

Beacon Hill Byline by Mary Rogeness

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Tinkering with 2½

Proposition 2½ holds a special status in the legislature. The referendum approved by voters in 1980 has not been significantly changed in all the years I have served our district. But that status was challenged last week in the house of representatives.

Will the law that has been a sacred cow now becoming a meaningless relic in the eyes of legislators? Our legislative vote indicates that such a change is coming.

The passing of 28 years combined with the entry in the legislature of new members apparently removed our sense of obligation to that long ago vote. Representatives voted by a margin of 111 – 34 to exempt some taxpayers from overrides and distribute the cost to other homeowners.

Proposition 2 ½ says that our real estate taxes cannot increase by more than 2 ½% per year unless voters approve such an increase by ballot at a town election. Overrides pass or fail depending on the will of the voters. They can pay for school construction, capital needs or, as happened in Longmeadow last year, for school and other municipal fiscal needs. A successful override vote raises the tax rate for each property owner.

Supporters of the Longmeadow override worked hard to convince the town of the need for extra money, and their efforts were rewarded with a positive vote. The city of Newton has a problem with its budget, and they came up with a different solution.

Newton is planning to build a new high school, and the city needs an override to pay for it. It is an expensive school. Construction has not yet begun on this edifice, but its price tag has already climbed to \$184 million.

State officials have suggested that the plans be revised to reduce the cost, but the city's legislative delegation came up with a more creative idea. They would change state law to allow by local option for some voters over the age of 65 not to pay the cost of an override. That way, elderly voters who are thought to resist higher taxes could vote for an override knowing that they would not be affected. Or they could just stay home on election day.

I call it "representation without taxation" because exempted voters can approve taxes on other homeowners. Any homeowner who is subjected to the override will pay for the override plus a share of the taxes abated to qualified elderly residents.

The legislature has worked to help elderly residents remain in their homes. Residents can arrange with the town to defer property taxes. They can benefit from a circuit breaker that grants a state rebate if property taxes rise to a certain level. But they should not be able to shift their taxes to other people.

I just heard from a 60-year-old woman who lives on a small fraction of the \$60,000 that would qualify a person five years older for this tax benefit. And I know of families saddled with mortgages higher than the present value of their homes that pay taxes on those ghost values.

Municipal budgets throughout Massachusetts face growing difficulty in funding town services, and the state needs to find more ways to alleviate these problems. With increased state aid, cities and towns could delay or halt the need for Proposition 2 ½ overrides altogether. The Newton plan is the wrong way to do it.