



CITIZENS for Limited Taxation

46 Years as the Voice of Massachusetts Taxpayers
Post Office Box 1147 □ Marblehead, Massachusetts 01945
(781) 639-9709 □ staff@cltg.org □ www.cltg.org

To: Members of the Joint Committee on Revenue

March 3, 2020

RE: S.2563; “An Act Authorizing a local affordable housing surcharge”

Dear Member of the Committee;

S.2563, “An Act Authorizing a local affordable housing surcharge,” proposes a law that to a great extent has existed for two decades; at a minimum it would overlap the Community Preservation Act (MGL Chapter 44B). While duplicating to a considerable degree an existing state law to focus on a single element of the original, the biggest difference among the two appears to be the elimination of Section 14 of Chapter 44B, to wit: State Grants under Section 10 of the Community Preservation Act (CPA).

S.2563 would create two separate funds for promoting affordable housing within a community: The CPA, with its promise of matching state funds; and this proposal borne entirely by municipal property taxpayers without even a promise of matching state funds.

S.2563 would create a municipal “affordable housing trust” to administer the potential revenue raised. The CPA already requires a “community preservation fund” from which its revenue is administered. Each would have its own administrative and operating costs.

The CPA permits up to 80% of total revenue generated to be spent on “community housing.” The decision on allocation among three mandatory criteria (Chapter 44B, Section 6) resides in the hands of local officials. There is no need for a new tax scheme for virtually the same purpose to be superimposed upon the existing one.

Many residents of the commonwealth are aware of the need for affordable housing, as they continue to see their property taxes among other costs of living increase year upon year while their incomes are fixed or stagnant. When a Proposition 2½ override or CPA question appears on their ballot many simply cannot afford to pay any more. These people too are concerned about “affordable housing.” Their own. But they are often out-voted by a more prosperous majority; some are gradually being taxed out of their homes.

Citizens for Limited Taxation and its members ask that, in your search for a solution to the affordable housing dilemma, you cautiously avoid exacerbating the problem by making home-ownership for many longtime property taxpayers itself unaffordable.

Every Tax is a Pay Cut . . . A Tax Cut is a Pay Raise