City and Town

A Publication of the Department of Revenue's Division of Local Services

Bernard F. Crowley, Jr.
Acting Commissioner

Joseph J. Chessey, Jr.
Deputy Commissioner

Volume 14, No. 8 November/December 2001

Proposition 2½ — A Look Back

by Christopher Hinchey

> **Proposition 2½ has been a double-edged broadsword. It has cut reliance on the property tax, but it has also cut the capacity of cities and towns to offer … services to … taxpayers. Municipalities must rely on the state for financial assistance … to provide the core services that our citizens need. … Proposition 2½ only works in the public interest when the state-local partnership is strong and productive. — Geoffrey Beckwith, Executive Director, Massachusetts Municipal Association**

Twenty years ago, in FY82, cities and towns first set tax rates subject to Proposition 2½. This legislation emerged from the "taxpayers revolt" of the late 1970s and early 1980s that led to various types of tax limitation measures in many states. Modeled on Proposition 13, a property tax limitation that had passed in California in 1978, Proposition 2½ was approved by Massachusetts voters on November 4, 1980 as an initiative petition.

Proposition 2½ took its name from the twin limits it imposed on property taxes: the annual property tax levy of a city or town could not exceed a maximum of 2.5 percent of the full and fair cash value of all taxable property, *and* it could be no more than 2.5 percent higher than the prior fiscal year's tax levy. The limits applied to tax-levying districts (such as water and fire districts) as well as to cities and towns.

The valuation limit (or levy ceiling) was 2.5 percent of valuation only in municipalities that had been assessing at or above that level in FY79. If a municipality in 1979 had assessed taxes that were less than 2.5 percent of value, that lesser percentage was the levy ceiling for that community. Communities that found themselves above the levy ceiling had to reduce their tax levy by 15 percent each year until they got down to their respective levy ceilings, a provision that is still in the law. In FY82, the first year of Proposition 2½, 230 municipalities cut their levies below their FY81 levies. The total property taxes in those 230 communities dropped from $2,583,618,118 in FY81 to $2,256,891,248 in FY82, a reduction of $326,726,870, or 12.65 percent.

As originally enacted, the limit on annual levy increases applicable in communities that were below their levy ceilings was 2.5 percent above the prior year's *actual levy*, not the prior year's levy limit, as it is under the current version of the law. The result was that any city or town that failed to raise the maximum amount of taxes allowed saw a reduction in its levy capacity for subsequent years. The original version of Proposition 2½ also had no adjustment to the levy limit for new growth,[1] an omission that caused particular hardships for rapidly growing communities.

To help mitigate the impact of property tax cuts on local budgets, in FY82, state aid to cities and towns increased by $243,114,461 above its level in FY81, a 21.4 percent increase. Over the past 20 years, the state has provided increased financial assistance to cities and towns so that there would be less reliance on the property tax. *Table 1* shows property taxes statewide as a percentage of local revenues. The percentage increase in property taxes in FY92 is attributable to the recession that gripped the state during the early- to mid-1990s. Though the state cut back on local aid during this time, property taxes as a percentage of all local revenue remained below the level they were at in FY81, the last fiscal year before Proposition 2½ took effect.

continued on page six

> **Prop 2½ was the best thing that ever happened to Massachusetts taxpayers. Property taxes … are … partly under the control of local voters. … School board fiscal autonomy was abolished and new state mandates can now be challenged. The state began to keep long-standing promises to share its broad-based tax revenues with the cities and towns. … state government can be proud of responding well to the voters' 1980 ballot demand. —Barbara Anderson, Executive Director, Citizens for Limited Taxation**

Inside This Issue

From the Deputy Commissioner

Sound debt management relates to evaluating debt capacity (how much debt a city or town can afford) and establishing formal debt policies.

Determining whether the amount of debt is reasonable is subjective; however, there are several measures used to evaluate debt capacity. For example, one commonly used debt capacity indicator is debt service as a percentage of general fund expenditures. While some communities strive to limit debt service to 10 percent of general fund expenditures, other communities may tolerate levels as high as 15 or more. Other debt capacity indicators include debt service as a percentage of operating revenues and debt service as a percentage of property tax revenues.

