



A Long-Term Perspective on Proposition 2 1/2 Overrides

Tony Rassias - Bureau of Accounts Deputy Director

June 15th, 2017

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NOTICE: FY2018 Telephone & Telegraph Company Central Valuations

Local boards of assessors will find the Fiscal Year 2018 telephone and telegraph company central valuations pursuant to [M.G.L. Chapter 59, Section 39](#) on the DLS [website](#) effective Thursday, June 15th, 2017. Also included is a memorandum to assessors about the FY2018 valuation as well as the valuation table used, the new growth figures, a list of company billing addresses and a list of filing companies that were not centrally valued and should be valued locally.

The *Additional Landline Telephone and Telegraph Personality by FCC Code* for each of the centrally valued telephone and telegraph companies by community will be available on or before July 1. Please contact the DLS Bureau of Local Assessment at bladata@dor.state.ma.us or John Gillet at (617) 626-3505 with any questions.

NOTICE: FY2018 Pipeline Company Central Valuations

This article examines the results of successful Proposition 2½ override questions that communities have placed before voters from FY2000 to FY2017 to show:

- How many questions met with success.
- Where and when overrides met with success.
- Total dollar amounts indicated in override votes.
- Purposes of the approved overrides .

This article's data is based upon successful override votes sent by cities and towns to the Division of Local Services (DLS).

Background

An override ballot question must contain the wording required in [MGL c. 59, § 21C\(g\)](#), including a dollar amount, a spending purpose and a beginning fiscal year.

By majority vote, the board of selectmen or town or city council (with the mayor's approval if required by law) may place an override question before the voters. They may place an unlimited number of override questions on a regular or special municipal election ballot but only three of them on a state biennial election ballot. [MGL c. 59, § 21C\(i\)](#). An override may be posed as a single question (with general or specific spending purposes) or as multiple questions, including "pyramid overrides" (with different dollar amounts but same purpose(s), the highest dollar amount voted prevailing) or "menu overrides" (several override questions each funding different services or programs).

If the override question is approved by the voters, the city's or town's levy limit is increased by the amount of the override; however, the levy limit cannot exceed the Prop 2½ levy ceiling of 2.5% of the community's full and fair cash value. The override requires a majority vote of the community's electorate for approval.

For more information on the details of Proposition 2 ½, please see the three-part series on the subject published in *City & Town* on [June 19, 2014](#), [July 17, 2014](#) and [August 21, 2014](#). [Prop 2 ½ video tutorials](#) are also available.

Local boards of assessors will find the fiscal year 2018 pipeline company central valuations pursuant to [M.G.L. Chapter 59, Section 38A](#) on the DLS [website](#) effective Thursday, June 15th, 2017.

Also included is a memorandum to assessors about the FY2018 valuation as well as the new growth figures and a list of company billing addresses. Please contact the DLS Bureau of Local Assessment at bladata@dor.state.ma.us or Stephen Sullivan at (617) 626-2393 with any questions.



Other DLS Links:

[Local Officials Directory](#)

[Information Guideline Releases \(IGRs\)](#)

[Bulletins](#)

[Publications & Training Center](#)

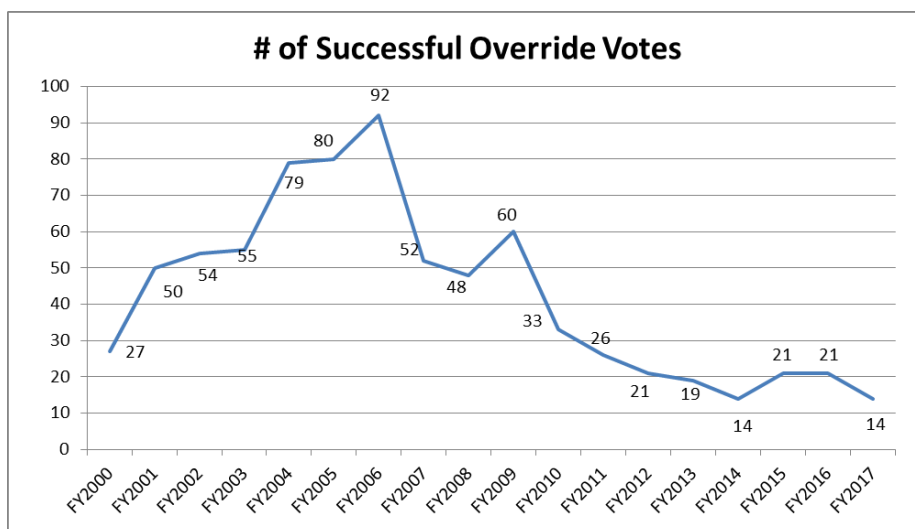
[Tools and Financial Calculators](#)

