductions in committed surcharges resulting from an abatement or exemption of the real estate tax, or an abatement or exemption of the surcharge itself. The abatement or exemption certificate, as well as any abatement and exemption reports to other officers, should state separately the amount of any surcharge abatement or exemption granted. *(As amended by IGR 01-207).*

G. Refund Accounting

All refunds of surcharges are accounted for in the Community Preservation Fund. *(As amended by IGR 01-207).*

H. Surcharge Deferrals

Taxpayers who are eligible to defer property taxes under G.L. Ch. 59 §5(41A) may not defer the surcharge.

I. Surcharge on Classified Land Taxes

The community preservation surcharge assessed on classified forest land under G.L. Ch. 61, agricultural or horticultural land under G.L. Ch. 61A and recreational land under G.L. Ch. 61B is calculated based on the real estate tax generated by the classified value of the property. The surcharge is not assessed on withdrawal, rollback or conveyance taxes imposed under G.L. Ch. 61, 61A or 61B.

J. Local Option Surcharge Exemptions *(Added by IGR 01-207)*

1. Decisionmaker

The board of assessors grants or denies all surcharge exemptions.

2. Eligibility Date

Exempt status is determined as of January 1. Any ownership, occupancy, age, income or usage classification requirement for the exemption must be met as of that date.

3. Eligibility Requirements

a. Residential Exemption

The residential exemption applies to the real estate tax assessed on the first \$100,000 in assessed valuation of all properties classified as Class One, Residential, as of January 1. If the property is multiple-use, the exemption applies to the real estate tax assessed on the first \$100,000 of the portion of the assessed valuation allocated to Class One.

b. Commercial/Industrial Exemption

The commercial/industrial exemption applies only in a fiscal year where the tax rate is split. It applies to the real estate tax assessed on properties classified as Class Three, Commercial, and Class Four, Industrial, as of January 1. If the property is multiple-use, the exemption applies to the real estate tax assessed on the portion of the assessed valuation allocated to Class Three and Four.

c. Low Income/Low or Moderate Income Senior Exemption

(1) Eligible Taxpayers

(a) Ownership and Occupancy

An applicant for the low income or low or moderate income senior exemption must be a natural person, who owns and occupies the property as a domicile as of January 1. All co-owners do not have to occupy the property as a domicile for the exemption to be granted.

The exemption does not apply to residential property owned in whole or in part by a corporation or other business entity.

(b) Age

To qualify as a senior, the applicant must be 60 or older as of January 1.

(2) Income Limits

Each co-owner of the domicile must meet a household annual income standard for the low income or low or moderate income senior exemption to be granted. The income standard is based on the area wide median income determined annually by the United States Department of Housing and Urban Development. Therefore, assessors must establish new limits for each year.

Annual household income is the income received from all sources regardless of income tax status under federal or state law during the calendar year preceding January 1 by all members of the household 18 or older who are not full time students less deductions for dependents other than a spouse and certain medical expenses. That amount must be at or below the allowable income limit for the household type (senior or non-senior) and size.

Formulas for calculating the allowable deductions and income limits for household type and size are attached.

(3) Exemption Amount

A qualified taxpayer receives an exemption of the entire surcharge attributable to the real estate tax assessed on the Class One, Residential, assessed valuation of the parcel, regardless of ownership share or number of residential dwelling units.

4. Applications

Taxpayers must apply annually for the low income or low or moderate income senior exemption. Application may be made on the attached Form CP-4, or other format developed by the assessors to obtain the same information. Assessors do not need to obtain prior approval of the Property Tax Bureau to use forms they have designed so long as the content is essentially the same as Form CP-4.

Assessors may review applications submitted by seniors for a Clause 41, 41B or 41C personal exemption or Clause 41A tax deferral to determine eligibility for the low or moderate income exemption as well. In those cases where no further information is needed to establish eligibility for the exemption, it may be granted without requiring completion of a separate application.

III. FUNDS

A. Community Preservation Fund

1. Account

The accounting officer must establish and maintain a separate account called the Community Preservation Fund. G.L. Ch. 44B §7. The treasurer may pool, or establish a separate bank account for, community preservation cash. A treasurer who pools cash must allocate interest earned on community preservation cash to the Community Preservation Fund.

2. Revenues

The Community Preservation Fund is a special revenue fund and is credited with the following receipts:

- a. All monies collected from the surcharge.
- b. All proceeds from borrowings made under the community preservation program.
- c. All funds received from the Commonwealth or any other public or private source for community preservation purposes.
- d. Proceeds from the sale of real property acquired with community preservation funds.
- e. Damages and penalties from persons who knowingly damage properties acquired by cities and towns using community preservation funds.

3. Turnovers

The collector should pay over to the treasurer all surcharge payments at the same time as regular property tax payments are turned over.

4. Investment

The treasurer may invest monies in the Community Preservation Fund in the same manner authorized for the investment of trust funds under G.L. Ch. 44 §54.

5. Interest

Interest earned on monies in the Community Preservation Fund is credited to the fund.

6. Expenditures

a. Expenditure Prerequisites

The Community Preservation Fund is a special revenue fund subject to appropriation. A recommendation by the Community Preservation Committee and an appropriation by the legislative body of the city or town are both required to spend any monies belonging to the fund for particular community preservation purposes. G.L. Ch. 44B §7. Appropriations from any fund financing source, except borrowing, are made by majority vote.

b. Allowable Expenditures

(1) Community Preservation Purposes

Fund monies may be spent to undertake the following community preservation purposes:

- (a) The acquisition, creation and preservation of open space.
- (b) The acquisition, preservation, rehabilitation and restoration of historic resources. *(As amended by IGR 02-208).*
- (c) The acquisition, creation and preservation of land for recreational use.
- (d) The creation, preservation and support of community housing.
- (e) The rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using monies from the fund. *(As amended by IGR 02-208).*

These purposes are more specifically defined in the act. (See attached glossary). The term "support" would include expenses such as annual payments to the housing authority to preserve or expand the affordable housing supply.

(2) Related Purposes

Fund monies may also be spent for the following related purposes:

- (a) Annual administrative and operating expenses of the Community Preservation Committee. Annual appropriations for these expenses may not exceed five percent of the year's estimated annual Community Preservation Fund revenues. See Section III-A-7-b-(1) below for definition of annual fund revenues.

- (b) Annual principal and interest payments on bonds and notes issued to pay for allowable community preservation purposes.
- (c) Damages payable to property owners for real estate interests taken by the city or town by eminent domain for community preservation purposes.
- (d) Matching funds for state and federal grants for allowable community preservation purposes. Participation in the community preservation program does not affect the eligibility of the city or town to receive funds from any other state grant programs. G.L. Ch. 44B §14.
- (e) Property acquisition-related expenses as follows:
 - (i) Appraisal costs.
 - (ii) Expenses for title searches.
 - (iii) Closing fees.
- (f) Preparation, issuance and marketing costs for bonds or notes for borrowings made for community preservation purposes.

c. Prohibited Expenditures

Fund monies may not be spent to:

- (1) Supplant funds being used for existing community preservation expenses. The fund is a supplementary funding source intended to increase available resources for community preservation acquisitions and initiatives.
- (2) Pay for maintenance of any real or personal property.

