

# WHAT IS A CHAPTER 40T DEVELOPMENT ZONE?

The Development Zone (merely a designated area of a town or city) would simply be an improved and VOLUNTARY version of the traditional betterment district. Cities and towns have for years charged the costs of improvements such as roads and sewers to the immediately abutting properties that are specially benefited as opposed to the community at large.

Under Chapter 40T, BOTH local communities and property owners would have more flexibility in financing a wider range of public infrastructure improvements.

- A designated Development Zone that would benefit from, and pay for the improvements must be initiated by the property owners who will be self-taxing themselves through special assessments (not included under Prop. 2 ½), repaid in up to 35 years. Each Development Zone must be approved by the municipality.
- Exactly what improvements will be financed, and the method of assessing the property owners must be spelled out in the Improvement Plan, reviewed at a public hearing and approved by the municipality.
- The Massachusetts Development Finance Agency, or a Local Improvement District created under Chapter 40T, if needed, would issue the bonds fund the infrastructure improvements.
- The bonds will be paid back exclusively by assessments on the property within the Development Zone.
- The municipality has no responsibility for the debt or finances of the Development Zone or a Local Improvement District.
- With traditional betterment districts, the community must borrow itself and then collect the betterment fees.
- Property within the Development Zone is subject to all taxes of the community and the Commonwealth.
- The community avoids paying for the improvements, yet will receive increased property taxes from the increased Development Zone property valuations.
- If a Local Improvement District is created to issue bonds or manage the Development Zone, its Prudential Committee (acting as a board of directors) is appointed by the municipality.
- The Development Zone and all property within its borders are subject to all local and State zoning and land use laws and regulations.
- Development Zones could be used to finance infrastructure for new residential and commercial development as well as existing neighborhoods with Title V septic or other problems.
- Neither a Development Zone or a Local Improvement District is a redevelopment agency and has no powers of eminent domain.