HOUSE No. 765

The Commonwealth of Massachusetts

PRESENTED BY:

Stephen Kulik

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

AN ACT to sustain community preservation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Stephen Kulik	1st Franklin	6/2/2011
Jennifer E. Benson	37th Middlesex	1/19/2011
Garrett J. Bradley	3rd Plymouth	1/26/2011
William N. Brownsberger		1/20/2011
Linda Campbell	15th Essex	1/24/2011
Cynthia S. Creem		1/20/2011
Viriato Manuel deMacedo	1st Plymouth	1/19/2011
Bradford Hill	4th Essex	1/20/2011
Jay R. Kaufman	15th Middlesex	1/21/2011
Peter V. Kocot	1st Hampshire	1/19/2011
Peter J. Koutoujian	10th Middlesex	1/21/2011
Timothy R. Madden	Barnstable, Dukes and Nantucket	1/24/2011
Angelo J. Puppolo, Jr.	12th Hampden	1/22/2011
Tom Sannicandro	7th Middlesex	1/25/2011
Paul A. Schmid, III	8th Bristol	1/20/2011
Thomas M. Stanley	9th Middlesex	1/25/2011
William M. Straus	10th Bristol	1/20/2011
Cleon H. Turner	1st Barnstable	1/19/2011

Daniel B. Winslow	9th Norfolk	1/26/2011
Christine E. Canavan	10th Plymouth	1/28/2011
Susan Williams Gifford	2nd Plymouth	1/26/2011
Kay Khan	11th Middlesex	1/26/2011
Jason M. Lewis	31st Middlesex	1/27/2011
David Paul Linsky	5th Middlesex	1/27/2011
Sarah K. Peake	4th Barnstable	1/28/2011
George N. Peterson, Jr.	9th Worcester	1/26/2011
John W. Scibak	2nd Hampshire	1/27/2011
David T. Vieira	3rd Barnstable	1/28/2011
Denise Andrews	2nd Franklin	2/3/2011
James Arciero	2nd Middlesex	2/3/2011
Brian M. Ashe	2nd Hampden	2/4/2011
Cory Atkins	14th Middlesex	1/28/2011
Bruce J. Ayers	1st Norfolk	2/3/2011
Ruth B. Balser	12th Middlesex	2/1/2011
Carlo Basile	1st Suffolk	2/3/2011
Nicholas A. Boldyga	3rd Hampden	2/3/2011
Thomas J. Calter	12th Plymouth	2/3/2011
Stephen R. Canessa	12th Bristol	2/2/2011
Gailanne M. Cariddi	1st Berkshire	2/3/2011
Harriette L. Chandler		1/31/2011
Thomas P. Conroy	13th Middlesex	2/2/2011
Geraldine M. Creedon	11th Plymouth	2/3/2011
Mark J. Cusack	5th Norfolk	2/3/2011
Angelo L. D'Emilia	8th Plymouth	2/4/2011
Carolyn C. Dykema	8th Middlesex	2/3/2011
Lori A. Ehrlich	8th Essex	1/31/2011
James B. Eldridge		2/2/2011
Susan C. Fargo		2/1/2011
Kimberly N. Ferguson	1st Worcester	2/4/2011
John V. Fernandes	10th Worcester	2/3/2011
Ann-Margaret Ferrante	5th Essex	2/3/2011
Barry R. Finegold		2/4/2011
Michael J. Finn	6th Hampden	2/1/2011
Linda Dorcena Forry	12th Suffolk	1/31/2011
Gloria L. Fox	7th Suffolk	2/3/2011
Sean Garballey	23rd Middlesex	2/1/2011
Denise C. Garlick	13th Norfolk	2/4/2011

