



CITIZENS for Limited Taxation

46 Years as the Voice of Massachusetts Taxpayers
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Dear CLT member — or lapsed *former*-member;

Thanks to the encouraging response to the May fund-raising letter CLT is still alive and fighting for another day. It's a good thing we're still here to catch and battle against the latest sneak attack on Proposition 2½ abruptly dropped on taxpayers — and legislators — from out of nowhere.

On Friday, July 11 the Senate Ways and Means Committee abruptly released its transportation bond bill (S-2813), which entirely replaced the House version with its gas and other tax hikes (H-4547). And it replaced the Senate's own two previous versions (S-2739 then S-2746), both of which contained no new taxes or tax increases.

Buried deep within it — out of nowhere without notice to anyone including other senators or even a single public hearing — we discovered Section 5, “Local and Regional Transportation Initiatives.” Section 2(c) of Section 5 states:

"Notwithstanding chapters 59, 60A, 62 or 64H or any other general or special law to the contrary, the governing body of a city or town may vote to accept this chapter authorizing a surcharge on a single subject of taxation. A governing body that intends to accept this chapter 23 of 61 shall determine a single subject of taxation to be levied and the amount and rate of surcharge on the single subject of taxation prior to approval by the voters. If the identified single subject of taxation is a real or personal property excise, the amount of the surcharge shall not be included in a calculation of total taxes assessed for purposes of section 21C of chapter 59."

The dozen pages of this section create a new end-run around our Prop 2½,

Every Tax is a Pay Cut . . . A Tax Cut is a Pay Raise

permitting municipalities to raise "sales, real or personal property, room occupancy or vehicle excise" taxes to fund "transportation projects," *outside and beyond* the 2.5% limit on property tax increases under Proposition 2½.

In practice, this would permit a city or town to move roads and highway spending off-budget from the traditional municipal budget – potholes, snow-plowing, road repair and maintenance, public works department vehicles and equipment, etc. Those freed-up "transportation" funds would then be available to be spent *elsewhere* within the budget.

Senators were given until 5:00 p.m. on Monday to file any amendments to this Ways and Means Committee bill released on Friday. I spent the next 60 hours Friday and through the weekend researching the evolving four bills that ended up with the Prop 2½ assault, talking with others with knowledge and expertise, to get a CLT memo into the senators' hands that would strip out Section 5 – the assault on Proposition 2½ that appeared out of nowhere.

I'd planned to get the memo to senators by late Sunday so they'd have it Monday morning in time to present an amendment to remove Section 5 before the 5:00 p.m. deadline – but at midnight I was still deciphering the evolution of the four separate bills and the multitude of arcane legal references to chapters and sections of Massachusetts General Laws they would replace or amend.

I had my first draft of the memo written by 3:00 a.m. Monday morning, when I had to call it quits for Sunday. I was back up and at it after a three-and-a-half hour nap, at 6:30 a.m. I gave the memo a second read-over, made a few changes and corrections, then sent it off to all 40 state senators at 8:30, as well as sending it as a news release to our hundreds of statewide media contacts and CLT allies. (You'll find that memo/news release on pages 5-6 of of this letter.) By the end of that week I'd clocked almost 120 hours battling this assault, three 40-hour work weeks within seven days.

(On hearing of my long days and hours fighting for the taxpayers' cause, an old political veteran years ago told me, jokingly I think: "Either you're awfully committed, or you *ought* to be!")

On Monday the state chapter of the National Federation of Independence

Business contacted me; they were alerting their members. Next came a call from Mass Fiscal Alliance; they wanted to help CLT fight the attack as well. We've been working together since and their resources have been very helpful.

On Thursday during the Senate debate on the transportation bond bill, in response to our memo Sens. Diane DiZoglio (D-Methuen) and minority leader Bruce Tarr (R-Gloucester) offered an amendment to strip Section 5 from the final bill. Their (and our) amendment was defeated on a roll call vote of 31-8 with the four Senate Republicans and four Democrats voting with us.

This is another rabid attack on Proposition 2½ devised by Sen. Eric Lesser (D-Longmeadow), a member of the Senate Ways & Means Committee where it first appeared. Lesser was also the instigator of the "Community Benefits District" bill in 2018 which would have bypassed Proposition 2½ by creating *neighborhood* districts and taxes. At that time it was slipped into a massive economic development bill. CLT managed to kill it before the main bill's final passage in the middle of night of the last day of 2018 legislative session.

Voters of Lesser's hometown of Longmeadow, at their town meeting on June 23, voted down a proposal by its selectboard to seek a home rule exception from the Legislature to exempt the town from Proposition 2½. That defeat occurred just three weeks before Lesser led his own stealth attack on Prop 2½ and his opposition to the DiZoglio/Tarr amendment to remove it which was defeated. *Just who* does Sen. Lesser represent? Certainly not his constituents.