How Many Questions Met With Success

From FY2000 to FY2017, 766 successful override votes were held in 174 communities, or just under one-half of all cities and towns. As these numbers suggest, many communities held multiple override votes. Those with the most successful votes included: Edgartown with 31, West Tisbury with 25, Boxford with 23, Chilmark with 20, and Concord and Aquinnah each tied with 19. During this period:

- Voters in the six towns on Martha’s Vineyard approved a total of 108, or 14% of all successful votes in the state.
- Voters in 20 communities approved at least 10 override votes.
- 36 communities held successful override votes in at least five of the fiscal years during this period.

Chart 1 shows the number of successful override votes from FY2000 to FY2017.



Source: [DLS Databank](#)

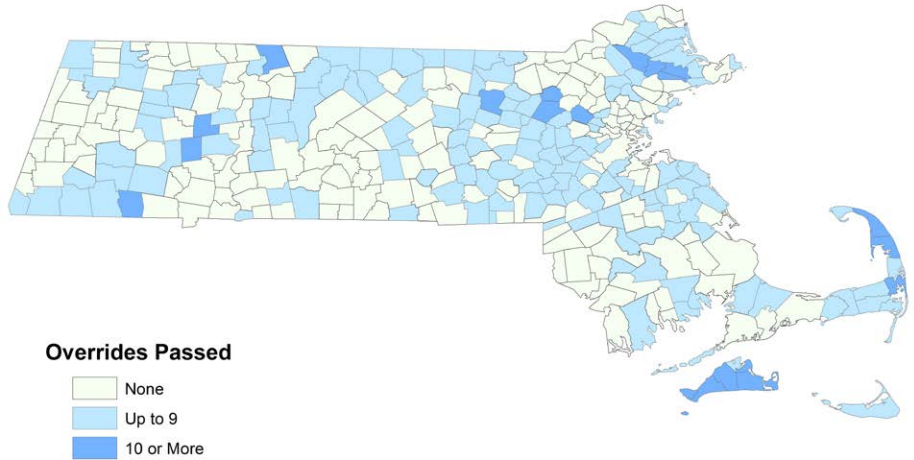
Where and When Overrides Met With Success

Of the 174 communities with successful overrides, four were cities and 170 were towns when votes were taken (Bridgewater, Framingham, Randolph and Winthrop changed their forms of government later). The City of Newton had the greatest dollar override, \$11.5 million, and the Town of Paxton had the least dollar value override, \$340. FY2006, the year prior to the beginning of the Great Recession, had the most successful overrides with 92. The more recent fiscal years of FY2014 and FY2017 each had only 14 successful override votes.

Successful override votes taken altogether won by a margin of 57.6% to 42.4%. The greatest approval percentage was in Gosnold where 100% of the voters were in favor (there were only five of them), and the lowest percentage was in Millis at 50.05%, just barely successful.

Graph 1 shows where there were successful override votes as well as the communities that have had 10 or more of them.

Successful Overrides FY2000 - FY2017



Source: [DLS Databank](#)

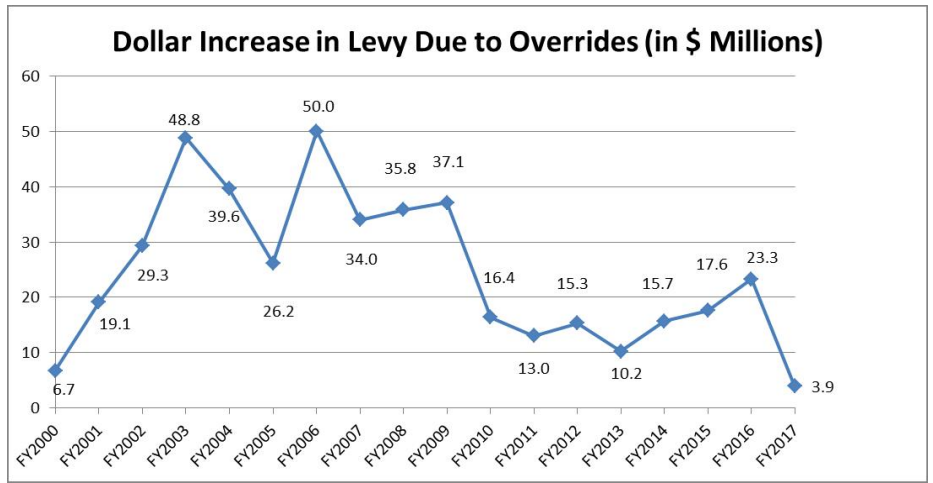
Chart 2 shows that the month of May was when most of the successful overrides took place with 323, or 42%. This may reflect that many communities are completing their next fiscal year budget decisions in that month.