7. Annual Commitment of Current Year Revenues

A community may appropriate from the estimated annual revenues of the Community Preservation Fund to finance specific community preservation acquisitions and initiatives. It may also reserve those revenues for future appropriation. Appropriations or reservations for future appropriation may be made from estimated annual fund revenues until the tax rate is set for the fiscal year.

a. Minimum Annual Commitment

Each fiscal year, the legislative body must appropriate or reserve for future appropriation at least 10 percent of the estimated annual fund revenues for acquisitions and initiatives in each of the following three categories of allowable community preservation purposes:

- Open space (excluding recreational uses).
- Historic resources.
- Community housing.

b. Annual Fund Revenues

(1) Definition

Annual fund revenues consist of the estimated receipts from both the surcharge and state trust fund for the fiscal year. For the first fiscal year the surcharge is imposed, annual fund revenues consist of the estimated receipts from the surcharge only.

In estimating the amount of the state trust fund distribution, communities should recognize that it might fluctuate from year to year due to changes in economic conditions and the number of participating communities. See Section III-B below.

(2) Amount Committed

The actual amount available to support appropriations and reserves for new acquisitions and initiatives in any fiscal year will be affected by surcharge collection rates, as well as the amount appropriated to cover Community Preservation Committee administrative expenses and existing debt service or other obligations. To ensure the fund does not incur a revenue shortfall, communities should generally limit total appropriations and reservations to no more than the prior year's actual surcharge and state trust fund receipts.

(3) Revenue Shortfalls

If budgeted expenditures, reservations and annual fund revenues for a fiscal year compare unfavorably to actual amounts, the shortfall must be raised from the next year's annual fund revenues. Abated or uncollectible surcharges are funded by charges to the surcharge receivable of the fiscal year. *(As amended by IGR 01-207).*

8. Other Available Fund Financing Sources

Appropriations for allowable community preservation purposes may also be made from other available sources within the fund at any time during the fiscal year.

a. Community Preservation Fund Reserves - The annual community preservation surcharges and state trust fund distributions earmarked by the legislative body for future appropriation for one of three categories of community preservation purposes. See Section III-A-7-a above. A separate reserve exists within the fund for each category of community preservation purposes and later appropriations from each reserve are restricted to those purposes. The three reserves are:

- Community Preservation Fund Open Space Reserve.
- Community Preservation Fund Historic Resources Reserve.
- Community Preservation Fund Community Housing Reserve.

- b. Community Preservation Fund Balance - The unspent and unencumbered balance as of year end that results from actual collections of (1) annual and miscellaneous fund revenues (except bond proceeds) that exceed expenditures and reservations from estimated annual revenues and (2) actual expenditures and encumbrances that are less than appropriations.

Fund balance may be appropriated as an available financing source during a fiscal year only after the accounting officer closes the municipal accounts for the previous fiscal year and reports that year end balance to the Bureau of Accounts. See Section VII, "Community Preservation Fund Report" (Form CP-2) below. Availability expires on June 30 of the current fiscal year until a new balance is determined and reported. *(Added by IGR 01-207).*

The accounting officer should provide a copy of the annual report to the Community Preservation Committee and other boards or officers with financial responsibilities in order to notify them of the fund balance available for appropriation through the end of the current fiscal year. *(Added by IGR 01-207).*

- c. Community Preservation Fund Excess Bond Proceeds - The unspent and unencumbered balance of proceeds from bonds at the completion or abandonment of a community preservation project for which the debt was issued. Appropriations from this source are restricted. See Section IV-E below.

(See attached sample appropriation votes).

9. Supplemental Appropriations

Appropriations may be made from other municipal funding sources, such as the tax levy, free cash or other available funds, to supplement and carry out community preservation projects. G.L. Ch. 44B §5(d). Those appropriations should be treated as special purpose appropriations, however. Monies may not be appropriated directly into the Community Preservation Fund since it is a revenue fund only.

10. Surcharge Revocation

If a community revokes its acceptance of the Community Preservation Act, all outstanding obligations, including future debt service payments and deficits, that are to be financed from Community Preservation Fund revenues must be identified and a determination made whether there are sufficient uncommitted monies available within the fund to meet those obligations.

If so, the assessment of the surcharge in future fiscal years will cease. The funds needed to pay the remaining obligations should be reserved by the accounting officer and the community should not undertake any new obligations unless they can be funded with remaining unreserved funds or alternatively, with monies from other municipal financing sources.

If not, the surcharge should continue to be assessed until sufficient funds become available to pay the remaining obligations. If the surcharge would generate significantly more revenues than necessary, the community may amend, with prior approval of the Bureau of Accounts, the surcharge to a percentage that will provide the revenues needed to fund the obligations. See Section I-E above for amendment procedure. Again, the community should not undertake new obligations that cannot be funded by community preservation revenues unless it is prepared to use other municipal financing sources.

Appropriations from any fund monies remaining after all obligations have been satisfied are restricted to community preservation purposes.

B. Massachusetts Community Preservation Trust Fund

1. Trust Fund

A Community Preservation Trust Fund is established on the state level for the benefit of cities and towns participating in the community preservation program. G.L. Ch. 44B §9. The state treasurer is the custodian of the fund and is responsible for its investment. All interest and earnings on fund revenues belong to the fund.

Monies distributed from the state trust fund will come primarily from surcharges on fees charged for recording various documents with the Registry of Deeds or Land Court. The trust fund will also be credited with public or private gifts, grants or donations to the state for community preservation purposes and other monies transferred to the fund by the state legislature or otherwise by law.

2. Trust Fund Administration

The Department of Revenue (DOR) is responsible for administering and managing disbursements from the trust fund and certifying those amounts to the state treasurer for payment to participating cities and towns. The trust fund will be charged for administrative and operating expenses incurred by the DOR in an amount not to exceed five percent of annual trust fund revenues.

3. Trust Fund Distributions

On October 15 of each year, distributions will be made from the trust fund to each city or town that imposed a surcharge for the fiscal year that ended on the preceding June 30. The first distributions will be made October 15, 2002 for communities assessing the surcharge beginning in FY2002.

The distribution formula includes up to three distribution rounds. All communities that imposed a surcharge the previous year will receive first round distributions. Only those communities that assessed the maximum three percent surcharge, however, qualify for any second and third round distributions. If less than 10 percent of cities and towns imposed a surcharge the previous year, the DOR may use only one round or other equitable method to calculate the annual distribution amount.

a. Maximum Distribution

The maximum amount a city or town can receive in any year from the trust fund is 100 percent of the total surcharge assessed for the previous fiscal year. This amount must be reported to the DOR annually by September 15. See Section VII below.

b. First Round Match Distribution

All communities that imposed a surcharge the previous year will receive first round match distributions. Eighty percent of the fund balance after administrative expenses will be split among eligible communities. Each community will receive at least 5 percent, but no more than 100 percent, of the total surcharge assessed the previous year.

c. Second Round Equity Distribution

If the monies in the fund are not fully distributed after the first round, second round equity distributions will be made to communities that adopted the maximum three percent surcharge using the following needs based formula:

- (1) Step 1. A *base figure* for the equity distribution is determined by dividing the remaining fund balance by the number of cities and towns receiving match distributions.
- (2) Step 2. A *community preservation (CP) raw score* is determined for each city and town in the commonwealth. Each community is ranked from highest to lowest by equalized valuation per capita and population. The two ranks are added together and divided by two to arrive at the CP raw score for each community.
- (3) Step 3. A *CP rank* is determined for each city and town in the commonwealth by ordering the CP raw scores from lowest to highest. If more than one community has the same raw score, the community with the higher equalized valuation rank receives the higher CP rank.
- (4) Step 4. The cities and towns are divided into *deciles* based on their CP rank. The communities with the highest CP rank are placed in the lowest decile category starting with decile 10.
- (5) Step 5. The *equity distribution amount* for each qualifying city or town is determined by multiplying the Step 1 base figure by the following percentages assigned to the Step 4 decile category of the community.