Anne M. Gobi	5th Worcester	2/2/2011
Patricia A. Haddad	5th Bristol	2/3/2011
Sheila C. Harrington	1st Middlesex	2/3/2011
Jonathan Hecht	29th Middlesex	2/3/2011
Kate Hogan	3rd Middlesex	1/31/2011
Kevin G. Honan	17th Suffolk	2/3/2011
Steven S. Howitt	4th Bristol	2/3/2011
Bradley H. Jones, Jr.	20th Middlesex	2/2/2011
Louis L. Kafka	8th Norfolk	2/4/2011
Thomas P. Kennedy		2/4/2011
Marc T. Lombardo	22nd Middlesex	2/4/2011
Elizabeth A. Malia	11th Suffolk	2/3/2011
Christopher M. Markey	9th Bristol	2/3/2011
Paul McMurtry	11th Norfolk	2/4/2011
James R. Miceli	19th Middlesex	2/4/2011
James M. Murphy	4th Norfolk	2/3/2011
Harold P. Naughton, Jr.	12th Worcester	2/4/2011
James J. O'Day	14th Worcester	2/1/2011
Alice Hanlon Peisch	14th Norfolk	2/2/2011
Elizabeth A. Poirier	14th Bristol	2/3/2011
Denise Provost	27th Middlesex	2/4/2011
Byron Rushing	9th Suffolk	2/3/2011
Frank I. Smizik	15th Norfolk	1/31/2011
Todd M. Smola	1st Hampden	2/3/2011
Christopher N. Speranzo	3rd Berkshire	2/3/2011
Joyce A. Spiliotis	12th Essex	1/31/2011
Ellen Story	3rd Hampshire	2/4/2011
David B. Sullivan	6th Bristol	2/3/2011
Timothy J. Toomey, Jr.	26th Middlesex	2/2/2011
Chris Walsh	6th Middlesex	2/3/2011
Martin J. Walsh	13th Suffolk	2/1/2011
Steven M. Walsh	11th Essex	2/1/2011
Martha M. Walz	8th Suffolk	2/1/2011
Alice K. Wolf	25th Middlesex	2/3/2011
Richard Bastien	2nd Worcester	2/4/2011
John D. Keenan	7th Essex	2/4/2011

HOUSE No. 765

By Mr. Kulik of Worthington, a petition (accompanied by bill, House, No. 765) of Stephen Kulik and others for legislation to sustain community preservation. Community Development and Small Businesses.

The Commonwealth of Alassachusetts

In the Year Two Thousand Eleven

AN ACT to sustain community preservation.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 2 of chapter 44B, as appearing in the 2008 Official Edition, is

hereby amended by removing the definition of "Rehabilitation" and "Preservation" and "Historic

Resources" and inserting the following paragraphs:

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4 "Rehabilitation," capital improvements or the 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 comply with the Standards for Rehabilitation

stated in the United States Secretary of the Interior's Standards for the Treatment of Historic

Properties codified in 36 C.F.R. Part 68. With respect to land for recreational use, rehabilitation

shall include the replacement of playground equipment and other capital improvements to the

land or the facilities thereon which make the land or the related facilities more functional for the
 related recreational use.

"Preservation," protection of personal or real property from injury, harm or destruction.

"Historic Resources," a building, structure, vessel, real property, document or artifact that is listed on the state register of historic places or has been determined by the local historic preservation commission to be significant in the history, archaeology, architecture or culture of a city or town.

"Support of Community housing", shall include, but not be limited to, programs that provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families who are eligible for community housing, or to housing, for the purpose of making housing affordable.

"Maintenance", incidental repairs which neither materially add to the value of the property nor appreciably prolong the property's life, but keeps the property in a condition of fitness, efficiency, and/or readiness.

"Capital Improvement", reconstruction or alteration to, or of, real property that: (1) materially adds to the value of the real property, or appreciably prolongs the useful life of the real property; (2) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; and (3) is intended to become a permanent installation or is intended to remain there for an indefinite period of time.

