

CITIZENS for Limited Taxation 46 Years as the Voice of Massachusetts Taxpayers Post Office Box 1147 D Marblehead, Massachusetts 01945 (781) 639-9709 D staff@cltg.org D www.cltg.org

NEWS RELEASE

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CLT Celebrates 40th Anniversary of Proposition 21/2

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"Forty years ago today Massachusetts experienced a seismic shift across the commonwealth in political power and newfound respect for the state's taxpayers," said Chip Ford, executive director of Citizens for Limited Taxation.

"Four decades ago municipal governments across the state were forced to limit their relentless property tax increases and to ask their taxpayers for permission before raising them more than 2.5 percent over the previous year's levy," Ford added. "It was revolutionary, and despite perennial attacks to weaken and erode Proposition 2¹/₂, through CLT's vigilance over the past 40 years it remains the law of the land."

Boston Broadside's senior political reporter Ted Tripp, a long-time CLT member and taxpayer activist, noted in the paper's May 2016 issue in his column "Remembering Barbara Anderson" soon after she'd passed away:

"On November 4, 1980 the voters overwhelmingly approved Proposition 2¹/₂ on the ballot by a vote of 59% to 41%. Of the 351 communities in Massachusetts, 284 voted YES. Of the 67 communities which voted NO, half were in Franklin County (21) and Barnstable County (12). Essex (Rockport), Norfolk (Brookline) and Worcester (Southbridge) counties had only one town in each which voted NO."

At the celebration of life event for Barbara Anderson held on June 5, 2016, **Gov. Charlie Baker** eulogized on her impact on Massachusetts <u>noting</u>: "Prop 2¹/₂ was probably the single most important thing to happen to fiscal and economic policy in the Commonwealth of Mass in my lifetime. *Period*. Anyone who suggests otherwise is just kidding themselves."

Over the past few weeks we contacted many of those visionaries who conceived, drafted and created Proposition 2¹/₂ four decades ago, collected the signatures that put it on the 1980 ballot, waged and won the campaign for its adoption. We sought their thoughts on what they'd accomplished in 1980:

Edward F. King

"The Father of Proposition 21/2"

Founder, Citizens for Limited Taxation (1974)

(Founded CLT after his defeat of the 1972 graduated income tax; CLT defeated it again in 1976 by an even larger margin, and for a third time on the 1996 ballot.)

"One of the proudest accomplishments of Citizens for Limited Taxation is its legendary Proposition 2¹/2. For 40 years it has protected homeowners in Massachusetts, made home ownership possible. Many politicians are still, constantly working to weaken and get around it. Forty years later we must always remain vigilant and be ready to fight back."

Don Feder

CLT's First Executive Director, 1978-79

CLT Executive Secretary, 1976 (anti-grad tax ballot campaign)

"Prop 2¹/₂ was an historic victory for the anti-tax movement, both in Massachusetts and nationally. We finally went on the offensive after years of fighting off disastrous ideas like the graduated state income tax. We must stay strong. Eternal vigilance is the price of tax limitation."

Pauline Zywaski CLT Treasurer, 1974-2018

"I never imagined that on November 4 in 1974 when I deposited the first check for the newly-formed Citizens for Limited Taxation for its fight against the statewide Graduated Income Tax ballot question that CLT would become the largest tax group in Massachusetts that would fight taxes and successfully return income to the individual taxpayer and limit the growth and spending of state government. Though there have been many CLT successes over the decades, Proposition 21/2 was our premier achievement."

Ray Stata

Co-founder of Analog Devices (1965) Co-founder, first president of the Massachusetts High Technology Council (1977-2017)

"Collaboration with Citizens for Limited Taxation in passing Proposition 2¹/₂ was one of the crowning and most enduring achievements of Massachusetts High Technology Council. From the beginning the goal of MHTC was to reverse the damaging image of Taxachusetts and to make the State a better place to live and build successful businesses.

"Property taxes especially were out of control with no way to stop the upward spiral. Proposition 2¹/₂ provided an effective solution which has worked well for decades to keep property taxes more in line with other states.

"Today people forget and discount the benefits of Prop 2¹/₂ to automatically keep taxes under control. It takes constant vigilance and commitment to prevent erosion of the simple, powerful constraints imposed by Proposition 2¹/₂."