Decile 1	140% of the base figure
Decile 2	130% of the base figure
Decile 3	120% of the base figure
Decile 4	110% of the base figure
Decile 5	100% of the base figure
Decile 6	90% of the base figure
Decile 7	80% of the base figure
Decile 8	70% of the base figure
Decile 9	60% of the base figure
Decile 10	50% of the base figure

d. Third Round Surplus Distribution

If there are monies still left in the fund, the DOR may also make a third round surplus distribution to communities that adopted the maximum three percent surcharge as follows:

- (1) Step 1. A *base figure* for the surplus distribution is determined by dividing the remaining fund balance by the number of cities and towns receiving match distributions.
- (2) Step 2. The *surplus distribution amount* for each qualifying city or town is determined by multiplying the Step 1 base figure by the same percentage used in the equity distribution for the community.

IV. BORROWING

Cities and towns may issue general obligation bonds or notes to fund community preservation acquisitions and initiatives subject to G.L. Ch. 44, which governs the issuance of municipal debt. G.L. Ch. 44B §11. Although debt issued under this program is general obligation debt, the Community Preservation Act anticipates that it will be repaid from Community Preservation Fund revenues. The act also suggests, but does not mandate, that communities make every effort to limit issuance costs by participating in pooled loan programs and through cost sharing arrangements.

A. Purposes and Terms

Debt authorized under the community preservation program is limited to those purposes and maximum terms found in G.L. Ch. 44 §§7 and 8. For example, a community may borrow to fund acquisitions of land for a community preservation purpose, such as open space, for a term of up to 20 years. G.L. Ch. 44 §7(3). It could not borrow, however, to pay for the painting of, or installing a security fence around, an historic site since those types of expenditures are not a purpose for which borrowing is authorized under G.L. Ch. 44.

B. Temporary and Permanent Borrowing

Communities should initially use temporary debt to finance community preservation acquisitions and initiatives in order to ensure there are no unspent bond proceeds if an acquisition or initiative unexpectedly fails to close for any reason. Bond anticipation notes may be issued for community preservation purposes in the same manner as any other municipal borrowing and may be cost effective in financing smaller acquisitions and initiatives. Permanent debt may be issued before or after completing a community preservation acquisition or initiative. When bonds are issued in advance of community preservation acquisitions or projects, communities should have an inventory of other eligible parcels or projects and should recognize the risk of incurring an Internal Revenue Service arbitrage rebate penalty. If, an arbitrage penalty is incurred, however, it should be paid from the Community Preservation Fund.

C. Amount Borrowed

A community should refrain from borrowing the maximum amount of debt that could be supported by annual fund revenues because collection rates and administrative expenses will reduce the actual amount available for debt service payments.

D. Repayment Terms

Debt service payments may be made on a “level debt service” or “equal principal” basis. A community may also choose to repay community preservation loans using a schedule that provides for a more rapid amortization of principal if supported by annual fund revenues.

E. Excess Bond Proceeds

Appropriations from unspent and unencumbered bond proceeds remaining after a community preservation acquisition or initiative is completed or abandoned are restricted to other community preservation purposes for which the community could borrow for the same or longer term than the original loan was issued.

F. Surcharge Expiration

If a community revokes its acceptance of the Community Preservation Act, the surcharge expires once all obligations incurred, including debt service, that are to be financed from Community Preservation Fund revenues are funded. See Section III-A-10 above.

V. COMMUNITY PRESERVATION PROPERTY

A. Acquisition

A city or town may acquire, or take by eminent domain, interests in real estate for allowable community preservation purposes. A two-thirds vote of its legislative body is required to take the interest by eminent domain. G.L. Ch. 44B §5(e); Ch. 79. All other acquisitions require a majority vote of its legislative body. Real estate interests acquired or taken using monies from the Community Preservation Fund may be located in another Massachusetts city or town. G.L. 44B §6.

B. Ownership and Management

The city or town must own any real property interest acquired or taken with community preservation monies. Management of the properties may be delegated by the legislative body to the conservation commission, historical commission, park commission or housing authority, as appropriate, or to a nonprofit corporation created under G.L. Ch. 180 or nonprofit trust, created under G.L. Ch. 203. Management of properties acquired for future wellhead development may be delegated by the legislative body to a water, water supply or fire district. G.L. Ch. 44B §12(b).

C. Usage Restrictions

Real property interests financed in whole or in part with Community Preservation Fund monies must be bound by a permanent deed restriction that limits the use of the interest to a purpose consistent with the purpose of the acquisition. The restriction must conform to the requirements of G.L. Ch. 184, which governs deed restrictions generally. G.L. Ch. 44B §12(a).

A deed restriction for community preservation purposes runs with the land and may be enforced by the city or town or the Commonwealth. It may also run to the benefit of and be enforced by a nonprofit, charitable corporation or foundation selected by the city or town.

D. Damage

A city or town, or the attorney general upon request of the city or town, may bring a civil action to recover damages, including punitive damages, from, or seek injunctive relief against, persons who knowingly damage or steal any real property acquired by the city or town using community preservation monies. The superior court has jurisdiction in these cases.

E. Disposition

The proceeds obtained from the sale of any real estate interest acquired with monies from the Community Preservation Fund must be credited to the fund.

VI. COMMUNITY PRESERVATION COMMITTEE

A. Establishment

Every city or town that accepts G.L. Ch. 44B §§3-7, must enact a by-law or ordinance establishing a Community Preservation Committee. G.L. Ch. 44B §5. The by-law or ordinance must address, at a minimum, the following:

- The composition of the committee.
- The member selection method by election or appointment.
- The term members will serve.

In order to take advantage of community preservation opportunities, the legislative body should be asked to adopt the by-law or ordinance at the same time it is asked to accept the act and approve the surcharge percentage. Any by-law or ordinance adopted at that time may not take effect, however, until the voters subsequently approve the acceptance referendum question and in towns, all by-law approval procedures under G.L. Ch. 40 §32 have been followed.

B. Membership

The Community Preservation Committee must consist of five to nine members. The members must include a designee from each of the following boards, commissions or authorities:

- The conservation commission (G.L. Ch. 40 §8C).
- The historical commission (G.L. Ch. 40 §8D).
- The planning board (G.L. Ch. 41 §81A).
- The board of park commissioners (G.L. Ch. 45 §2).
- The housing authority (G.L. Ch. 121B §3).

If these municipal agencies do not exist in the community, the by-law or ordinance may designate other members from agencies or persons performing like duties.

C. Action

A quorum of a majority of the entire membership of the Community Preservation Committee must be present for the committee to meet and act. A majority vote of the entire committee membership is needed to take any action.

