

(Note: This True-False Quiz was initially developed by CPA advocates in the town of Sunderland in October, 2010. Sunderland was voting that November on whether to adopt CPA with a full 3% CPA surcharge and exemptions for the first \$100,000 of residential property value and low income and low and moderate income senior homeowners. We've modified it slightly, and it can be customized for use in your community – need help? Call the Coalition at 617-367-8998.)

KNOW YOUR COMMUNITY PRESERVATION ACT (CPA)

Understanding Sunderland's CPA Ballot Question # 4

#1 True or False: Adopting the CPA means a 3% increase in property taxes on your home.

False. No homeowner would pay a 3% increase. The 3% CPA property tax surcharge is calculated on a homeowner's assessed property value after a \$100,000 exemption. So a residential property valued at \$100,000 would pay no surcharge. The average CPA increase would be \$58 per year, or \$29 per tax bill.

#2 True or False: CPA and 2 ½ Overrides are really the same.

False. While both increase property taxes, CPA is a surcharge on local property owners' tax bills, while 2 ½ overrides allow us to tax ourselves at higher tax rates. CPA brings new money into our town every year by qualifying it to receive annual distributions from the state's Community Preservation Trust fund, while an override only allows us to tax ourselves at higher tax rates. Also CPA surcharges can be changed easily, while 2 ½ override increases are difficult to reverse. The amount of the CPA surcharge is generally small or moderate compared to tax rate increases resulting from 2 ½ overrides.

#3 True or False: Sunderland residents will decide how all the town's CPA money is spent.

True. Only Sunderland Town Meeting can approve CPA expenditures. A Community Preservation Committee with representatives from the public and various town boards and commissions will review CPA project proposals, and then forward recommended projects to Town Meeting. Town Meeting will then vote on which CPA projects to support.

#4 True or False: CPA will take away from our ability to support schools, safety and other town priorities?

False. Since CPA will add to our ability to bring new funds into our community, both by qualifying Sunderland for the annual CPA state match, and through leveraging our CPA funds, it can free up funding for our other priorities within the same level of local tax collection. We have had over \$400,000 in CPA-type projects since CPA was created. Since we did not have CPA, we paid fully for these projects from our tax base. With CPA we would have \$200,000 in funds available for our other priorities.

#5 True or False: State CPA match funds are not part of the annual state budget appropriation process.

True. (After 2013, mostly true). The state CPA match funds come from a special Community Preservation Trust fund created by the Act, and funded by document recording fees charged at the state's Registries of Deeds. Distribution amounts are based on a formula in the law establishing the CPA. In 2013, for the first time, legislators approved the transfer of an additional \$25 million from the state's budget surplus to the Community Preservation Trust fund, to bolster the state CPA matching fund rate. This was due to the decline in Community Preservation Trust fund revenues following the contraction in the housing market. Another transfer of \$25 million in state budget surplus funds was just approved as part of the FY2015 state budget, showing continued strong support for the CPA program.

#6 True or False: Ten neighboring towns have already received over \$4.25 million in CPA match funding from the state.

True. The towns of Amherst, Belchertown, Conway, Deerfield, Northampton, Goshen, Hadley, Hatfield, Leverett, and Whately are all benefitting each year from participation in CPA.

#7 True or False: Those who can most afford it will pay the most for the CPA.

True. Because CPA is a surcharge on local property tax bills, homes with higher assessed values will have higher property tax bills, and thus will pay a larger CPA surcharge. However, the \$100,000 exemption on residential property will be applied to all residential properties, making the CPA surcharge more affordable for all homeowners. In addition, the exemptions for low- and moderate-income senior homeowners and low-income homeowners will assure that those who can least afford to pay the CPA surcharge do not have to pay.

#8 True or False: Adopting the CPA will hurt farmers in Sunderland.

False. Farmers, like other homeowners, are entitled to an exemption on the first \$100,000 of their home's property value, if the community adopts this exemption. Farmland that has been permanently protected or is enrolled in Chapter 61, 61(A) or 61(B) continues to be taxed at a lower rate determined by local assessors in conformance with state valuation guidelines, and the CPA surcharge is calculated based on that lower tax rate. Passage of the CPA provides an important potential source of local matching funds for farmers and landowners interested in applying to the state's Agricultural Preservation Restriction Program. APR projects require a 10% local contribution, and the program has a per-acre price cap depending on location and quality of the soils. In communities with CPA that are interested in keeping their local farmland in agriculture, CPA funds are often used to provide the local contribution, and can be used to make up the difference in the purchase price, if it exceeds the state per-acre cap.

#9 True or False: The state formula for CPA match funds favors small towns with a 3% surcharge.

True. Only communities that opt for a 3% CPA surcharge are eligible to participate in annual second and third round distributions from the state's Community Preservation Trust fund, assuring a higher CPA match rate. Small towns get an extra boost in those second and third rounds. For example, Whately and Leverett received 100% matches this year. (Editor's note: For more information on how the CPA state match formula works, see: [Understanding the Formula for Distributions from the Statewide CPA Trust Fund Match](#) (March 2013))

#10 True or False: Once a community adopts the CPA, it can't change its mind and change or undo the surcharge.

False. Any community can opt out of the CPA by a majority vote at a local ballot election after 5 years. The CPA surcharge percentage and mix of exemptions can be changed at any time, but the CPA surcharge can never go above 3%.