After passage of the Senate's transportation bond bill on July 16 it went back to the House, was assigned to a 6-person House-Senate conference committee to find some kind of agreement on the two vastly diverse versions, where it still sits with the six negotiators.

If you receive our regular CLT Updates in your e-mail then you have been following this closely, receiving ongoing detailed information and requests to contact your state Senators and Representatives. If you aren't receiving them, be sure to include your e-mail address on the enclosed response card.

As I write (on Sunday, August 2) the Legislature has just agreed to ignore its

own rule that ends formal sessions in election years on July 31. It will instead remain in formal session until the end of the year. All threats of higher and new taxes – including this assault on Proposition 2½ – have been extended. Difficult votes will now happen even after legislators are safely re-elected in November.

There's no rest for the weary taxpayers this year, or for taxpayers' advocates.

The response to CLT's last mailing in May was encouraging. It was the first time in a few years where total contributions from a single mailing exceeded previous returns from a mailing: an impressive increase of 34% in dollars from 16% more members. This provided CLT with the ability to keep fighting for you and other taxpayers for a while longer. It showed an appreciation for the usual 60-hours a week dedicated to CLT, even the occasional marathon 120-hour work week when sudden sneak attacks demand a rapid, robust, and sustained response. That encouragement makes it all worthwhile.

CLT's existence is still and for decades has been hand-to-mouth, day-to-day.

I hope it can continue fighting for you and all the state's taxpayers in the remaining months of 2020 and even beyond.

As always, that decision is in your hands, and those of others reading this, and – most especially – those reading this who did not renew their membership or respond with a contribution this year, last year, or for even longer.

Please consider sending a contribution so CLT's relentless opposition to taxpayer oppression can be sustained.



Chip Ford

Executive Director

Secure credit card contributions can be made online immediately at:

<http://cltg.org/contribution.htm>

CLT Memo to the Senate
Monday, July 13, 2020
S-2813 — Senate Transportation Bond Bill

Dear Senator;

First, The Senate Ways and Means Committee has our appreciation for avoiding "transportation revenue," raising taxes to fund its transportation bond bill. It was very refreshing to hear, when asked if the \$16.9 billion proposed borrowing is possible without additional revenue, Sen. Boncore's succinct response, "Absolutely." Living within our means is the hallmark of fiscal responsibility, whether among your constituents in their daily lives or their expectations from those they elect to represent them.

Our problem with S-2813 is its Section 5, "Local and Regional Transportation Initiatives." The best that we can determine is its genesis was in the House's original bill, H-4547 (Section 4, "Supplemental Infrastructure Financing for Transportation"), though the connection is a stretch. Its commonality seems to be only in seeking a means for municipalities to somehow raise more revenue outside the accepted restrictions of Proposition 2^{1/2}.

Unfortunately S-2813 was released by the Senate Ways and Means Committee to the full Senate and those attentive among the public only on Friday, without a public hearing, outside input, or advanced warning and apparently is to be brought to a vote of the Senate on Thursday. In light of this abruptness, this memo of CLT's position will need to suffice.

Section 5 would allow additional municipal revenue to be generated outside the limitations of Proposition 2^{1/2} for "transportation projects."

A "transportation project" is defined as "a project or program for the planning, design or construction of public or mass transportation transit systems, transit-oriented development, roads, bridges, bikeways, pedestrian pathways or other transportation-related projects."

Those are costs historically and traditionally incurred by municipalities, properly funded within its budget by overall municipal revenue,

assisted by Chapter 90 funds rightly provided by the state.

If more revenue is necessary for additional transportation projects or any other specific municipal need, Proposition 2½ intentionally provides a mechanism: operational overrides and debt exclusions. This mechanism has worked well for going on four decades, with debt exclusions having been proposed and adopted for a multitude of unbudgeted projects such as underground sewer system replacement, schools; public safety and other municipal buildings and their repair; purchases of fire trucks, ambulances, snow plows, and other municipal equipment; purchasing open space, etc.

Section 5 is redundant and unnecessary; a solution seeking a problem.

Section 5 seems unrelated and inappropriate within a bond bill, and we wonder why it is included.

But if it becomes law it will create a concerning precedent that can only expand: Municipal government services being funded à la carte.

Consider a future city or town ballot menu: Police protection, vote yes to raise your taxes; Continuing a Fire Department, vote yes to raise your taxes; Public Works, vote yes to raise your taxes; Schools and Education, vote yes to raise your taxes.

Operational overrides and debt exclusions are frequently quite divisive among neighbors now, especially between those who can afford it and those who can't; those who will benefit and those who won't. Does setting this menu-style precedent really represent the direction in which you want to lead municipal governing and civic engagement?

We hope not.

Please remove Section 5 from this bill before it can be passed and set that bad precedent. Section 5 is not necessary.