D. Role

The Community Preservation Committee is responsible for evaluating the community preservation needs of the city or town and making recommendations to the community's legislative body as part of the annual budget process. Its role is analogous to that of a capital planning committee in developing a multi-year capital improvement plan for a community and presenting an annual capital budget to its legislative body.

1. Annual Needs Study

The committee must study the community preservation needs, possibilities and resources of the city or town consulting with various municipal agencies, particularly those represented on the committee. It should then develop a community preservation program and financial plan for the city or town. The program should identify long term and short term goals and needs, set criteria for evaluating proposed acquisitions and initiatives, prioritize projects and estimate their costs. The financial plan should include a multi-year revenue and expenditure forecast and identify the fund or other municipal financing source for each proposed project. The program and financial plan should be reviewed and updated annually to reflect changes in the community's needs, priorities and resources.

The committee must hold at least one public informational hearing as part of the initial study and annual review process. Notice of the annual hearing must be posted at least two weeks before the hearing date. In addition, the committee must publish a hearing notice in a newspaper of general circulation in the community for each of the two weeks before the hearing date.

2. Annual Recommendations and Budget

Each year, the committee must make recommendations to the legislative body for funding community preservation acquisitions and initiatives. The committee may propose appropriations or reservations from fund financing sources for specific projects or categories of projects. These recommendations should be included in an annual community preservation budget presented as part of the community's annual budget process.

The community preservation budget should include the committee's revenue projections for the fiscal year and identify all expenditures the committee proposes funding with Community Preservation Fund financing sources. In addition to appropriations and recommendations for projects or categories of projects, this would include committee administrative and operating expenses, debt service and any other existing or ongoing obligations.

Alternatively, debt service, committee administrative and other expenses to be financed with annual fund revenues may be included in the community's omnibus budget. The community preservation budget should account for the commitment of funds for these expenditures, however.

3. Additional Recommendations

Throughout the year, the committee may make additional recommendations on acquisitions and initiatives to the extent funds are available to support them.

4. Legislative Body Action on Recommendations

The legislative body may make appropriations from or reservations of community preservation funds in the amount recommended by the committee or it may reduce or reject any recommended amount. It may also decide to reserve all or part of the annual revenues recommended for appropriation for specific acquisitions or initiatives for later appropriation by allocating them to the reserve for that category of expenditures instead. For example, annual revenues recommended for a particular open space acquisition may be reserved for future open space purposes. The legislative body may not increase any recommended appropriation or reservation, however. In addition, it may not appropriate or reserve any fund monies on its own initiative without a prior recommendation by the committee.

E. Recordkeeping

The Community Preservation Committee is responsible for maintaining records relating to the use of the Community Preservation Fund. G.L. Ch. 44B §13. These records are subject to disclosure as public records. G.L. Ch. 66 §10.

1. Recommendations

The committee must keep a record of its recommendations to the legislative body and the specific action taken on them.

2. Expenditures

The committee should track all appropriations and expenditures made from the fund. The municipal clerk certifies all appropriation votes and the accounting officer maintains the official financial records of the municipality. The committee should periodically monitor spending from the fund, however, in the same manner as department heads review monthly reports from the accounting officer on the status of their budgets.

3. Property Interests

The committee must maintain an inventory of all real property interests acquired, disposed of or improved by the community after recommendation of the committee. The inventory must contain, at a minimum, the names and addresses of the grantors and grantees, the amount of consideration and all relevant action dates. It should also reference all documents related to acquisitions, dispositions and improvements, such as purchase and sale agreements and deeds.

VII. ANNUAL REPORTING REQUIREMENTS

All community preservation communities must annually submit the following reports:

- A “*Community Preservation Surcharge Report*” (Form CP-1) (Attached) to the Municipal Data Management/Technical Assistance Bureau by September 15. This report details surcharge commitments, abatements and exemptions of the previous fiscal year and is required for a state trust fund distribution to be made to the community. (*As amended by IGR 01-207*).
- A “*Community Preservation Fund Report*” (Form CP-2) (Attached) to the Bureau of Accounts by October 31. This report details all fund activity of the previous fiscal year. A copy must also be submitted to the Executive Office of Environmental Affairs (EOEA).
- A “*Community Preservation Initiatives Report*” (Form CP-3) (Attached) to the EOEA by August 15. This report details acquisitions and other community preservation initiatives of the previous fiscal year.

In addition, all financial activity related to the Community Preservation Fund must be reported in Schedule A. See column "Open Space Acquisition Fund" in the special revenue section, Part V, under other special revenue.

VIII. ACCOUNTING ISSUES

In order to segregate all sources of revenue and expenses associated with the Community Preservation Act program into one fund, all activity should be recorded in a special revenue fund. See Section II-A. Revenues recorded in the Community Preservation Fund, other than revenues from bond and note proceeds, are subject to appropriation. The following is a list of how certain accounting issues should be treated. Accounting entries are also attached. They include budgetary entries and actual entries for recording reservations, commitments, liens and abatements.

- A. The assessors will issue a separate notice of commitment for the community preservation surcharge, which will be recorded by the accounting officer in the Community Preservation Fund.
- B. Collections reported will be recorded directly into the Community Preservation Fund.
- C. Amounts received from the state Massachusetts Community Preservation Trust Fund will be recorded in the Community Preservation Fund.
- D. All expenditures of Community Preservation Funds should be recorded as a direct expenditure in the Community Preservation Fund.
- E. Actual revenues should close to the Community Preservation Fund balance at the end of the year.
- F. Amounts appropriated for administrative and operating expenses of the Community Preservation Committee are considered annual operating expenses and any unspent and unencumbered balance should be closed to the Community Preservation Fund balance at the end of the fiscal year.
- G. The unspent and unencumbered balance of an appropriation for a particular acquisition or initiative should be closed to the Community Preservation Fund financing source from which the appropriation was funded after notice from the Community Preservation Committee that the appropriation purpose has been completed.

- H. Revenue from bond proceeds should be recorded as another financing source directly to the Community Preservation Fund. However, if a project is expected to include improvements that will take place over a period of longer than one year, a capital project fund may be established.
- I. Short-term notes should be recorded as a liability in the Community Preservation Fund.
- J. Amounts appropriated or reserved from estimated annual Community Preservation Fund revenues or from other fund financing sources should be reported on the tax rate recapitulation sheet as an appropriation from Community Preservation Funds on page 4. A new form, Schedule A-4 (preliminary form attached), must be submitted with the recapitulation to document fund revenues and appropriations.
- K. Revenue deficits in the Community Preservation Fund that result from a fiscal year's operations (actual revenues, expenditures and reservations) comparing unfavorably to the approved budget (budgeted revenues, appropriations and reservations) for the year must be reported on the new Schedule A-4 submitted with the tax rate recapitulation and raised from the current year's annual fund revenues.
- L. If acceptance of the Community Preservation Act is revoked, any unspent and unencumbered Community Preservation Fund revenues and available funds at that time must be reserved for the payment of existing obligations, including future debt service and deficits.

GLOSSARY OF COMMUNITY PRESERVATION ACT DEFINITIONS

G.L. Ch. 44B §2

"*Acquire*", obtain by gift, purchase, devise, grant, rental, rental purchase, lease or otherwise. "*Acquire*" shall not include a taking by eminent domain, except as provided in this chapter.

