

SURPLUS, FEE REVENUES TO FEED COMMUNITY PRESERVATION

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STATE HOUSE NEWS SERVICE

STATE HOUSE, BOSTON, JULY 22, 2019.....State accountants have not yet verified how much money is left over from above-expectation tax collections in fiscal year 2019, but lawmakers have already decided how to spend the first \$30 million of it.

The budget accord (H 4000) filed Sunday and passing through both branches on Monday afternoon directs the state's comptroller to transfer \$10 million from any fiscal 2019 surplus to the Massachusetts Life Sciences Investment Fund and another \$20 million to the Massachusetts Community Preservation Trust Fund.

The funding for the CPA Trust Fund, which is distributed to cities and towns that use the Community Preservation Act to preserve open space, build affordable housing, and renovate historic buildings and parks, represents a win for the scores of municipal chief executives who [wrote to legislative leaders](#) asking for an infusion of up to \$20 million from the surplus.

The initial idea of the CPA was for the state to match 100 percent of what each participating municipality raised through its own property tax surcharge to preserve open space, renovate historic buildings and parks and to build new playgrounds and athletic fields. But as more communities adopted the CPA, each town's share of the pie has become smaller as the state has not held up its part of the bargain.

"Without this money, the statewide match will be an estimated 11 percent," the 101 municipal officials wrote in a June letter coordinated by the Community Preservation Coalition and the Metropolitan Area Planning Council. "This short-term solution for 2019, coupled with the long-term fix for 2020 and beyond, will ensure a viable, vibrant, and enduring CPA."

Through 11 months of fiscal 2019, state tax collections totaled \$26.511 billion, \$952 million more than the budget benchmark, and \$1.873 billion or 7.6 percent more than the same fiscal year-to-date period in 2018, the Department of Revenue reported. DOR is expected in coming days to detail tax collections for the full fiscal year and verify the size of the surplus.

Some of the surplus money -- including any capital gains revenues exceeding \$1.2 billion -- is already bound for the state's stabilization fund, but lawmakers could have an opportunity to

spread the unrestricted surplus funds around between numerous priorities. A \$636 million automatic deposit of capital gains revenues for fiscal 2019 through May into reserves reduced the potential fiscal 2019 revenue surplus to \$805 million, pending June tax collections, the News Service reported last month.

Though the House and Senate budgets both authorized an increase in CPA funding starting next year, that money will not be available to CPA communities until fall 2020.

The House and Senate voted to increase the recording fees that feed the CPA Trust Fund from \$20 to \$50 for most documents and from \$10 to \$25 for municipal lien certificates, a change that the Community Preservation Coalition estimates will provide the trust fund with an infusion of \$36 million in new money each year.

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