



COMMUNITY PRESERVATION ACT

A.7333 (Sweeney, et al.)

S.3836 (Marcellino, et al.)*

*Not currently a same as

Summary

Known as the Community Preservation Act, this legislation would authorize municipalities to raise local revenue for the purpose of preserving local resources. Revenue would be generated through a locally-derived real estate transfer fee to be approved through local referendum.

Explanation

Communities are struggling to balance exploding development with the desire to protect their unique local character. As development increases, municipalities find they do not have the resources to protect farmland, natural areas, and historic buildings that have defined their communities for generations.

State funds for assisting these efforts are not sufficient, and local options for raising funds are restricted to raising property taxes or bonding. Under this legislation municipalities could create a Community Preservation Fund; a pay as you go system for preserving a town's special places. The Fund would be supported by a small real estate transfer fee (not to exceed two percent) that would only apply to the portion of a property's price that exceeds the county's median home price.

On Eastern Long Island five towns created Community Preservation Funds in the 1990s. Local voters supported the creation of the Funds through public referendums and have raised more than \$300 million to date. Those towns have since re-authorized the funds twice by public referendum, extending their existence to 2030. The Community Preservation Act would empower communities throughout New York to move ahead with a similar program, removing the unnecessary step of getting approval of the state legislature.

This proposed option has been particularly popular with communities in the Hudson Valley. Three towns (Warwick in 2005 and Red Hook and Chatham in 2006) have requested stand-alone authority to create Community Preservation Funds. In addition, local governments from throughout the state have passed resolutions in support of having this option available to them in the future.

This bill has rapidly gained support from a wide range of constituencies, including environmental groups, advocates for farmland preservation, historic preservationists, and town officials. The legislation respects and empowers localities by putting the final decision in the hands of local voters. And, because it is tied by statute to a county's median purchase cost of a home, it protects both affordable housing and first-time home buyers.

Environmental Advocates of New York strongly supports this bill.

Memo 17