SECTION 2. Section 3 of chapter 44B is hereby amended by adding after paragraph (b) the following new paragraph:-

(b 1/2) As an alternative to subsection (b) of section 3, the legislative body may vote to
accept sections 3 to 7, inclusive, by approving a surcharge on real property of not less than 1 per
cent of the real estate tax levy against real property, and making an additional commitment of
funds by dedicating revenue not greater than 2 per cent of the real estate tax levy against real
property, provided that additional funds so committed shall come from another source or sources
of municipal revenue, including but not limited to hotel/motel excise taxes pursuant to chapter
64G of the general laws, linkage fee and inclusionary zoning payments, however authorized, the
sale of municipal property pursuant to section 3 of chapter 40 of the general laws, parking fines
and surcharges pursuant to sections 20, 20A, and 20A1/2 of chapter 90 of the general laws,
existing dedicated housing, open space and historic preservation funds, however authorized, and
provided further that additional funds so committed shall not include any federal funds or funds
from private sources, provided that inclusionary zoning payments and linkage fees shall be
considered public funds for the purposes of this chapter. The total funds committed to the
Community Preservation Act under this subsection shall not exceed 3 per cent of the real estate
tax levy against real property, less exemptions adopted.

In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge of not less than 1 per cent shall remain in effect, but may be reduced pursuant to section 16.

- SECTION 3: Section 3 of chapter 44B is hereby amended by inserting after paragraph (e) (3) the following new paragraph:-
- (4) for \$100,000 of the value of each taxable parcel of class three, commercial, and class four, industrial, property as defined in section 2A of said chapter 59.

- SECTION 4. Section 5 of chapter 44B is hereby amended by adding to the following phrase at the end of the first sentence of paragraph (b)(1):-
- 58 ",including the consideration of regional projects for community preservation."

- 59 SECTION 5. Section 5 of chapter 44B is further amended by striking paragraph (b)(2) in 60 its entirety and inserting in place thereof the following:-
 - (2) The community preservation committee shall make recommendations periodically throughout the year, or as a single yearly recommendation to the legislative body for the acquisition, creation and preservation of open space; for the acquisition, preservation, rehabilitation and restoration of historic resources; for the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use; for the acquisition, creation, preservation and support of community housing; and for the rehabilitation or restoration of open space and community housing that is acquired or created as provided in this section. With respect to community housing, the community preservation committee shall recommend, wherever possible, the reuse of existing buildings or construction of new buildings on previously developed sites. With respect to recreational use, the acquisition of artificial turf for athletic fields shall be prohibited.
 - SECTION 6. Section 5 of chapter 44B is further amended by striking paragraph (d) and inserting in place thereof the following:-
 - (d) After receiving such recommendations from the community preservation committee, the legislative body shall then take such action and approve such appropriations from the Community Preservation Fund as set forth in section 7, and such additional non-Community Preservation Fund appropriations as it deems appropriate to carry out the recommendations of

the community preservation committee. In the case of a city, the ordinance shall provide for the mechanisms under which the legislative body may approve and veto appropriations made pursuant to this chapter, in accordance with the city charter.

SECTION 7. Section 6 of chapter 44B is hereby amended by striking it in its entirety and inserting in place thereof the following:-

Section 6. In every fiscal year and upon the recommendation of the community preservation committee, the legislative body shall spend, or set aside for later spending, not less than 10 per cent of the annual revenues in the Community Preservation Fund for open space, not less than 10 per cent of the annual revenues for historic resources and not less than 10 per cent of the annual revenues for community housing. In each fiscal year, the legislative body shall make such appropriations from the Community Preservation Fund as it deems necessary for the administrative and operating expenses of the community preservation committee, but the appropriations shall not exceed 5 per cent of the annual revenues in the Community Preservation Fund. The legislative body may also make such appropriations from the Community Preservation Fund as it deems necessary for costs associated with tax billing software and outside vendors necessary to integrate said software during a municipality's first year implementation of the Act, provided that the total of any administrative and operating expense of the Community Preservation Committee and the first year implementation expenses do not exceed five per cent of the annual revenues in the Community Preservation Fund.

Funds that are set aside shall be held in the Community Preservation Fund and spent in that year or later years, but funds set aside for a specific purpose shall be spent only for the specific purpose. Any funds set aside may be expended in any city or town in the

commonwealth. The community preservation funds shall not replace existing operating funds, only augment them.