The Division of Local Services recommends that communities establish written debt policies. In general, a sound debt policy calculates the amount of debt that can be incurred without causing financial hardship in future years; incorporates affordability guidelines for expenditures; includes an annual review of the capital improvements plan and includes guidelines for acquiring short-term debt. An added benefit of debt policies is that credit agencies view them favorably.

It is also important to note that financial management is another important factor bond rating agencies consider. Strong financial management, with the ability to accurately plan and develop reserves, is a common characteristic of highly rated communities.

Joseph J. Chessey, Jr.
Deputy Commissioner

Legal

in Our Opinion

Role of the Moderator

by James Crowley

Town meeting is the legislative body which appropriates funds and enacts bylaws for Massachusetts towns. Crucial to the operation of any town meeting is the town moderator. Under M.G.L. Ch. 39 Sec. 15, the moderator presides at town meeting and regulates the proceedings. The Supreme Judicial Court (SJC) has ruled that a moderator decides questions of order. Any good faith decisions by the moderator regarding questions of order, even if mistaken, are not subject to judicial review. *Doggett v. Hooper*, 306 Mass. 129 (1940).

A frequently raised question is whether the moderator can prohibit town meeting from making appropriations in excess of the Proposition 2½ levy limit. We advised town officials that a moderator lacks such authority. The SJC has held that the broad discretion granted to moderators concerning questions of order does not extend to issues of substantive law. The moderator cannot refuse to allow town meeting to act on a subject properly before it. *Ellis v. Board of Selectmen of Barnstable*, 361 Mass. 794 (1972).

When town meeting has voted on a controversial issue, sometimes there are complaints that the moderator acted unfairly. Such was the case when the Codex Corporation sought an amendment to the Town of Canton's zoning bylaw. Town meeting approved the change by more than the requisite two-thirds vote. Ten Canton voters challenged the rezoning and alleged bias on the part of the moderator. The SJC did not find any bias. Furthermore, the court held that town meeting action would be invalidated only where the plaintiffs showed bad faith by the moderator which affected the result. After extensive research, the court could not discover any judicial decision where alleged bias by the moderator had resulted in the overturning of a town meeting action. *MacKeen v. Town of Canton*, 379 Mass. 514 (1980).

Rules of procedure are essential for a moderator to conduct town meeting efficiently and fairly. A popular handbook for town meetings is *Town Meeting Time*, which the SJC quoted in the above referenced *Canton* decision. Fearing hasty action or the stacking of town meeting, some communities have adopted additional rules. For example, the court upheld a community's bylaw requiring a prior estimate by certain officials before the town meeting could appropriate money for purchases in excess of $300. *Loring v. Inhabitants of Westwood*, 238 Mass. 9 (1921). In another decision, the court upheld a bylaw which prohibited the repeal or amendment of any bylaw unless approved by two consecutive town meetings, the date of the last meeting to be held not less than two months after the date of the first meeting. *Walsworth v. Casassa*, 219 Mass. 200 (1914).

Tradition also is an important factor in regulating procedure. We learned that a town moderator blocked an amendment to a borrowing article since it had not been presented at least 24 hours prior to town bond counsel. Although there was no written bylaw, the moderator cited a 30-year tradition to justify his action. In our view, the moderator can rely on unwritten tradition if it is reasonable and consistently applied. The ultimate source of procedure, however, is town meeting itself. A town meeting can change tradition by bylaw or by suspending the procedural rule, if there is a bylaw on suspension of rules.

Taxpayers, upset by the outcome of town meeting, can take further action. Provided that rights have not become

continued on page eight

Focus on Municipal Finance

Proposition 2½ Referenda Trends

by Joan Grourke

Override, capital expenditure exclusion and debt exclusion referenda give Massachusetts cities and towns the opportunity to increase their levy limits beyond the constraints of Proposition 2½. An override allows a community to vote on the assessment of taxes in excess of the automatic annual 2.5 percent increase and any increase due to new growth. If an override[1] is passed, the result is a permanent increase in the levy limit of a community, which as part of the levy limit base, increases at a rate of 2.5 percent each year. In this article, we review statewide override trends voted from FY94 through FY01. We also briefly examine trends of capital outlay expenditures and debt exclusions.

Override referenda

As shown in *Figure 1*, a total of 304 override referenda were proposed in FY94. However, this number dropped, hitting a low of 33 in FY99. Since then, the total number of override questions has picked up, reaching 81 in FY01.