"*Annual income*", a family's or person's gross annual income less such reasonable allowances for dependents, other than a spouse, and for medical expenses as the housing authority or, in the event that there is no housing authority, the department of housing and community development, determines.

"*Community housing*", low and moderate income housing for individuals and families, including low or moderate income senior housing.

"*Community preservation*", the acquisition, creation and preservation of open space, the acquisition, creation and preservation of historic resources and the creation and preservation of community housing. (*As amended by IGR 02-208*).

"*Community preservation committee*", the committee established by the legislative body of a city or town to make recommendations for community preservation, as provided in section 5.

"*Community Preservation Fund*", the municipal fund established under section 7.

"*CP*", community preservation.

"*Historic resources*", a building, structure, vessel or real property that is listed or eligible for listing on the state register of historic places or has been determined by the local historic preservation commission to be significant in the history, archeology, architecture or culture of a city or town. (*As amended by IGR 02-208*).

"*Legislative body*", the agency of municipal government which is empowered to enact ordinances or by-laws, adopt an annual budget and other spending authorizations, loan orders, bond authorizations and other financial matters and whether styled as a city council, board of aldermen, town council, town meeting or by any other title.

"*Low income housing*", housing for those persons and families whose annual income is less than 80 per cent of the area-wide median income. The area-wide median income shall be the area-wide median income as determined by the United States Department of Housing and Urban Development.

"*Low or moderate income senior housing*", housing for those persons having reached the age of 60 or over who would qualify for low or moderate income housing.

"*Maintenance*", the upkeep of real or personal property.

"*Moderate income housing*", housing for those persons and families whose annual income is less than 100 per cent of the area-wide median income. The area-wide median income shall be the area-wide median income as determined by the United States Department of Housing and Urban Development.

"*Open space*", shall include, but not be limited to, land to protect existing and future well fields, aquifers and recharge areas, watershed land, agricultural land, grasslands, fields, forest land, fresh and salt water marshes and other wetlands, ocean, river, stream, lake and pond frontage, beaches, dunes and other coastal lands, lands to protect scenic vistas, land for wildlife or nature preserve and land for recreational use.

"*Preservation*", protection of personal or real property from injury, harm or destruction, but not including maintenance.

"*Real property*", land, buildings, appurtenant structures and fixtures attached to buildings or land, including, where applicable, real property interests.

"*Real property interest*", a present or future legal or equitable interest in or to real property, including easements and restrictions, and any beneficial interest therein, including the interest of a beneficiary in a trust which holds a legal or equitable interest in real property, but shall not include an interest which is limited to the following: an estate at will or at sufferance and any estate for years having a term of less than 30 years; the reversionary right, condition or right of entry for condition broken; the interest of a mortgagee or other secured party in a mortgage or security agreement.

"*Recreational use*", active or passive recreational use including, but not limited to, the use of land for community gardens, trails, and noncommercial youth and adult sports, and the use of land as a park, playground or athletic field. "*Recreational use*" shall not include horse or dog racing or the use of land for a stadium, gymnasium or similar structure.

"*Rehabilitation*", the remodeling, reconstruction and making of extraordinary repairs to historic resources, open spaces, lands for recreational use and community housing for the purpose of making such historic resources, open spaces, lands for recreational use and community housing functional for their intended use, including but not limited to improvements to comply with the Americans with Disabilities Act and other federal, state or local building or access codes. With respect to historic resources, rehabilitation shall have the additional meaning of work to comply with the Standards for Rehabilitation stated in the United States Secretary of Interior's Standards for the Treatment of Historic Properties codified in 36 C.F.R. Part 68. (*Added by IGR 02-208*).

SAMPLE COMMUNITY PRESERVATION ACCEPTANCE VOTE

ARTICLE: To see if the town will vote to accept General Laws Chapter 44B §§3-7, known as the Community Preservation Act, which establishes a special “Community Preservation Fund” that may be appropriated and spent for certain open space, historic resources and affordable housing purposes, to approve a property tax surcharge in an amount not to exceed three per cent of the taxes assessed annually on real property which shall be dedicated to the fund, such surcharge to be imposed on taxes assessed for fiscal years beginning on or after July 1, _____, and to exempt from the surcharge any or all of the following: (1) property owned and occupied as a domicile by a person who would qualify for low income housing or low or moderate income senior housing in the community; (2) Class Three, Commercial, and Class Four, Industrial, property in any year the town adopts a higher tax rate for those classes; or (3) \$100,000 of the assessed valuation of Class One, Residential, parcels, or take any other action relative thereto.

MOTION: I move that the town vote to accept General Laws Chapter 44B §§3-7, known as the Community Preservation Act, which establishes a special “Community Preservation Fund” that may be appropriated and spent for certain open space, historic resources and affordable housing purposes and to approve a property tax surcharge that shall be in the amount of ___ per cent of the taxes assessed annually on real property and shall be dedicated to the fund, such surcharge to be imposed on taxes assessed for fiscal years beginning on or after July 1, _____, [and to exempt from the surcharge the following: insert applicable exemptions, if any].

**TO RECEIVE DISTRIBUTIONS FROM STATE TRUST FUND, ACCEPTANCE
MUST BE REPORTED NOT LATER THAN SEPTEMBER 15 OF THE FISCAL YEAR
FOLLOWING THE CLOSE OF THE FISCAL YEAR SURCHARGE FIRST
ASSESSED**

(City/Town)

**NOTIFICATION OF ACCEPTANCE
General Laws Chapter 44B §§3-7
(Community Preservation Fund)**

The Commissioner of Revenue is hereby notified that the City/Town of _____, by action of its legislative body on _____, _____, and referendum on _____, _____, has accepted Sections 3 through 7 of General Laws Chapter 44B, and will assess a _____ % surcharge on real property taxes beginning in fiscal year _____.

(City/Town Clerk)

(Date)

PLEASE ATTACH A CERTIFIED COPY OF EACH VOTE AND SUBMIT TO:

**Municipal Data Management/Technical Assistance Bureau
Division of Local Services
P.O. Box 9569
Boston MA 02114-9569**

**COMMUNITY PRESERVATION SURCHARGE
LOW/MODERATE INCOME EXEMPTION
Exemption Eligibility Requirements**

1. Applicant must own the property as of January 1.

May be (1) sole owner, (2) co-owner, (3) life tenant or (4) trustee with sufficient beneficial interest in property under terms of trust.

2. Applicant must occupy the property as domicile as of January 1.

3. Applicant and each co-owner must have household income for the calendar year before January 1 at or below the limit for that owner's household type and number (over for formula).

For property subject to trust, each co-trustee must meet income standard.

Calculation of Each Owner's Household Income

1. Household Annual Gross Income from all sources.

- Includes wages, salaries and bonuses, public and private pensions, retirement income, Social Security, alimony, child support, interest and dividend income, net income from business, public assistance, disability and unemployment insurance, regular contributions/gifts from party outside the household.
- Includes income of all household members who were 18 or older and not full time students during calendar year.

2. Deduct Dependents Allowance.

- Number dependents on January 1 (not spouse) x \$ DCHD allowance.*

3. Deduct Medical Expenses Exclusion.

- Total out of pocket medical expenses of all household members for calendar year exceeding 3% of household annual gross income (from line 1 above).
- Out of pocket medical expenses include health insurance premiums, payments to doctors, hospitals and other health care providers, diagnostic tests, prescription drugs, medical equipment or other expenses not paid or reimbursed by employers, public/private insurers or other third parties.

