

A Brief History of Real Estate Taxation and Over-Rides in the State of Massachusetts

A Brief legal description of the Override Question

Types and Descriptions of Overrides

History of Overrides in MetroWest and Mass.

History of Tax increases in MetroWest and Mass.

Tax Assessment and valuation models in Wayland.

Pro's and Con's of the various types of Overrides



A Brief legal description of the Override Question

“2 ½ Percent” is the maximum amount of property tax Revenue a community may raise in the year specified Without a ballot question.... **Without asking for a vote.**

“Over-Ride” increases the amount of property tax Revenue a community may raise in the year specified in the over-ride question (above 2 ½ percent) and in future years.

Remember: The result is a permanent increase in the Taxing Authority.

A Brief legal description of the Override Question

“Under-Ride” decreases the amount of property tax Revenue a community may raise in the year specified in the under-ride question (below 0 percent) and in future years.

Remember: The result is a permanent decrease in the Taxing Authority.

Rockport: FY2001 Under-Ride (\$1,050,625)
Vote 1,862 to 212

Types and Descriptions of Overrides

Three types of Over or Under Rides are allowed:

“Single” A simple YES or NO vote on an amount of money Above and beyond a 2 ½ % tax levy increase.

“Pyramid” Asks voters to determine which, if any, of two Or more funding levels they are willing to approve.

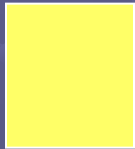
“Menu” Several separate YES / NO over-ride questions each funding different services or programs. The total aggregate of the YES decisions determine the total funding Over-ride for the community.

Types and Descriptions of Overrides

A “Single” Choice Ballot Question

Shall the Town of Wayland be allowed to assess an additional amount in real estate and personal property taxes of:

\$XX,XXX,XXX for the purpose of funding its general fund operating budget and general government for the fiscal year beginning July 1, 2006.



YES



NO



Choose YES or NO

Rules: Majority YES for Full Over-Ride
Majority NO for Zero Over-Ride

Types and Descriptions of Overrides

A “Pyramid” Choice Ballot Question

Shall the Town of Wayland be allowed to assess an additional amount in real estate and personal property taxes of:

Question 1a:

\$10,000,000 for the purpose of funding its general fund operating budget and general government for the fiscal year beginning July 1, 2006.



YES NO



Choose YES or NO for this Question 1a

Question 1b:

\$ 5,000,000 for the purpose of funding its general fund operating budget and general government for the fiscal year beginning July 1, 2006.



YES NO



AND Choose YES or NO for this Question 1b

**Rules: Highest Dollar Majority YES Wins
NO Over-Ride when no Majorities occur**

Types and Descriptions of Overrides

An Example “Pyramid” Choice Ballot Question

Amount of
Over-Ride
Passed

				Over-Ride Amount		
				Question 1A	Question 1B	Question 1C
				\$400,000	\$300,000	\$200,000
Yes	1,840	2,009	2,395			
No	1,934	1,784	1,395			
Blanks	101	82	85			
				Failed	Passed	Passed
					Prevailed	

Types and Descriptions of Overrides

A “Menu” Choice Ballot Question

Shall the Town of Wellesley be allowed to assess an additional \$X + \$Y in real estate and personal property tax for the following:

Question 1a:

\$X,000,000 for the purpose of funding its general fund operating budget for general government including fire and police for the fiscal year beginning July 1, 2006



YES NO



Choose YES or NO for this Question 1a

Question 1b:

\$Y,000,000 for the purpose of funding its operating budget for public education and libraries for the fiscal year beginning July 1, 2006.



YES NO



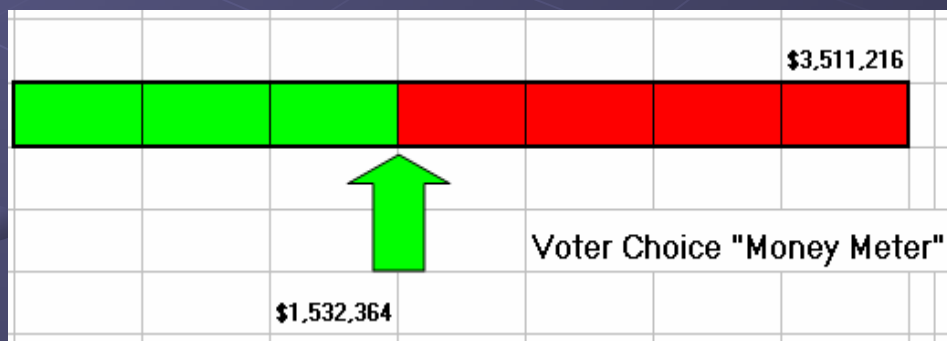
AND Choose YES or NO for this Question 1b

Rules: Each question is a separate YES / NO Over-Ride Vote.