Figures 2, *3* and *4* provide evidence that the financial condition for most cities and towns was on the upswing

Override Proposals, FY94–FY01

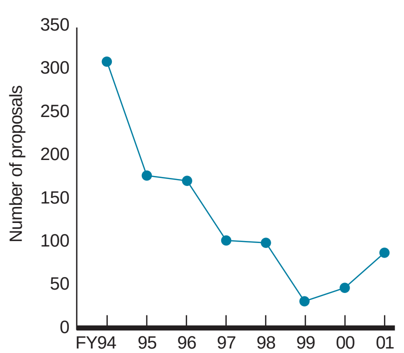

Figure 1

during the eight-year period from FY94 through FY01. State totals of revenue sources such as motor vehicle excise increased almost 62 percent from FY94 to FY01, while free cash more than doubled. State aid increased 87 percent over the same time span, with annual increases averaging 8.5 percent since FY94.

The annual increases of these revenue sources are related to the robust economy that prevailed during the mid- to late-1990s and into 2000. As these revenues grew, the number of override proposals decreased, suggesting an inverse relationship. Generally speaking, as the economy became stronger during the latter part of the 1990s, it appears that cities and towns in Massachusetts were better able to absorb operating costs within the limits of Proposition 2½. Consequently, fewer overrides were attempted.

During the late 1990s and 2000, the strong Massachusetts economy helped spur real estate development. This resulted in significant increases in the state totals for new growth.[2] New growth provides a community with an increase to its levy capacity. Significant new growth values may have enabled some communities to cover increasing operating expenses without resorting to a Proposition 2½ override. *Figure 3* shows that FY95 was the beginning of the upward trend in state totals for new growth value. From FY97 to FY99, new growth value totals increased almost 29 percent while override proposals decreased 66 percent.

Despite indications from FY94 through FY99 that overrides were becoming less popular, their success rate has begun to climb. However, as shown in *Figures 2*, *3* and *4,* revenue sources such as free cash, motor vehicle excise, state aid and new growth have remained at relatively high levels.

Education overrides[3] averaged 18.2 per year from FY94 through FY98. However, from FY98 to FY99, the number decreased from 29 to 5. In FY00, the number of education override proposals increased to 24. In FY01, there were 23 education overrides proposed. This increase in education override proposals in FY01 and FY02 appears to be the main cause of the upward trend in the number of override proposals since FY99. Some school superintendents have indicated that significant increases in operating costs — such as salaries, fuel, technology and basic supplies such as text books — are likely contributors to the upward trend in override proposals for education in FY00 and FY01.

Debt exclusions and capital expenditure exclusions

A debt exclusion allows voters to approve a temporary increase in the levy limit to fund the payment of debt service costs. The additional amount for debt service is applied to the levy limit each year of the life of the obligation. Debt exclusions have typically accounted for the bulk of the Proposition 2½ referenda. In 1993, 171 debt exclusions were proposed, a number that is dwarfed by the 304 override questions proposed in that same year. Debt exclusions, however, did not plummet like the overrides; they actually increased in numbers. Modest increases up to 201 referenda in 1996 were followed by a plunge to 118 in 1997 and then an increase to 201 in 1998. Since then, debt exclusions dropped to 174 in 1999 and 146 in 2000. These dips in debt exclusions offset the increase in override questions proposed, partially explaining why the total number of referenda questions has been wavering around 270 for the past three years.

continued on page six

Proposition 2½ Referenda by Category, FY94–FY97

	FY94 Overrides			FY94 Capital outlay expenditure exclusions			CY93 Debt exclusions			
Type	Wins	Losses	Total	Wins	Losses	Total	Wins	Losses	Total	
Culture and Recreation	6	19	25	4	2	6	6	6	12	
General Government	7	31	38	3	2	5	11	14	25	
General Operating	12	23	35	2	3	5	3	2	5	
Health-Human Services	9	5	14	1	0	1	1	1	2	
Public Safety	21	38	59	13	6	19	12	13	25	
Public Works	20	34	54	7	9	16	36	23	59	
Education	28	45	73	10	3	13	30	13	43	
Other	2	4	6	0	0	0	0	0	0	
Total	105	199	304	40	25	65	99	72	171	
Total attempts			304			65			171	540
Succesful attempts (%)			34.5			61.5			57.9	