4. Equals Household Annual Income for CPA Exemption.

- Cannot exceed *Annual Income Limit for Household Type and Size*.

* Currently \$300. Available from 760 Code of Massachusetts Regulations 6.05(4) at www.state.ma.us/dhcd/regulations. Click on Index of Effective DHCD Regulations. [Updated web site reference 9/2002].

**COMMUNITY PRESERVATION SURCHARGE
LOW/MODERATE INCOME EXEMPTION**

Annual Income Limit by Household Type and Size

US HUD AWMI = Area wide median income** issued by HUD in March before FY begins
Round all calculations to nearest \$50.00

Household Type: Property owned by senior (60 or older)

Household Size	Annual Income Limit
1	$(1.00 \times \text{US HUD AWMI}) \times .70$
2	$(1.00 \times \text{US HUD AWMI}) \times .80$
3	$(1.00 \times \text{US HUD AWMI}) \times .90$
4	$(1.00 \times \text{US HUD AWMI})$
5	$(1.00 \times \text{US HUD AWMI}) \times 1.08$
6	$(1.00 \times \text{US HUD AWMI}) \times 1.16$
7	$(1.00 \times \text{US HUD AWMI}) \times 1.24$
8	$(1.00 \times \text{US HUD AWMI}) \times 1.32$

Household Type: Property owned by non-senior (under 60)

Household Size	Annual Income Limit
1	$(.80 \times \text{US HUD AWMI}) \times .70$
2	$(.80 \times \text{US HUD AWMI}) \times .80$
3	$(.80 \times \text{US HUD AWMI}) \times .90$
4	$(.80 \times \text{US HUD AWMI})$
5	$(.80 \times \text{US HUD AWMI}) \times 1.08$
6	$(.80 \times \text{US HUD AWMI}) \times 1.16$
7	$(.80 \times \text{US HUD AWMI}) \times 1.24$
8	$(.80 \times \text{US HUD AWMI}) \times 1.32$

** Available at www.huduser.org. Click Data Sets under Topics (left column). Click Income Limits under View Data Sets by Topic (right column).

Assessors' Use only
Date Received
Application No.
Parcel Id.

Name of City or Town

LOW INCOME PERSONS - LOW OR MODERATE INCOME SENIORS
FISCAL YEAR _____ APPLICATION FOR COMMUNITY PRESERVATION ACT EXEMPTION
General Laws Chapter 44B

Return to: Board of Assessors

INSTRUCTIONS: Complete all sections. Please print or type.

A. IDENTIFICATION. Complete this section fully.

Name of Applicant _____	Telephone Number _____
Social Security No. _____	Marital Status _____
Were you 60 years or older on January 1, _____? Yes <input type="checkbox"/> No <input type="checkbox"/>	
<i>If yes and first year of application, please attach copy of birth certificate.</i>	
Legal residence (domicile) on January 1, _____	
_____	No. Street City/Town Zip Code
Mailing address (if different) _____	No. Street City/Town Zip Code
Location of property: _____	No. of dwelling units: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> Other _____
Did you own the property on January 1, _____? Yes <input type="checkbox"/> No <input type="checkbox"/>	
<i>If yes, were you:</i> Sole owner <input type="checkbox"/> Co-owner with spouse only <input type="checkbox"/> Co-owner with others <input type="checkbox"/>	
Was the property subject to a trust as of January 1, _____? Yes <input type="checkbox"/> No <input type="checkbox"/>	
<i>If yes, please attach trust instrument including all schedules.</i>	
Have you been granted any exemption in any other city or town for this fiscal year? Yes <input type="checkbox"/> No <input type="checkbox"/>	
<i>If yes, name of city or town _____ Type of exemption _____</i>	

B. SIGNATURE. Sign here to complete the application.

This application has been prepared or examined by me. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief, the application and all accompanying documents and statements are true, correct and complete.

Signature Date

If signed by agent, attach copy of written authorization to sign on behalf of taxpayer.

YOU MUST ALSO COMPLETE SCHEDULES C - F ON FOLLOWING PAGES

FILING THIS APPLICATION DOES NOT STAY THE COLLECTION OF YOUR SURCHARGE.
 TO AVOID INTEREST AND COLLECTION CHARGES, YOU MUST PAY SURCHARGE AS BILLED BY DUE DATE.
 IF EXEMPTION IS GRANTED AND SURCHARGE IS PAID IN FULL, REFUND WILL BE MADE.

C. HOUSEHOLD MEMBERS. List all members of your household on January 1 and provide requested information. Please list any members who are 18 and older and not full time students last.

Full Name (First, Middle, Last)	Relationship to Applicant	Date of Birth	Occupation or School Grade	Social Security No. (for verification)
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____

Continue list on attachment, in same format, as necessary.

D. HOUSEHOLD OUT OF POCKET MEDICAL EXPENSES DURING PRECEDING CALENDAR YEAR. List total medical expenses incurred by all household members during calendar year before January 1 that were not paid by or reimbursed by employer, public or private health insurance or other third party. Includes amounts paid in health insurance premiums, co-payments, deductibles and other out of pocket expenses. Documentation may be requested to verify expenses claimed.

TYPE OF EXPENSE	Total Out of Pocket for Preceding Calendar Year
Health insurance premiums	\$ _____
Doctors	\$ _____
Hospitals	\$ _____
Diagnostic tests	\$ _____
Prescription drugs	\$ _____
Medical equipment	\$ _____
Other	\$ _____
TOTAL OUT OF POCKET	\$ _____

E. HOUSEHOLD GROSS INCOME DURING PRECEDING CALENDAR YEAR. List income received from all sources for each member of household 18 and older and not full time student during calendar before January 1. Please list members in same order as shown in Schedule B above. Copies of federal and state income tax returns may be requested to verify income reported for each household member.

TYPE OF INCOME	Applicant Name	Member 1 Name	Member 2 Name	Member 3 Name
Wages, salaries, other compensation	\$	\$	\$	\$
Social Security				
Other pension/retirement benefits				
Interest/dividends				
Rental income				
Net profits from business or profession				
Capital gains				
Alimony				
Child support				
Public assistance				
Unemployment compensation				
Disability compensation				
Other (specify):				
TOTAL GROSS INCOME - MEMBERS	\$	\$	\$	\$
TOTAL GROSS INCOME - HOUSEHOLD				\$

Continue list on attachment, in same format, as necessary.

F. CO-OWNERS' HOUSEHOLD GROSS INCOME DURING PRECEDING CALENDAR YEAR.

Does Schedule E above include the gross income of all co-owners of the property as of January 1, ____? Yes No

If no, a Schedule B, C and E must be attached for each co-owner not included.

