

# TOWN OF BELMONT BOARD OF ASSESSORS



## ***Taxpayer's Complete Guide to the Community Preservation Act***

The Community Preservation Act (CPA) was adopted by Belmont voters on November 2, 2010, and the Act began funding in FY2012. The Act established a Community Preservation Fund financed by property tax surcharges and annual distributions received from the State "Massachusetts Community Preservation Trust Fund". All funds are to be used to:

- acquire, create and preserve open space;
- acquire, preserve, rehabilitate and restore historic resources;
- acquire, create, preserve, rehabilitate and restore land for recreational use;
- acquire, create, preserve and support community housing; and
- rehabilitate and restore open space and community housing acquired or created using monies from the fund.

This gives the community the opportunity to determine its priorities, plan for the future, and have the funds to make those plans happen. A Community Preservation Committee composed of local citizens makes recommendations on the use of the funds. Questions regarding the use of the Community Preservation Act funds should be directed to the Board of Selectmen's Office at 617-993-2610.

### ***Who pays the surcharge?***

The owners of residential and commercial property pay the Community Preservation Act (CPA) surcharge.

### ***How is the Community Preservation Act surcharge calculated?***

For residential property owners, the surcharge is calculated as 1.5% of the product of the net assessed property value and the tax rate. The net assessed property value is the total property value annually established by the Board of Assessors less the \$100,000 exemption in value adopted by the Town. Commercial properties are not eligible for the \$100,000 exemption.

An example of a surcharge calculation is shown on page 2 using Belmont's Fiscal Year 2019 median single family home assessed value and the FY2019 tax rate.

### ***When is the surcharge ordinarily billed and due?***

The surcharge is imposed on all preliminary **and** actual tax bills. The surcharge reflected on the 1<sup>st</sup> and 2<sup>nd</sup> quarter tax bills are based on 50% of the previous year's CPA surcharge. The surcharge reflected on the 3<sup>rd</sup> and 4<sup>th</sup> quarter tax bills reflect the actual surcharge net of estimated 1<sup>st</sup> and 2<sup>nd</sup> quarter payments.

### ***How long will the CPA remain in effect?***

CPA remains in effect for a minimum of five years from the date of voter approval in a municipality. After five years, it can be revoked in the same manner to approve the CPA originally – a majority vote of the legislative body and by referendum. The surcharge continues to be assessed, however, until all obligations incurred and funded by the city/town from CPF revenues are paid.

### ***Can the level of the CPA surcharge be amended?***

A city/town may amend the surcharge percentage and exemptions. Amendment is by majority vote of legislative body and by referendum.

UNDERSTANDING THE CPA SURCHARGE TAX AND HOW IT IS CALCULATED:

Formula:  $(\text{Value} - \text{CPA Residential Exemption (residential properties only)}) \times (\text{Tax Rate}/\$1,000) \times 1.5\%$

The surcharge is levied against the tax amount, not the value of the property. For example, a CPA surcharge of 1.5 percent on a real property tax bill of \$1,000 would be \$15.00, or 1.5 percent of \$1,000 per year.

Property Type	Value	CPA Residential Exemption	Tax Rate Per \$1,000	CPA Surcharge	Calculation
Residential	\$997,000	\$100,000	\$11.67	\$157.02	$= (\text{Value} - \text{CPA Residential Exemption}) \times (\text{Tax Rate}/\$1,000) \times 1.5\%$ $= (\$997,000 - \$100,000) \times (\$11.67/\$1,000) \times 1.5\%$
Mixed Use*	\$200,000 (R ) \$100,000 (C ) \$300,000 (Total)	\$100,000	\$11.67	\$35.01	$= (\text{Value} - \text{CPA Residential Exemption}) \times (\text{Tax Rate}/\$1,000) \times 1.5\%$ $= (\$300,000 - \$100,000) \times (\$11.67/\$1,000) \times 1.5\%$
Commercial	\$900,000	N/A	\$11.67	\$157.55	$= (\text{Value} \times (\text{Tax Rate}/\$1,000)) \times 1.5\%$ $= (\$900,000 \times (\$11.67/\$1,000)) \times 1.5\%$

\*The \$100,000 CP residential exemption applies on the first \$100,000 of the portion of the assessed valuation classified as Class One, Residential, property on a property classified as a multiple use.