Types and Descriptions of Overrides

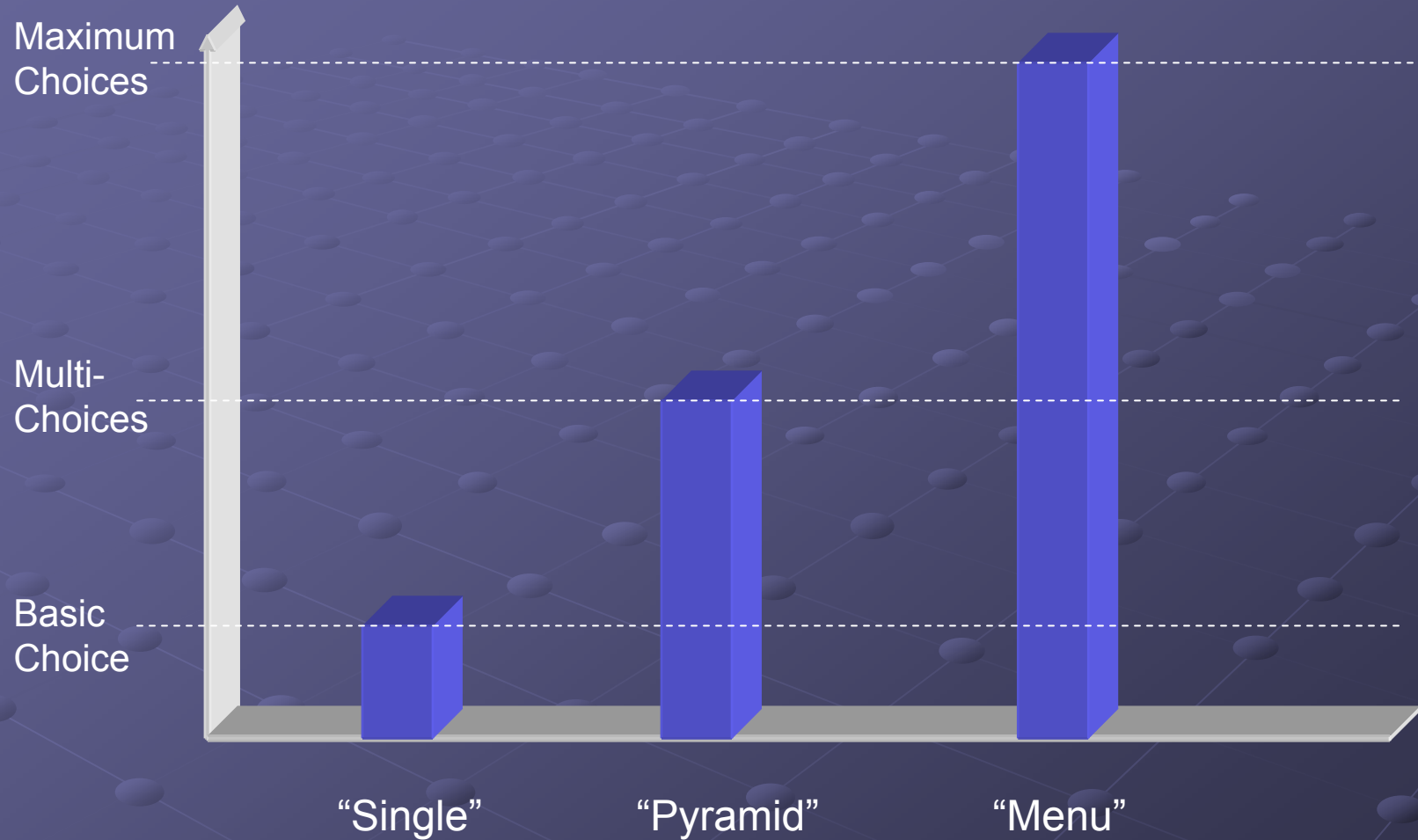
Concord FY 2004 "Menu" Choice Ballot Results