SECTION 8. The second paragraph of section 7 of chapter 44B is amended by striking the first sentence and inserting in place thereof the following:-

The following monies shall be deposited in the fund: (a) all funds collected from the real property surcharge or bond proceeds in anticipation of revenue pursuant to sections 4 and 11; (b) if applicable, additional funds appropriated or dedicated from allowable municipal sources pursuant to subsection (b ½) of section 3; (c) all funds received from the commonwealth or any other source for such purposes; and (d) proceeds from the disposal of real property acquired with funds from the Community Preservation Fund.

SECTION 9. Section 8 of chapter 44B is hereby amended by striking it in its entirety and inserting in place thereof the following:-

Section 8. (a) The fees of the registers of deeds, except as otherwise provided, to be paid when the instrument is left for recording, filing or deposit shall be subject to a surcharge of \$20. The fees for so recording, filing or depositing a municipal lien certificate shall be subject to a surcharge of \$10. The surcharges shall be imposed for the purposes of community preservation. No surcharge shall apply to a declaration of homestead under chapter 188 or to the filing of a third mortgage or fourth mortgage extended by any public agency or quasi public agency, including but not limited to a Commonwealth municipality or the Massachusetts Housing Partnership. No surcharge shall apply to the fees charged for additional pages, photostatic copies, abstract cards, additional square feet for the filing and recording of plans or for additional or required marginal references.

(b) The fees of the assistant recorder, except as otherwise provided, to be paid when the instrument is left for registering, filing or entering with respect to registered land shall be subject to a surcharge of \$20. The fees for so registering, filing or entering a municipal lien certificate shall be subject to a surcharge of \$10. The surcharges shall be imposed for the purposes of community preservation. No surcharge shall apply to a declaration of homestead of chapter 188 or to the filing of a third mortgage or fourth mortgage extended by any public agency, including but not limited to a Commonwealth municipality or the Massachusetts Housing Partnership. No surcharge shall apply to the fees charged for additional lots shown on plans, for indexing instruments recorded while a petition for registering is pending, for additional certificates of sewer assessments, for old age assistance liens, for duplicates and for photocopies.

(c) On October 1st of 2011 and every two years thereafter, the commissioner of revenue shall determine if the Massachusetts Community Preservation Trust Fund balance is sufficient to support a 75 per cent first round match distribution pursuant to section 10 for all cities and towns that have accepted sections 3 to 7 inclusive. In the event that the Community Preservation Trust Fund balance is insufficient to support a 75 per cent first round match distribution, the fees of the registers of deeds and fees of the assistant recorder to be paid when the instrument is left for recording, filing or deposit and the fee for so recording, filing or depositing a municipal lien certificate shall be subject to a surcharge to be determined by the commissioner of the department of revenue necessary to support, by the commissioner's best reasonable estimate, a 75 per cent first round match, with each fee rounded to the nearest dollar. Under no circumstances shall each fee surcharge for the purposes of community preservation, paid to the register of deeds or assistant recorder when the instrument is left for recording, filing or deposit, be greater than \$50. Under no circumstances shall each fee surcharge for the purposes of

community preservation, paid to the register of deeds or assistant recorder for so recording, filing or depositing a municipal lien certificate, be greater than \$25. In the event that these maximum fees are reached and they are insufficient to support a 75 per cent first round match distribution pursuant to section 10, the Community Preservation Trust Fund match distribution shall be less than 75 per cent. The surcharges shall be imposed for the purposes of community preservation. No community preservation surcharges shall apply to a declaration of homestead under chapter 188 to the filing of a third mortgage or fourth mortgage extended by any public agency, including but not limited to a Commonwealth municipality or the Massachusetts Housing Partnership. No surcharge shall apply to the fees charged for additional pages, photostatic copies, abstract cards, additional square feet for the filing and recording of plans or for additional or required marginal references.