DISPOSITION OF APPLICATION (ASSESSORS' USE ONLY)

Age
Ownership
Occupancy

Applicant's Gross Income

\$ _____

Dependent Deduction

\$ _____

Medical Deduction

\$ _____

Applicant's CPA Income

\$ _____

Co-owner 1 Gross Income

\$ _____

Dependent Deduction

\$ _____

Medical Deduction

\$ _____

Co-owner 1 CPA Income

\$ _____

Co-owner 2 Gross Income

\$ _____

Dependent Deduction

\$ _____

Medical Deduction

\$ _____

Co-owner 2 CPA Income

\$ _____

GRANTED

DENIED

Assessed surcharge

\$ _____

Exempted surcharge

\$ _____

Adjusted surcharge

\$ _____

BOARD OF ASSESSORS

Date voted

Certificate number

Date certificate/Notice sent

Date:

SAMPLE APPROPRIATION VOTES

ANNUAL COMMUNITY PRESERVATION PROGRAM BUDGET

ARTICLE: TO ACT ON THE REPORT OF THE COMMUNITY PRESERVATION COMMITTEE ON THE FISCAL YEAR 2002 COMMUNITY PRESERVATION BUDGET AND TO APPROPRIATE OR RESERVE FOR LATER APPROPRIATION MONIES FROM COMMUNITY PRESERVATION FUND ANNUAL REVENUES OR AVAILABLE FUNDS FOR THE ADMINISTRATIVE EXPENSES OF THE COMMUNITY PRESERVATION COMMITTEE, THE PAYMENT OF DEBT SERVICE, THE UNDERTAKING OF COMMUNITY PRESERVATION PROJECTS AND ALL OTHER NECESSARY AND PROPER EXPENSES FOR THE YEAR, OR TAKE ANY OTHER ACTION RELATIVE THERETO.

MOTION: I move that the town vote to appropriate or reserve from Community Preservation Fund annual revenues or available funds the amounts recommended by the Community Preservation Committee for committee administrative expenses, debt service, community preservation projects and other expenses in Fiscal Year 2002, with each item to be considered a separate appropriation.

PROPOSED FISCAL YEAR 2002 COMMUNITY PRESERVATION BUDGET

THE COMMUNITY PRESERVATION COMMITTEE RECOMMENDS THAT THE FOLLOWING AMOUNTS BE APPROPRIATED OR RESERVED FROM FISCAL YEAR 2002 COMMUNITY PRESERVATION FUND REVENUES, UNLESS OTHERWISE SPECIFIED, FOR FISCAL YEAR 2002 COMMUNITY PRESERVATION PURPOSES WITH EACH ITEM CONSIDERED A SEPARATE APPROPRIATION:

<u>PURPOSE</u>	<u>RECOMMENDED AMOUNT</u>	<u>FUNDING SOURCE</u> (if other than FY02 annual fund revenues)
Appropriations		

Reserves		
Open Space		
Historic Resources		
Community Housing		

SAMPLE VOTES FROM COMMUNITY PRESERVATION FUND FINANCING SOURCES

A COMMUNITY MAY CHOOSE TO INCLUDE DEBT SERVICE, COMMUNITY PRESERVATION COMMITTEE AND OTHER EXPENSES TO BE FUNDED FROM COMMUNITY PRESERVATION FUND FINANCING SOURCES IN ITS OMNIBUS BUDGET RATHER THAN IN THE COMMUNITY PRESERVATION BUDGET. IT MAY ALSO MAKE SEPARATE SPECIAL PURPOSE APPROPRIATIONS FROM FUND FINANCING SOURCES DURING THE YEAR. VOTES FROM FUND SOURCES SHOULD BE MADE AS FOLLOWS:

<u>SOURCE</u>	<u>VOTE</u>
Annual revenues	<ul style="list-style-type: none">• To appropriate \$10,000 from FY2002 Community Preservation Fund revenues for _____.• To reserve \$100,000 from FY2002 Community Preservation Fund revenues for Open Space.
Reserves	<ul style="list-style-type: none">• To appropriate \$75,000 from Community Preservation Fund Open Space Reserve to _____.
Fund Balance	<ul style="list-style-type: none">• To appropriate \$75,000 from Community Preservation Fund balance to _____.
Excess Bond Proceeds	<ul style="list-style-type: none">• To appropriate \$10,000 from Community Preservation – Parcel X Land Acquisition Loan balance to _____.

SAMPLE COMMUNITY PRESERVATION PROGRAM BORROWING AUTHORIZATION

ARTICLE: TO SEE IF THE TOWN WILL APPROPRIATE A SUM OF MONEY BY BORROWING TO ACQUIRE A PARCEL OF LAND DESCRIBED AS ASSESSORS MAP 30 LOT 125 CONSISTING OF APPROXIMATELY 25.2 ACRES FOR OPEN SPACE PURPOSES UNDER THE COMMUNITY PRESERVATION PROGRAM AND TO AUTHORIZE THE TREASURER, WITH THE APPROVAL OF THE SELECTMEN, TO ISSUE ANY BONDS OR NOTES THAT MAY BE NECESSARY FOR THAT PURPOSE, OR TAKE ANY OTHER ACTION RELATIVE THERETO.

MOTION: I move that the town appropriate and borrow \$1,000,000 for the acquisition of a parcel of land described as Assessors Map 30 Lot 125 consisting of approximately 25.2 acres for open space purposes under the Community Preservation Program and authorize the treasurer with the approval of the selectmen, to issue any bonds or notes that may be necessary for that purpose, as authorized by General Laws Chapter 44B §11, or any other general or special law, for a period not to exceed 20 years.

Return by September 15 to:

Municipal Data Management/Technical Assistance Bureau
Division of Local Services
P.O. Box 9569
Boston MA 02114-9569

COMMUNITY PRESERVATION SURCHARGE REPORT

City/Town of _____
Fiscal Year Ended June 30, _____
Surcharge % _____

Total Surcharge Committed to Collector for FY	\$ _____
<u>Less</u> Surcharge Abatements/Exemptions	_____
Net Surcharge Raised for FY	\$ _____

Completed by:

Date

Date

Date

Board of Assessors

Date

Accounting Officer

Return by October 31 to both:

**Bureau of Accounts
Division of Local Services
P.O. Box 9569
Boston MA 02114-9569**

**Director of Massachusetts GIS
Executive Office of Environmental Affairs
Suite 900 - 251 Causeway Street
Boston MA 02114**

COMMUNITY PRESERVATION FUND REPORT

City/Town of _____
Fiscal Year Ended June 30, _____
Surcharge % _____

1. Total fund balance from previous report \$ _____

New Revenues

2. Proceeds from bonds and notes _____
3. Collections from community preservation surcharge _____
4. Distributions from state trust fund _____
5. Earnings on investments _____
6. Gifts, grants, donations _____
7. Other _____
Subtotal \$ _____

Fund Uses

8. Appropriations \$ _____
 Open space _____
 Historic resources _____
 Community housing _____
9. Reservations _____
 Open space _____
 Historic resources _____
 Community housing _____
10. Debt service _____
 Open space _____
 Historic resources _____
 Community housing _____
11. Administrative expenses _____
12. Other _____
Subtotal \$ _____