	FY95 Overrides			FY95 Capital outlay expenditure exclusions			CY94 Debt exclusions			
Type	Wins	Losses	Total	Wins	Losses	Total	Wins	Losses	Total	
Culture and Recreation	11	10	21	7	3	10	11	2	13	
General Government	9	12	21	5	10	15	10	8	18	
General Operating	13	16	29	1	0	1	3	1	4	
Health-Human Services	1	6	7	1	1	2	0	1	1	
Public Safety	13	10	23	11	16	27	22	7	29	
Public Works	9	23	32	20	15	35	35	21	56	
Education	15	24	39	3	10	13	50	22	72	
Other	0	1	1	0	0	0	0	0	0	
Total	71	102	173	48	55	103	131	62	193	
Total attempts			173			103			193	469
Succesful attempts (%)			41			46.6			67.9	

	FY96 Overrides			FY96 Capital outlay expenditure exclusions			CY95 Debt exclusions			
Type	Wins	Losses	Total	Wins	Losses	Total	Wins	Losses	Total	
Culture and Recreation	7	10	17	2	1	3	10	7	17	
General Government	4	22	26	2	3	5	11	10	21	
General Operating	3	6	9	1	2	3	2	2	4	
Health-Human Services	1	0	1	2	0	2	1	1	2	
Public Safety	7	18	25	7	15	22	21	10	31	
Public Works	9	32	41	16	16	32	34	13	47	
Education	23	25	48	4	2	6	58	17	75	
Other	0	1	1	0	0	0	0	0	0	
Total	54	114	168	34	39	73	137	60	197	
Total attempts			168			73			197	438
Succesful attempts (%)			32.1			46.6			69.5	

	FY97 Overrides			FY97 Capital outlay expenditure exclusions			CY96 Debt exclusions			
Type	Wins	Losses	Total	Wins	Losses	Total	Wins	Losses	Total	
Culture and Recreation	5	1	6	3	0	3	16	4	20	
General Government	0	6	6	1	3	4	15	3	18	
General Operating	0	12	12	0	2	2	5	2	7	
Health-Human Services	2	1	3	0	1	1	0	0	0	
Public Safety	4	13	17	12	6	18	14	6	20	
Public Works	7	10	17	17	5	22	44	13	57	
Education	13	22	35	2	1	3	57	22	77	
Other	0	2	2	0	0	0	0	0	0	
Total	31	67	98	35	18	53	151	50	201	
Total attempts			98			53			201	352
Succesful attempts (%)			31.6			66			75.1	

Data provided by Debbie Ferlito, Municipal Data Bank

Proposition $2^1/_2$ Referenda by Category, FY98–FY01

	FY98 Overrides			FY98 Capital outlay expenditure exclusions			CY97 Debt exclusions			
Type	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	
Culture and Recreation	4	3	7	3	3	6	5	3	8	
General Government	1	5	6	3	1	4	5	2	7	
General Operating	12	14	26	6	1	7	2	5	7	
Health-Human Services	0	0	0	0	0	0	0	0	0	
Public Safety	6	4	10	14	3	17	4	7	11	
Public Works	6	8	14	17	6	23	12	7	19	
Education	12	17	29	6	1	7	50	16	66	
Other	2	0	2	0	0	0	0	0	0	
Total	43	51	94	49	15	64	78	40	118	
Total attempts			94			64			118	276
Succesful attempts (%)			45.7			76.6			66.1	

	FY99 Overrides			FY99 Capital outlay expenditure exclusions			CY98 Debt exclusions			
Type	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	
Culture and Recreation	1	2	3	5	1	6	20	4	24	
General Government	2	0	2	3	0	3	21	2	23	
General Operating	7	6	13	2	2	4	3	0	3	
Health-Human Services	0	0	0	0	0	0	0	0	0	
Public Safety	1	0	1	7	0	7	18	2	20	
Public Works	6	3	9	17	4	21	42	11	53	
Education	1	4	5	4	0	4	71	7	78	
Other	0	0	0	0	0	0	0	0	0	
Total	18	15	33	38	7	45	175	26	201	
Total attempts			33			45			201	279
Succesful attempts (%)			54.5			84.4			87.1	