- (d) The commissioner of revenue shall certify the fees pursuant to this section on a biannual basis. Any fee adjustment determined by the commissioner shall take place on the first day of the fiscal year following the biannual certification. The commissioner of revenue shall notify the registers of deeds, the assistant recorders, and the joint committee on revenue of the change at least one-hundred and twenty days prior to any fee adjustment.
- (e) All surcharges on fees collected pursuant to this section shall be forwarded to the Massachusetts Community Preservation Trust Fund, established in section 9.
- SECTION 10. Paragraph (c) of section 9 of chapter 44B is hereby amended by striking said paragraph and inserting in place therefore the following:-
- (c) The state treasurer shall make all disbursements and expenditures from the fund without further appropriation, as directed by the commissioner of revenue in accordance with

said section 10. The department of revenue shall report by source all amounts credited to said fund and all expenditures from said fund. The commissioner of revenue shall assign personnel of the department as it may need to administer and manage the fund disbursements and any expense incurred by the department for such purposes and any expense incurred by the registers of deeds and the assistant recorder to administer and collect the surcharges pursuant to section 8 shall be deemed an operating and administrative expense of the program. The commissioner of revenue shall annually on October 15th direct the state treasurer to disburse an amount not to exceed one-half of one per cent of the annual total revenue received in the preceding fiscal year from a register of deeds or an assistant recorder pursuant to the provisions of section 8 to such register of deeds or assistant recorder to pay operating and administrative expenses of the program certified to the commissioner by the register of deeds or assistant recorder, and to disburse an amount not to exceed 5 per cent of the annual total revenue received by the state treasurer in the preceding fiscal year under the provisions of said section 8 to the department of revenue to pay total operating and administrative expenses of the program.

SECTION 11. Section 10 of chapter 44B is amended by striking it in its entirety and inserting in place thereof the following:-

Section 10. (a) The commissioner of revenue shall annually on October 15 disburse monies from the fund established in section 9 to cities and towns that have accepted sections 3 to 7, inclusive, and notified the commissioner of their acceptance. The community shall notify the commissioner of the date and terms on which the voters accepted said sections 3 to 7, inclusive. The municipal tax collecting authority shall certify to the commissioner the amount the municipality has raised through June 30 by imposing a surcharge on its real property levy and shall certify the percentage of the surcharge applied. In the event a municipality accepts this act

pursuant to subsection (b 1/2) of section 3, the municipal tax collecting authority shall certify to the commissioner by October 30th, the maximum additional funds the municipality intends to transfer to the Community Preservation Fund from allowable municipal sources for the following fiscal year. Once certified, the municipality may choose to transfer less than the certified amount during the following fiscal year.

- (b) The commissioner shall multiply the amount remaining in the fund after any disbursements for operating and administrative expenses pursuant to section 9(c) by 80 per cent. This amount distributed in the first round distribution shall be known as the match distribution. The first round total shall be distributed to each city or town accepting said sections 3 to 7, inclusive, in an amount not less than 75 per cent but not greater than 100 per cent of the total amount raised by the additional surcharge on real property by each city or town and if applicable the additional funds committed from allowable municipal sources pursuant to subsection (b ½) of section 3. The percentage shall be the same for each city and town and shall be determined by the commissioner annually in a manner that distributes the maximum amount available to each participating city or town.
- (c) The commissioner shall further divide the remaining 20 per cent of the fund in a second round distribution, known as the equity distribution. The commissioner shall determine the equity distribution in several steps. The first step shall be to divide the remaining 20 per cent of the fund by the number of cities and towns that have accepted said sections 3 to 7, inclusive. This dividend shall be known as the base figure for equity distribution. This base figure shall be determined solely for purposes of performing the calculation for equity distribution and shall not be added to the amount received by a participant.

- (d) Each city and town in the commonwealth shall be assigned a community preservation rank for purposes of the equity distribution. The commissioner shall determine each community's rank by first determining the municipality's equalized property valuation per capita ranking, ranking municipalities from highest to lowest valuation. The commissioner shall also determine the population of each municipality and rank each from largest to smallest in population. The commissioner shall add each equalized property valuation rank and population rank, and divide the sum by two. The dividend is the community preservation raw score for that municipality.
- (e) The commissioner shall then order each municipality by CP raw score, from the lowest raw score to the highest raw score. This order shall be the CP rank for each municipality. If more than one municipality has the same CP raw score, the municipality with the higher equalized valuation rank shall receive the higher CP rank.
- (f) After determining the CP rank for each municipality in the commonwealth, the commissioner shall divide all municipalities into deciles according to their CP ranking, with approximately the same number of municipalities in each decile, and with the municipalities with the highest CP rank shall be placed in the lowest decile category, starting with decile 10.

