

## YES ON 6 FOR LOWER TAXES

Holyoke voters will have the opportunity to reduce business and residential CPA (Community Preservation Act) taxes from 1.5% to 1.0 %. This amount of tax is based on assessed real estate values and added to tax bills after waivers and deductions.

Holyoke has the highest business tax rates in the Commonwealth. The current commercial tax rate is \$40.26/per \$1,000 of valuation compared to the residential rate of \$18.95 per \$1,000 of valuation.

**Businesses generally have the highest assessed real estate values, thus pay a higher amount of CPA tax.**

Other funding streams for the CPA outside of local assessments include legislative action and distributions from the Massachusetts Community Preservation Trust Fund also known as the ‘State’ match. The Trust account is funded mostly with flat surcharge fees from the Registry of Deeds and/or Land Court.

Trust Fund disbursements from revenue collected by the Registry of Deeds have steadily declined since 2021. According to the State Department of Revenue (DOR), CPA funds distributed in November 2022 were 22.2% lower than the previous year and CPA funds distributed in November 2023 were 29.0% lower. “Due to a **struggling real estate market** and a low probability of state budget surplus funding, CPA communities are bracing for decreased revenue from the Trust Fund for the time being” (CPA 2024 Annual Report-July 2024).

One could argue that these financial trends validate the challenging economic conditions for both businesses and residents. These reductions also have the markings of the “bait and switch” tactic by the State in relation to the Quinn Bill where State “matches” to communities were promised then rescinded causing legal and financial burdens to participating municipalities.

It’s expensive to have and manage a business in Holyoke. Inflation has affected all sectors of the economy. Increases in energy, insurances, labor, interest rates and some regulatory burdens have made it increasingly difficult for Holyoke businesses to stay open and be competitive. In addition, more non-profits are purchasing residential & commercial properties that once were on the tax rolls and now are not. Lack of tax revenue from nonpaying entities “stress” the system and increase the burden for those that do pay taxes.

Below is a snapshot of recent CPA tax surcharges assessed to businesses over and above regular real estate taxes. This is only 1 year of CPA tax over 5 years of assessments.

Bresnahan Insurance Company	\$197.00
Meridian Industrial Group	\$255.00
Gary Rome Auto Group	\$2,230.00 (car wash was not calculated on CPA this bill)
Log Cabin/Delaney House	\$16,460.00 (not fully operational due to sale, and renovations)
Holyoke Mall at Ingleside	\$77,017.00 (down from \$81,209.00 in 2023)

I'm appealing to voters to consider the financial impact the CPA has had on local businesses over the last five years and how we as a community can offer some relief to our businesses who have withstood (COVID) and continue to navigate market and economic uncertainties. Residents who own a business in Holyoke receive 2 CPA tax bills: a double whammy.

Many communities receive gifts, donations, and grants to support their communities. Maybe Holyoke can set up this type of account for those who would like to make direct donations to offset tax decreases.

Current CPA legislation allows for a decrease or increase to the CPA tax every 5 years and saying yes to question 6 will not eliminate the CPA program but will allow for a cooling off period and thank the business sector for supporting Holyoke.

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