	FY00 Overrides			FY00 Capital outlay expenditure exclusions			CY99 Debt exclusions			
Type	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	
Culture and Recreation	2	4	6	6	2	8	10	1	11	
General Government	2	1	3	4	0	4	27	5	32	
General Operating	6	8	14	6	1	7	0	0	0	
Health-Human Services	0	0	0	0	0	0	0	0	0	
Public Safety	3	1	4	6	0	6	13	4	17	
Public Works	4	1	5	14	1	15	25	10	35	
Education	10	14	24	2	0	2	64	15	79	
Other	0	0	0	0	0	0	0	0	0	
Total	27	29	56	38	4	42	139	35	174	
Total attempts			56			42			174	272
Succesful attempts (%)			48.2			90.5			79.9	

	FY01 Overrides			FY01 Capital outlay expenditure exclusions			CY00 Debt exclusions			
Type	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	**Wins**	**Losses**	**Total**	
Culture and Recreation	3	4	7	1	0	1	6	4	10	
General Government	2	6	8	2	1	3	16	3	19	
General Operating	12	4	16	3	1	4	6	2	8	
Health-Human Services	1	1	2	0	0	0	0	1	1	
Public Safety	8	7	15	5	2	7	16	2	18	
Public Works	6	4	10	12	4	16	26	5	31	
Education	19	4	23	0	3	3	53	6	59	
Other	0	0	0	0	0	0	0	0	0	
Total	51	30	81	23	11	34	123	23	146	
Total attempts			81			34			146	261
Succesful attempts (%)			63			67.6			84.2	

Data provided by Debbie Ferlito, Municipal Data Bank

Referenda Trends

continued from page three

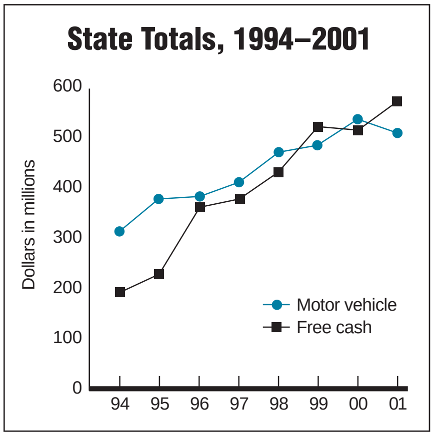

Figure 2

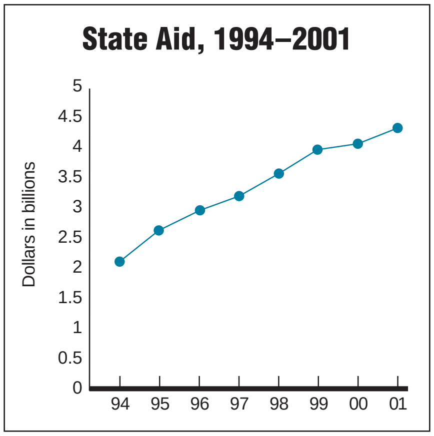

Figure 3

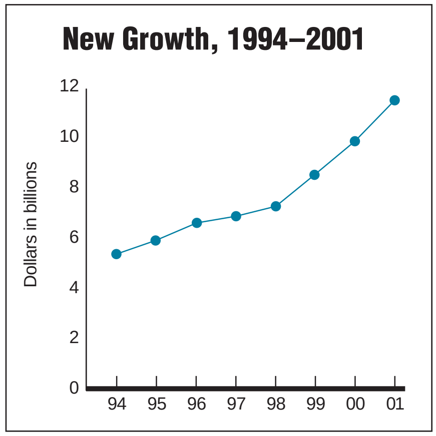

Figure 4

For every year since 1995, education has led every other referenda category for debt exclusions for most proposals, while public works has had the second most referenda proposed. The 1998 total of 71 (or 91 percent) debt exclusion wins for education was the highest out of the eight-year span from CY93 to CY00. As a matter of fact, CY99 and CY00 were not far behind, with 64 wins (81 percent) and 53 wins (90 percent) respectively.

While debt exclusion questions may account for the majority of referenda, it seems as if their popularity is volatile. While any given year's percentage of approved debt exclusions for all purposes is over 50 percent, there have not been two consecutive years of increases or decreases in the approval percentage rate. The average success rate, though, appears to be increasing slightly overall when compared to the earlier years of our study. Success rates for 1998, 1999 and 2000 are 87.1, 79.9 and 84.2 percent respectively.