227 Percentages shall be assigned to each decile as follows:

228	decile 1	140 per cent of the base figure
229	decile 2	130 per cent of the base figure
230	decile 3	120 per cent of the base figure
231	decile 4	110 per cent of the base figure
232	decile 5	100 per cent of the base figure

233	decile 6	90 per cent of the base figure
234	decile 7	80 per cent of the base figure
235	decile 8	70 per cent of the base figure
236	decile 9	60 per cent of the base figure
237	decile 10	50 per cent of the base figure

After assigning each municipality to a decile according to their CP rank, the commissioner shall multiply the percentage assigned to that decile by the base figure to determine the second round equity distribution for each participant.

- (f) Notwithstanding any other provision of this section, the total state contribution for each city or town shall not exceed the actual amount raised by the municipality's surcharge on its real property levy, and if applicable, additional funds committed from allowable municipal sources pursuant to subsection b (1/2) of section 3.
- (g) When there are monies remaining in the trust fund after the first and second round distributions, and any necessary administrative expenses have been paid in accordance with section 9, the commissioner may conduct a third round surplus distribution. Any remaining surplus in the fund may be distributed by dividing the amount of the surplus by the number of cities and towns that have accepted this chapter. The resulting dividend shall be the surplus base figure. The commissioner shall then use the decile categories and percentages as defined in this section to determine a surplus equity distribution for each participant.
- (h) The commissioner shall determine each participant's total state grant by adding the amount received in the first round distribution with the amounts received in any later round or

rounds of distributions, with the exception of a city or town that has already received a grant equal to 100 per cent of the amount the community raised by its surcharge on its real property levy.

- (1) Only those cities and towns that adopt the maximum surcharge pursuant to subsection (b) of section (3) and those cities and towns that adopt the maximum surcharge and additional funds committed from allowable municipal sources such that the total funds are the equivalent of 3 per cent of the real estate tax levy against real property pursuant to subsection (b 1/2) of section 3 of this chapter shall be eligible to receive additional state monies through the equity and surplus distributions.
- (2) If less than 10 per cent of the cities and towns in the commonwealth have accepted sections 3 to 7, inclusive, and imposed and collected a surcharge on their real property levy, the commissioner may calculate the state grant with only one round of distributions, or in any other equitable manner.
- (j) After distributing the trust fund in accordance with this section, the commissioner shall keep any remaining funds in the trust for distribution in the following year.
- SECTION 12. Section 12 of chapter 44B is amended by striking paragraph (a) and inserting in place thereof the following:-
- (a) A real property interest that is acquired with monies from the Community

 Preservation Fund shall be bound by a permanent deed restriction, recorded as a separate instrument, that meets the requirements of chapter 184, limiting the use of the interest to the purpose for which it was acquired. The deed restriction shall run with the land and shall be enforceable by the city or town or the commonwealth. The deed restriction may also run to the

benefit of a nonprofit, charitable corporation or foundation selected by the city or town with the right to enforce the restriction. The legislative body may appropriate monies from the Community Preservation Fund to pay a non-profit organization created pursuant to Chapter 180 to hold, monitor and enforce the deed restriction on said property.

SECTION 13. Section 16 of chapter 44B is hereby amended by striking paragraph (a) and inserting in place thereof the following:-

(a) At any time after imposition of the surcharge, the legislative body may approve and the voters may accept an amendment to the amount and computation of the surcharge, or to the amount of exemption or exemptions, in the same manner and within the limitations set forth in this chapter, including reducing the surcharge to 1 per cent and committing additional municipal funds pursuant to subsection (b 1/2) of section 3.

SECTION 14. Notwithstanding any general or special law to the contrary, this Act shall apply to all Community Preservation Fund appropriations approved by a city or town's legislative body on or after the effective date of acceptance of the Community Preservation Act in such city or town.