

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
STATE HOUSE, ROOM 213A, BOSTON 02133

FYI

SENATOR JAMES B. ELDRIDGE
MIDDLESEX & WORCESTER DISTRICT

TEL: (617) 722-1120
FAX: (617) 722-1089
James.Eldridge@state.ma.us
www.SenatorEldridge.com

DISTRICT OFFICE
255 MAIN STREET, WALKER BUILDING, ROOM 106
MARLBOROUGH, MA 01752
TEL: (508) 786-3040

COMMITTEES:
CHAIR, MUNICIPALITIES & REGIONAL GOVERNMENT

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COMMUNITY DEVELOPMENT & SMALL BUSINESS
HOUSING
ELDER AFFAIRS

October 18, 2010

Community Preservation Committee
c/o Walter Foster
472 Main Street
Acton, MA 01720

Dear Acton Community Preservation Committee,

As you undoubtedly know, the formal Legislative Session on Beacon Hill drew to a close at midnight on July 31, 2010. I wanted to take this opportunity to report to you on the status of legislation relative to the Community Preservation Act.

Unfortunately, Senate Bill 90, Senator Creem's legislation to update and strengthen the Community Preservation Act, was not enacted this Session.

This bill presented a number of technical corrections to the CPA, as well as proposing several major changes to the Act.

- First, the bill proposed to increase the annual minimum CPA trust fund match to 75%. From 2001 to 2007, each CPA community received a 100% match of its locally raised property tax revenue, but by 2008, the match rate dropped to 67%, due largely to the popularity of the program and the fact that the state share is based on real estate transactions at the Registry of Deeds.
- Second, the bill would have allowed communities that have not yet adopted CPA to participate through by combining a traditional property tax surcharge with other local revenue. It is hoped that such a combination revenue source would encourage more CPA adoption in urban communities.
- Third, the bill made some important clarifications to the allowable uses for CPA funds and would have allowed communities to use CPA funds to rehabilitate existing outdoor parks and other recreational resources that were not acquired using CPA

- funds. CPA funds still cannot be used for maintenance purposes and this was left unchanged.
- Fourth, the bill would have added a new optional commercial exemption for the first \$100,000 of property value for commercial and industrial properties.
- Finally, as reported out of committee, the bill also included language that I proposed in Senate Bill 634 to clarify that CPA funds could be used by municipalities to pay for direct rental assistance and down payment assistance to qualified individuals and families.

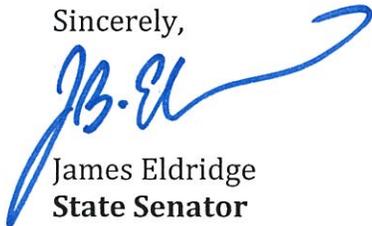
The bill did make some progress this Session. Senate Bill 90 was given a favorable report in November of 2009 by the Joint Committee on Community Development and Small Business. As a strong supporter of S90 and a member of that Committee I worked hard to ensure that this bill was given a favorable report.

The bill was then sent to House Ways and Means, where it lingered for most of the rest of Session. While it was disappointing that the bill did not come out of the Committee in time for action by the full Legislature, it was encouraging that in the last days of Session, the House Ways and Means Committee finally gave the bill its blessing in a favorable report on July 30.

As the CPA coalition reported: "Movement out of Ways and Means signals that the bill has strong support in the House, evidenced by the many contacts made by CPA supporters' state representatives to House leadership."

I will be working again next Session to see the bill move forward, and urge supporters of changes to the Community Preservation Act to contact their legislators to express their support. Please do not hesitate to contact my office if you have questions on the CPA or any other matter.

Sincerely,



James Eldridge
State Senator
Middlesex and Worcester District

cc: Board of Selectmen