Total Fund balance June 30, _____ (Detail on reverse side) \$ _____

- | | | |
|----|--|-----------------|
| 1. | Open Space Reserve balance from previous report | \$ _____ |
| | Reservations added | _____ |
| | Appropriations made | _____ |
| | Open Space Reserve balance June 30, _____ | \$ _____ |
| | | |
| 2. | Historic Resources Reserve balance from previous report | \$ _____ |
| | Reservations added | _____ |
| | Appropriations made | _____ |
| | Historic Resources Reserve balance June 30, _____ | \$ _____ |
| | | |
| 3. | Community Housing Reserve balance from previous report | \$ _____ |
| | Reservations added | _____ |
| | Appropriations made | _____ |
| | Community Housing Reserve balance June 30, _____ | \$ _____ |
| | | |
| 4. | Community Preservation Fund balance from previous report | \$ _____ |
| | Surplus revenues and unspent appropriations closed | _____ |
| | Appropriations made | _____ |
| | Community Preservation Fund balance June 30, _____ | \$ _____ |
| | | |
| 5. | Total Fund Balance June 30, _____ | \$ _____ |

Completed by:

Accounting Officer

Date

Return by August 15 to:

**Director of Massachusetts GIS
Executive Office of Environmental Affairs
Suite 900 - 251 Causeway Street
Boston MA 02114**

COMMUNITY PRESERVATION INITIATIVES REPORT

**City/Town of _____
Fiscal Year Ended June 30, _____**

Open Space	Acreage Acquired	_____
Historic Resources	Sites Acquired	_____
	Acreage Acquired	_____
Community Housing	Units Created	_____

Completed by:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Community Preservation Committee Members

Date

SAMPLE ACCOUNTING ENTRIES

1. The legislative body appropriates the following amounts from *estimated revenues*:

\$300,000	For open space acquisitions
60,000	For open space reserve
60,000	For historic resources reserve
60,000	For community housing reserve
20,000	For committee operating expenses

In addition, \$100,000 was appropriated from *the Historic Resources Reserve Fund Balance* for the acquisition of an historic site.

Accounting entries 1a, 1b, 1c, 1d and 1e are recorded in the Community Preservation Special Revenue Fund. Budgetary entries (1a, 1b and 1c) are illustrated in uppercase to distinguish them from actual entries (1d and 1e).

- 1a. To record estimated revenues budgeted.

ESTIMATED REVENUE	\$ 500,000	
BUDGETARY CONTROL		\$ 500,000

Subsidiary Ledger

COMMUNITY PRESERVATION SURCHARGE	\$ 500,000	
SUBSIDIARY REVENUE CONTROL		\$ 500,000

- 1b. To record amounts appropriated from estimated revenues.

BUDGETARY CONTROL	\$ 500,000	
APPROPRIATIONS		\$ 500,000

Subsidiary Ledger

SUBSIDIARY APPROPRIATION CONTROL	\$ 500,000	
OPEN SPACE LAND AQUISITION		\$ 300,000
RESERVE FOR OPEN SPACE		\$ 60,000
RESERVE FOR HISTORIC RESOURCES		\$ 60,000
RESERVE FOR COMMUNITY HOUSING		\$ 60,000
OPERATING EXPENSES		\$ 20,000

1c. To record amounts appropriated from Historic Resources Reserve fund balance.

BUDGETARY FUND BALANCE	\$ 100,000	
APPROPRIATION		\$ 100,000
Subsidiary Ledger		
SUBSIDIARY APPROPRIATION CONTROL	\$ 100,000	
HISTORIC SITE AQUISITION		\$ 100,000

1d. Actual entry to record amounts appropriated to fund balance reserves.

Unreserved, undesignated Community Preservation Fund Balances	\$ 180,000	
Fund balance reserved for open space		\$ 60,000
Fund balance reserved for historic resources		\$ 60,000
Fund balance reserved for community housing		\$ 60,000

1e. Actual entry to record appropriation from fund balance reserved for historic resource.

Fund balance reserved for historic resources	\$ 100,000	
Fund balance reserved for expenditures		\$ 100,000

2. The assessors forward a notice of commitment for FY2002 to the accounting officer showing a committed real estate tax of \$2,000 and community preservation surcharge of \$60.

<u>General Fund</u>		
Real estate tax receivable 2002	\$ 2000.	
Deferred revenue property tax		\$ 2000.
<u>Other Special Revenue Fund</u>		
Community preservation surcharge receivable 2002	\$ 60.	
Deferred revenue community preservation		\$ 60.

3. The taxpayer pays the full amount of the bill for \$2,060.

General Fund

Cash	\$ 2000.	
Real estate tax receivable 2002		\$ 2000.

Deferred revenue property tax	\$ 2000.	
Revenue		\$ 2000.

Other Special Revenue Fund

Cash	\$ 60.	
Community preservation surcharge receivable 2002		\$ 60.

Deferred revenue community preservation	\$ 60.	
Revenue		\$ 60.

4. The taxpayer pays the entire bill of \$2,060 and applies for an abatement. The assessors grant an abatement of \$500 in the real estate tax and \$15 in the community preservation surcharge.

General Fund

Overlay 2002	\$ 500.	
Real estate tax receivable 2002		\$ 500.

Other Special Revenue Fund

<i>Deferred revenue community preservation</i>	\$ 15.	
<i>Community preservation surcharge receivable 2002</i>		\$ 15.

5. The collector issues a refund for \$500 for the real estate tax and \$15 for the community preservation surcharge.

General Fund

Real estate tax receivable 2002	\$ 500.	
Cash		\$ 500.

Revenue	\$ 500.	
Deferred revenue property tax		\$ 500.

Other Special Revenue Fund

<i>Community preservation surcharge receivable 2002</i>	\$ 15.	
<i>Cash</i>		\$ 15.

<i>Revenue</i>	\$ 15.	
<i>Deferred revenue community preservation</i>		\$ 15.

**BUREAU OF ACCOUNTS
SCHEDULE A-4*
COMMUNITY PRESERVATION FUND CH. 44B**

City or town

	(a) FY2001 Actual Revenues	(b) FY2002 Estimated Revenues
1. Annual revenues and available funds		
Surcharge	\$ _____	\$ _____ *
State trust fund distribution	_____	_____ *
Total annual revenues	\$ _____	\$ _____ *
Fund Reserves	_____	_____
Fund Balance	_____	_____
Other _____	_____	_____
TOTAL Revenues and Available Funds	\$ _____	\$ _____

To Recap page 2

* Written documentation should be submitted to support increases/decreases of estimated revenues to actual revenues.

I hereby certify that the amount of fund reserves, fund balance and other available funds reported in Part 1 column (b) correctly reflects the votes of town meeting/city council.

Clerk

Date

I hereby certify that the actual revenues as shown in Part 1 column (a) are to the best of my knowledge correct and complete.

Accounting Officer

Date

We hereby attest that the revenues itemized above have not been used as a revenue source elsewhere in the Tax Rate or Pro Forma recap.

Board of Assessors

Date

SCHEDULE A-4

City or town _____

2. Appropriations and Reservations

a. Appropriations

Administrative expenses \$ _____

Debt service _____

Acquisitions and projects _____

Other _____

Total Appropriations \$ _____

b. Reservations

Open Space \$ _____

Historic Resources _____

Community Housing _____

Total Reservations \$ _____

TOTAL Appropriations and Reservations \$ _____

To Recap page 4 **Part 2**

3. Prior Year Deficit \$ _____

To Recap page 2 **Part 3**

4. Community Preservation Fund Recap

Total Appropriations and Reservations \$ _____ **From Part 2**

Add: Prior year deficit _____ **From Part 3**

Total Revenues and Available Funds \$ _____ **Must Equal Part 1 Column b**