| Months that Successful Override Votes Were Taken | | | | | |
|--|----------|-----------|---------|------------|----------|
| January | February | March | April | May | June |
| 1 | 4 | 23 | 132 | 323 | 199 |
| July | August | September | October | November | December |
| 29 | 19 | 14 | 7 | 11 | 4 |

Source: [DLS Databank](#)

Total Dollar Amounts Indicated in the Votes

A successful Prop 2½ override vote permanently increases the local levy limit to cover spending purposes considered to be ongoing. From FY2000 to FY2017, \$441.5 million in additional taxing authority was voted. Chart 3 shows the total dollars in each fiscal year.



Source: [DLS Databank](#)

FY2017 added the least in tax levy of all the fiscal years shown. One might presume that since FY2014 and FY2017 had 14 successful override votes each, their dollar value increases may have been about the same. However, FY2014 vote detail reveals that the successful overrides in Lakeville, Newton, Northampton and Yarmouth alone totaled \$13.5 million of the \$15.7 million total statewide. In contrast, FY2017's four largest successful overrides in Edgartown, Middleton, Monterey and Tisbury totaled \$1.9 million of the \$3.9 million total.

Purposes of the Approved Overrides

Charts 3a and 3b show what purposes were favored by voters in each fiscal year, the three most successful purposes and the total number of successful votes. The three most successful purposes were schools and regional school district assessments (268.5 votes), general operating costs (244 votes), and public safety (86.5 votes), and together, these represented 78% of all successful override votes.

| Override Purpose | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 | Subtotal FY2000 to FY2009 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------------------------|
| Council on Aging | 0 | 1 | 3 | 1 | 0 | 0 | 2 | 2 | 1 | 1 | 11 |
| Dredging Project | 0 | 1 | 0 | 0 | 1 | 2 | 0 | 1 | 1 | 0 | 6 |
| General Operating | 7 | 11 | 16 | 18 | 34 | 22 | 36 | 23 | 17 | 16 | 200 |
| Housing Authority | 0 | 1 | 0 | 0 | 3 | 2 | 0 | 1 | 1 | 1 | 9 |
| Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library | 0 | 1 | 0.5 | 0 | 1 | 4 | 3 | 1 | 0 | 3 | 13.5 |
| Other | 3 | 4 | 3 | 2 | 5 | 6 | 9 | 2.5 | 3 | 4 | 41.5 |
| Public Safety | 3 | 8 | 8 | 8 | 4 | 11 | 9 | 1.5 | 2 | 10 | 64.5 |
| Public Works/Streets | 1 | 1 | 2 | 1 | 2 | 4 | 5 | 1 | 0 | 2 | 19 |
| Recreation | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| Schools/RSDs | 10 | 18 | 19.5 | 23 | 27 | 27 | 24 | 17 | 22 | 20 | 207.5 |
| Town Hall | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Trash/Recycle | 2 | 4 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 3 | 21 |
| Total | 27 | 50 | 54 | 55 | 79 | 80 | 92 | 52 | 48 | 60 | 597 |

Source: [DLS Databank](#) (Note: A decimal is shown for a dual purpose override)

| Override Purpose | Subtotal FY2000 to FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | Total FY2000 - FY2017 |
|----------------------|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------------------|
| Council on Aging | 11 | 1 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 15 |
| Dredging Project | 6 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| General Operating | 200 | 7 | 6 | 7 | 4 | 3 | 6 | 6 | 5 | 244 |
| Housing Authority | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Library | 13.5 | 3 | 3 | 0 | 0 | 1 | 0 | 0 | 0 | 20.5 |
| Other | 41.5 | 4 | 2 | 1 | 3 | 0 | 0 | 0 | 0 | 51.5 |
| Public Safety | 64.5 | 7 | 1 | 1 | 3 | 3 | 3 | 0 | 4 | 86.5 |
| Public Works/Streets | 19 | 1 | 3 | 4 | 0 | 2 | 0 | 2 | 2 | 33 |
| Recreation | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Schools/RSDs | 207.5 | 6 | 8 | 8 | 8 | 4 | 11 | 13 | 3 | 268.5 |
| Town Hall | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Trash/Recycle | 21 | 2 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 25 |
| Total | 597 | 33 | 26 | 21 | 19 | 14 | 21 | 21 | 14 | 766 |

Source: [DLS Databank](#) (Note: A decimal is shown for a dual purpose override)

Final Notes

For more information on Prop 2½ overrides and other referendum votes including underrides and debt or capital expenditure exclusions, please visit the [Publications and Training Center on the DLS website](#). To view related data, go to "Property Tax Related Reports" on the [DLS Municipal Databank](#).