Capital expenditure exclusions allow voters to raise property taxes, for a single year only, in excess of the levy limit to fund certain capital projects such as fire trucks, computer equipment, or repairs to municipal buildings. For capital expenditure exclusions, the approved amount of the exclusion is added to the levy limit only for the year in which the project is undertaken or acquisition made. Peaking in FY95 with 103 referenda, the number proposed fell to 53 by FY97, took a slight upturn in FY98, but from there continued to smoothly drop to 34 referenda in FY01. Together with the drop in debt exclusion questions, these two categories have constituted less and less of the overall number of referenda to balance the increase in override questions since FY99, keeping the total number of referenda questions proposed at approximately 270. Public works has totaled the most capital exclusion referenda for all years since FY95.

1. An approved underride, on the other hand, permanently decreases a community's levy limit. This article does not discuss underrides, since there have been so few successful referenda of this type since the implementation of Proposition 2½.

2. New growth is the amount of new development and other growth in the tax base that is not the result of revaluation or normal market based appreciation. New growth becomes part of the levy limit, increasing at the rate of 2.5 percent each year as the levy limit increases.

3. Overrides, debt exclusions and capital exclusions are all divided into eight subcategories: culture and recreation, general government, general operating, health/human services, public safety, public works education and other.

A Look Back

continued from page one

Property Taxes as a Percentage of Total Local Revenues

FY81	58.9%
FY85	48.4%
FY89	46.2%
FY92	52.4%
FY96	51.2%
FY00	49.7%

Table 1

From the outset, Proposition 2½ provided for overrides, though not for debt or capital outlay exclusions. Override questions required two-thirds approval by the voters, and could only appear on the ballot at a statewide election, either the regular state elections held every even-numbered year or at special statewide elections held in odd-numbered years. However, the law neglected to specify how a city or town could put override questions on the state ballot. These original override provisions proved unworkable. No overrides were passed until the spring of 1982, after amendments to the law allowed municipalities to place override questions on the ballot at local elections.

Although the property tax limitations were the heart of Proposition 2½, there were several other important aspects of the initiative:

It also reduced the maximum rate for motor vehicle excises to $25 per thou-

continued on page seven

DLS Update

DLS Fall Training

Gary Blau of PTB at a "What's New in Municipal Law" seminar.

The Division of Local Services (DLS) has been busy this fall providing training for local officials. Recently, the Property Tax Bureau (PTB) concluded its annual workshops on "What's New in Municipal Law?" These seminars were held in West Springfield and Framingham in late September and attracted more than 400 participants.

Be sure to mark your calendars for the dates and locations of next year's "What's New in Municipal Law?" seminars: Friday, September 20, 2002, Best Western Hotel, West Springfield and Friday, September 27, 2002, Sheraton Hotel, Framingham.

This fall, DLS also held three seminars on GASB 34 implementation in Randolph, West Springfield and Fitchburg. This training was offered by representatives from DLS and Powers & Sullivan, Certified Public Accountants. DLS also prepared a "Practical Guide for Implementation of GASB Statement 34" that was distributed at these seminars.

And last but not least, DLS offered evening classes of the Assessors' 101 course over a six-week period. Classes were held at the Department of Revenue's Sleeper Street location in Boston. DLS will offer this course again next spring. Consideration will be given to locations where there are assessors who are approaching the two-year deadline for receiving this training.

Community Firsts

The Division of Local Services congratulates the following communities for their first place finish in the categories of first to receive tax rate certification, free cash certification and Schedule A submission. For tax rate certification, both Sherborn and Topsfield in the state's eastern region received tax rate certification on September 4, 2001, while Williamstown in the west received certification on September 5, 2001. Lenox was the first community statewide to receive free cash certification on July 31, 2001. Hats off to Sandisfield for its timely submission of Schedule A, which was received by the Bureau of Accounts on July 27, 2001.

A Look Back continued from page seven

sand of valuation. The rate had been $66 per thousand.

It abolished school committees' fiscal autonomy over the total amount appropriated for the schools, leaving schools with only line-item autonomy, the authority to transfer within each year's operating budget.