City of Concord FY 2004				
Department	Yes	No	Decision	Amount
OPERATING BUDGET AMOUNT 1	1953	2344	LOSS	\$350,000
PUBLIC SCHOOL OPERATING BUDGET	1757	2539	LOSS	\$1,628,852
OPERATING BUDGET AMOUNT 2	2201	2067	WIN	\$182,364
CONCORD CARLISLE REGIONAL BUDGET	2186	2105	WIN	\$475,000
CONCORD PUBLIC SCHOOLS	2170	2116	WIN	\$875,000
Total Amount of Over-Ride				\$1,532,364



Types and Descriptions of Overrides

Degree of Voter Choice and Control

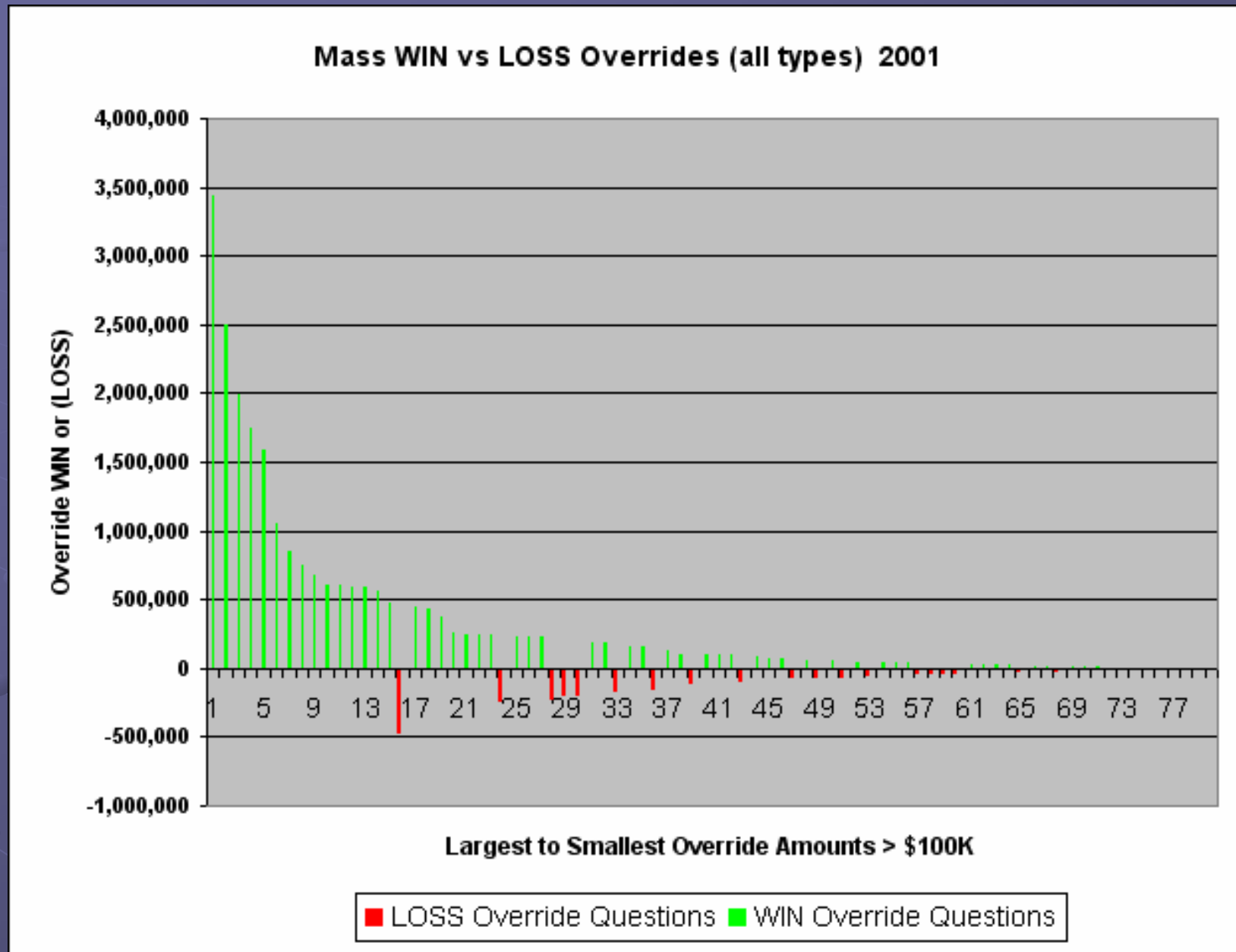


Transfer of 'Granularity' of Decision Power to the Voter

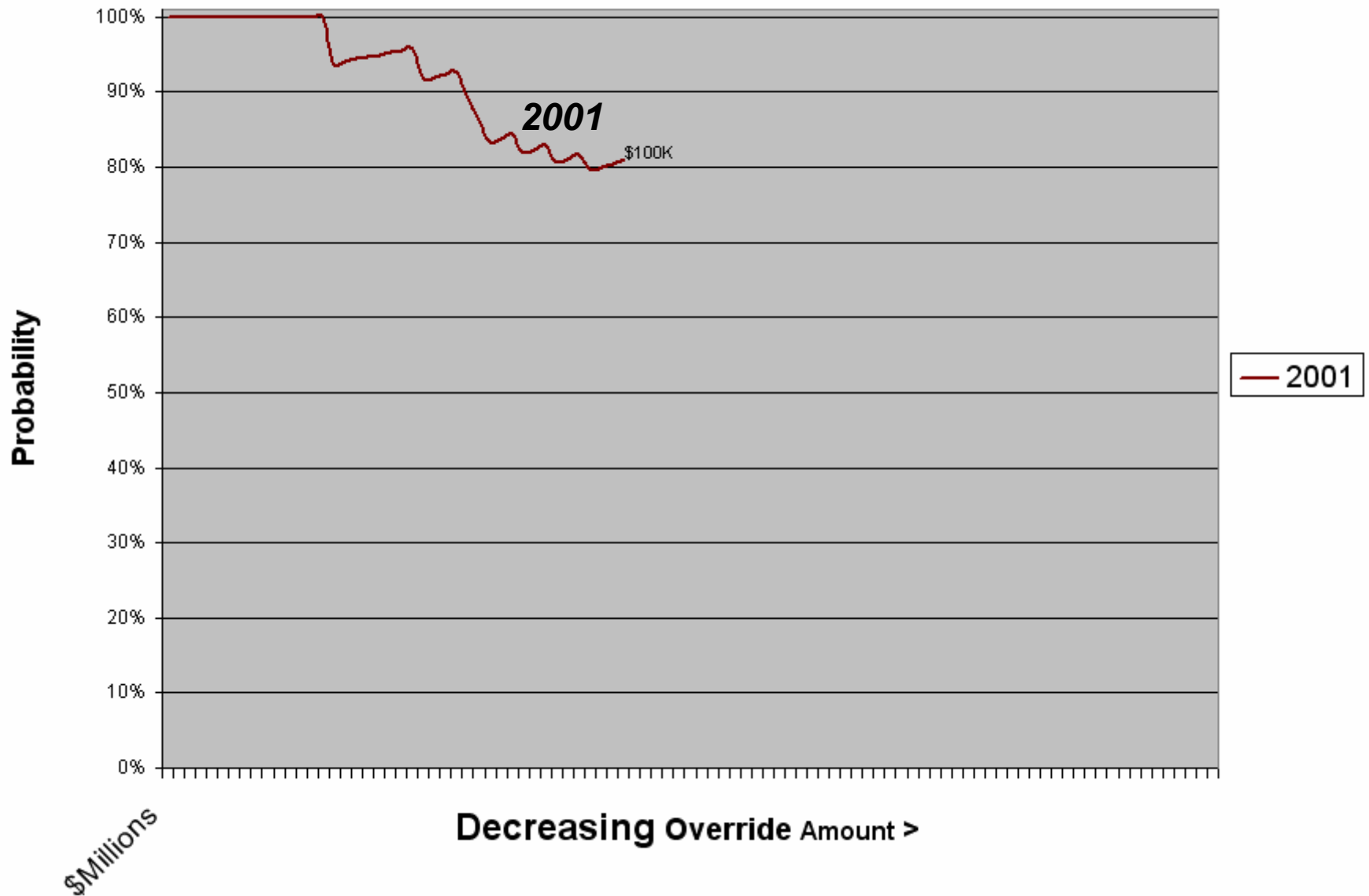
History of Overrides in MetroWest and Mass.