Howard Foley

President, Mass High Tech Council (1978-2001)

"A 40th Anniversary for anything is a milestone, some good, some not so good, and in this case, all my thoughts are extremely positive about what was accomplished on Nov. 4, 1980 by Citizens for Limited Taxation and the Massachusetts High Technology Council. Together, we had a chance to improve the lives of every citizen who was fortunate to live in Massachusetts, but it was a state in serious need of a far more favorable tax climate for everyone. That's what Prop 2¹/₂ made possible.

"This would not have happened were it not for CLT and its then-leader Barbara Anderson. Barbara was fantastic in every sense of the word. I can't tell you how many times during our initiative petition campaign and after in the Massachusetts Legislature that I said: "Yes Barbara, will-do Barbara, whatever you say Barbara." All I had to do was listen and be a "good boy." We won and Prop 2¹/₂ still lives.

"I was fortunate that I had the honor of working with some of the finest

Massachusetts business leaders one could imagine led by Ray Stata, the founder of Analog Devices. Our Council's collaboration with CLT in support of Proposition 2¹/₂ was one of the most important tax policy issues we were ever involved in."

Attorney Paul Peter Nicolai Chairman, CLT Board of Directors, 1981-1997

"Back at the time this was passed, Massachusetts had property taxes that were 70% above the national average. Today, residential property taxes in Massachusetts are about 10% higher than the national average.

"More importantly, passage of Proposition 2¹/₂ caused the state to rewrite its finances and greatly increase the involvement of state government in the financing of local activities like schools, roads, etc.

"As a result, actual municipal expenditures have become much more reliant on less regressive taxes and the overall regressivity of Massachusetts taxes has been greatly reduced by the fact that the state now relies more heavily on income and transaction taxes than property taxes."

Celebrating Proposition 2¹/2's 25th anniversary in 2005, **Barbara Anderson** — **"The Mother of Proposition 2¹/2"** — wrote in a *Boston Herald* column ("<u>Let the</u> <u>party continue for tax savings</u>"):

"Once an initiative petition, then a controversial ballot question, Prop 2¹/₂ is now an institution. Older taxpayers remember that there was a time when property taxes in Taxachusetts were the second highest in the nation, 70 percent above the national average. Younger taxpayers take the levy limit for granted and only know that if their community wants more taxes it has to ask voters for an override. C'est la vie!"

Four months before her death in 2016, in her weekly *Salem News* column Barbara Anderson wrote ("<u>Revisiting the tax revolt . . ."):</u>

"The Massachusetts Taxpayers Foundation (MTF) has just released its 45th annual municipal finance report, telling us that in fiscal year 2015, local revenue grew 3.8 percent. This includes local aid from the state, fees, and the auto excise tax (which is also limited by Proposition 2¹/₂), but the main source of municipal revenue, the property tax . . .

"Compared to the unlimited, uncontrolled property tax hikes of the 1970s, Massachusetts taxpayers have lower taxes and more control. In our commonwealth as a whole, the overall property tax burden has dropped from one of its usual three highest in the nation; it's no longer even in the top 10. The Washington-based Tax Foundation lists it at 18th in 'property taxes paid as a percentage of median home value for owneroccupied homes.' Prop 2¹/₂ should continue to protect us from the overspending and unfunded liabilities noted by the *Salem News*' editorial on the MTF report. . . .

"When Citizens for Limited collected signatures for the property tax initiative petition, I was the secretary in the office; the one who typed it. I was not involved in board discussions about the many complicated provisions; and yet, when my boss quit in July, after the petition was filed to go to the ballot, I became executive director of CLT. My job was to sell it for a yes vote on the November ballot.

"I was happy to do this: I'm a strong believer in simplification, so I just told everyone, 'We all know property taxes are too high, and this will fix them.""

Forty years later CLT's Proposition 2¹/₂ continues to keep them fixed.

• <u>CLT's Proposition 2¹/2</u> — What It Does . . . And Has Done For Taxpayers <u>Since 1980</u>

• <u>What CLT's Proposition 2¹/2 saves you in your auto excise tax alone — every</u> <u>year, year after year</u>

More Proposition 2¹/₂ Information