The author would like to thank Theo Kalivas of the DLS Technical Assistance Bureau for his assistance in creating the color-coded map for this article.

Expanding DLS Training Survey

DLS has developed a three-question survey soliciting your feedback regarding our current training offerings, how we can improve them, and if we should include trainings on other subject matters. We're asking you, our colleagues in local government, to please take a moment to provide useful insight and direction. The survey can be found by [clicking here](#). Thank you!

Data Highlight of the Month: Local Aid Payment Schedule - Charter School Tuition

Anthonia Bakare - DLS Municipal Databank

As of July 2017 (FY18), Charter School Tuition assessments and reimbursements will move to a monthly schedule. The previous schedule caused charter school account balances to be negative until the end of the fiscal year. This caused payments to reject, requiring the Division of Local Services to request overrides from the Comptroller's office. The Office of the Comptroller determined this process to be in conflict with state law. As a result, a new schedule was implemented to evenly assess and distribute funds throughout the fiscal year. There will be no impact on local budgets, but with the new schedule, sending districts will experience more consistency in cash flow.

Charter School Tuition is the only change in the FY18 payment schedule. For a complete listing of Local Aid program payment schedules see IGR 17-17. In addition to the schedules, the IGR has helpful links regarding local aid distributions, including links to the Treasurer's and Comptroller's websites. There is also a link to the Databank's distributions report where you can access your community's local aid information. Included is distribution information on qualified bonds, charter school payments, community preservation funds, smart growth, and local option meals and rooms taxes.

We hope you become better acquainted with the data the Division of Local Services has to offer through the *Data Highlight of the Month*

June Municipal Calendar

| | | |
|----|------------|--|
| 1 | Town Clerk | Certify Appropriations The Town Clerk should certify appropriations immediately after town meeting so that the Accountant can set up accounts for every department for the next fiscal year. |
| 1 | Town Clerk | Update the Local Officials Directory (LOD) in Gateway The Town Clerk annually updates the LOD with the names and email addresses of any new local officials and with any changes to position titles. |
| 1 | Assessors | Determine Valuation of Other Municipal or District Land In any community where land is owned by another community or district, the Assessors value the land for in-lieu-of-tax payments and send a notice of the new valuation in the year following a revaluation year. |
| 1 | BLA | Notification of Proposed EQVs (even-numbered years only) |
| 1 | BLA | Notification of SOL Valuations (even-numbered years only) |
| 10 | BLA | Conclude Public Hearings on Proposed EQVs (even-numbered years only) |
| 15 | BLA | Determine and Certify Pipeline Valuations |
| 15 | BLA | Determine and Certify Telephone and Telegraph Company Valuations |
| 15 | Assessors | Make Annual Preliminary Tax Commitment Assessors in quarterly communities, as well as those in semiannual communities issuing annual preliminary bills, should make the annual preliminary tax commitment by this date to ensure the ability to mail the bills by July 1 st . The commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. |
| 20 | Assessors | Final Date to Make Omitted or Revised Assessments As required by MGL c. 59, §§ 75 and 76 , if a property was inadvertently excluded or mistakenly underassessed on the warrant for property taxes, it is the Assessor's role to fix the mistake and assess the property correctly. The assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later. |
| 30 | Assessors | Close Overlay Surplus to Surplus Revenue The Assessors may certify any balance in the overlay account in excess of the remaining amount of the warrant to be collected or abated. The transfer from overlay to the overlay surplus account is done on the Assessors' initiative or within 10 days of a written request by the Selectmen. |
| 30 | Assessors | Conduct a Physical Inventory of all Parcels for Communities that Accepted MGL c. 59, § 2A(a) |
| 30 | Taxpayer | Deadline to Apply to Have Land Classified as Forest Land Per MGL c. 61, § 2 , this is the deadline to apply to the State Forester to have land certified as forest land. |
| 30 | Assessors | Submit Annual Report of Omitted or Revised Assessments to BLA |
| 30 | Assessors | Deadline to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of MGL c. 59, § 5 Assessors have until this date to submit a request to MDM for state reimbursement to offset the tax revenue lost from granted statutory exemptions. The state partially reimburses for these via the cherry sheet. If actual tax bills were mailed late, the reimbursement request deadline is extended to August 20. |

Editor: Dan Bertrand

Editorial Board: Sean Cronin, Anthonia Bakare, Robert Bliss, Linda Bradley, Nate Cramer, Patricia Hunt and Tony Rassias

Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us.

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