It eliminated binding arbitration to resolve impasses in the negotiation of union contracts for policemen and firefighters, and curtailed the Legislature's power to impose local mandates, that is, laws that would require additional spending by municipalities or increase local tax exemptions. The Division of Local Mandates was created within the State Auditor's office to oversee compliance with the local mandates law.

The new law also introduced a general limit on assessments against municipalities by the Commonwealth or regional entities. A regional entity's assessment against a member city or town could not increase by more than 4 percent above its assessment against that municipality for the prior fiscal year. This limit was later rewritten as a 2.5 percent limit on the annual increase in a regional entity's total assessments against all its member municipalities. The original 4 percent cap applied to regional school districts as well as other types of entities, but in 1981 the Legislature removed regional schools from under the limit altogether, and made them subject to a new regional school budget process.

Over the past 20 years, the effects of Proposition 2½ have varied from community to community. On one hand, many communities experienced reductions in services as well as cutbacks in building maintenance and purchases of vehicles and equipment. On the other hand, Proposition 2½'s cost-containment measures and changes in the levy limits to provide for new growth adjustments and workable override and exclusion mechanisms, together with the increased state aid, have allowed most cities and towns to cope with the law's limits on property tax revenues.

1. New growth is the taxing capacity added by new construction and other increases in the property tax base. It directly increases the levy limit of a community. New growth is calculated by multiplying the increase in the assessed valuation of qualifying property by the prior year's tax rate for the appropriate class of property.

DLS Profile: Property Tax Bureau Staff


James Crowley and Christopher Hinchey of the Property Tax Bureau.

The Property Tax Bureau (PTB) consists of six attorneys who are specialists in municipal law, particularly in property taxation and finance. In 2000, PTB wrote more than 324 legal opinions on a wide variety of topics relating to municipal government. The bureau's attorneys also provide instruction on municipal law and procedure through presentations at seminars and workshops, such as the "What's New in Municipal Law?" seminars.

In addition, the bureau assists in the legislative process, writing bills, interacting with legislative committees and providing recommendations about legislative proposals. It also administers assessors' requests for abatement authority pursuant to M.G.L. Ch. 58 Sec. 8. Finally, the bureau exercises other statutory authority placed upon the Commissioner of Revenue, such as approving assessments to owners unknown and certifying land of low value.

James Crowley and **Christopher Hinchey** have both worked in PTB for more than 20 years. It just so happens that Jim and Chris are both graduates of Boston College and Boston University Law School. Jim has been a regular contributor to *City & Town* with his column "In Our Opinion." He also teaches courses on exemptions several times a year at various DLS seminars and workshops. Chris wrote the cover story for this issue of *City & Town* and is also a past contributor. He teaches courses on a wide range of municipal finance topics at statewide schools for associations of local finance officers. ■

Important Notice

As a cost saving measure, the Division of Local Services (DLS) will discontinue mailing *City & Town*. However, *City & Town* will be available online at www.mass.gov/dor (click on "Publications and Forms" under Division of Local Services). As an alternative, *City & Town* also may be received by e-mail. Please send your e-mail address to grourkej@dor.state.ma.us. ■

Moderator continued from page two

vested, an adjourned or subsequent town meeting can reconsider a previous vote. In the absence of statute or bylaw, reconsideration is by majority vote. The SJC ruled that a borrowing article approved by a two-thirds vote was rescinded by majority vote at a subsequent town meeting. *Adams v. Townsend Schoolhouse Building Committee*, 245 Mass. 543 (1923). Under M.G.L. Ch. 40 Sec. 53, 10 taxable inhabitants can request a court to enjoin an expenditure if there is some illegality. Alternatively, one or more inhabitants can maintain a lawsuit against the town under M.G.L. Ch. 44 Sec. 59.

In summary, selecting a good moderator is a critical first step in operating a good town government. ■

City & Town

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Joan E. Grourke, *Editor*

To obtain information or publications, contact the Division of Local Services via:

- website: www.mass.gov/dor
- telephone: (617) 626-2300
- mail: PO Box 9490, Boston, MA 02205-9490

7.5M 12/01 GC02C02

City&Town

Division of Local Services
PO Box 9490
Boston, MA 02205-9490

Return service requested

PRSRT STD
U.S. POSTAGE
PAID
COMMONWEALTH OF
MASSACHUSETTS