ACTON							
CONCORD			MP	MP	MP	MP	
FRAMINGHAM							
HOLLISTON							
HOPKINTON					MP		
LEXINGTON						MP	
LINCOLN			MP				
NATICK							
STOW					MP		
SUDBURY							
WAYLAND							
WELLESLEY							MP
WESTON							
WESTWOOD							MP
<i>Fiscal Year</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
WIN							
LOSS							
MIXED							
MENU or PYRAMID	MP						

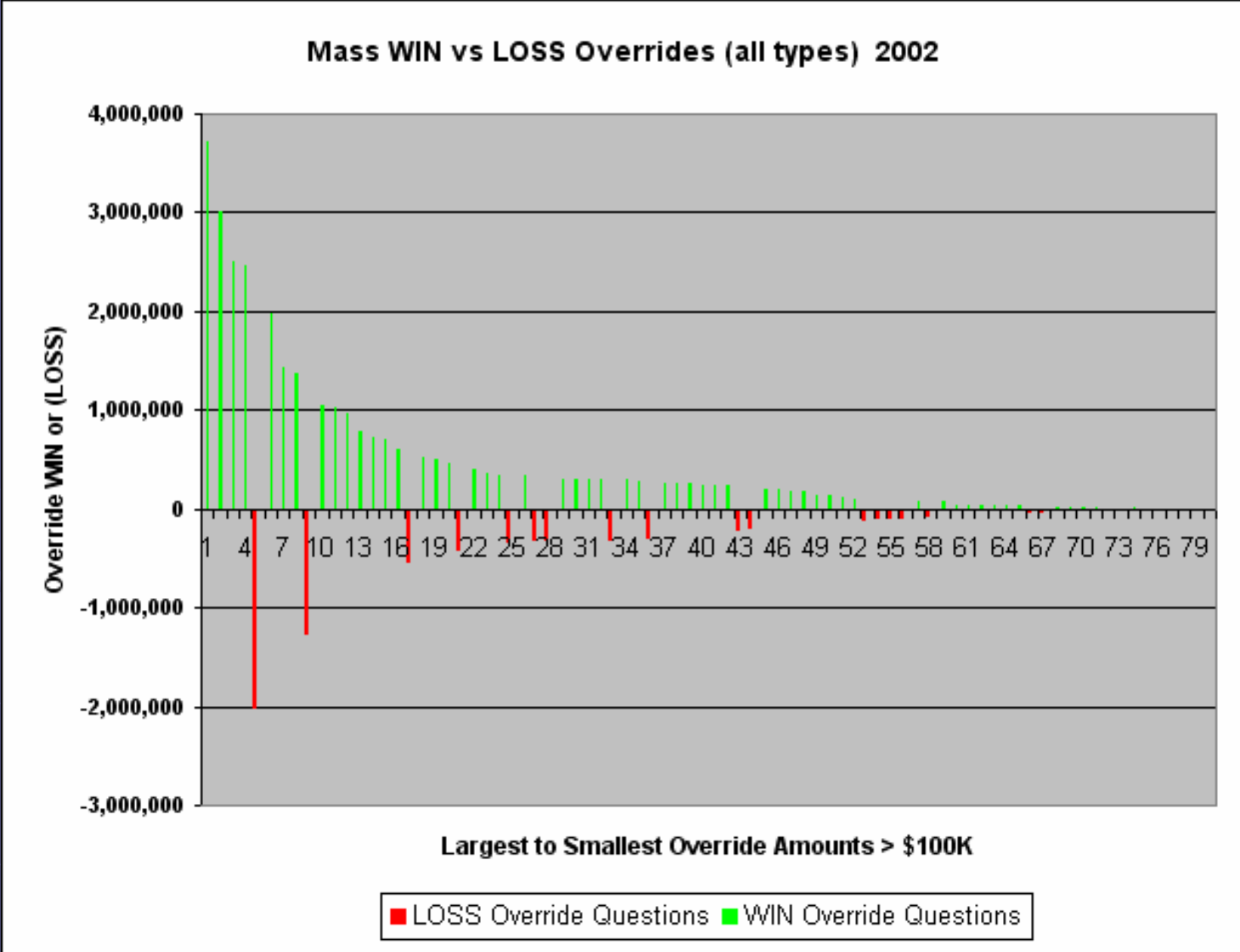
Override WIN vs. LOSS Profile in Dollars Sorted FY 2001



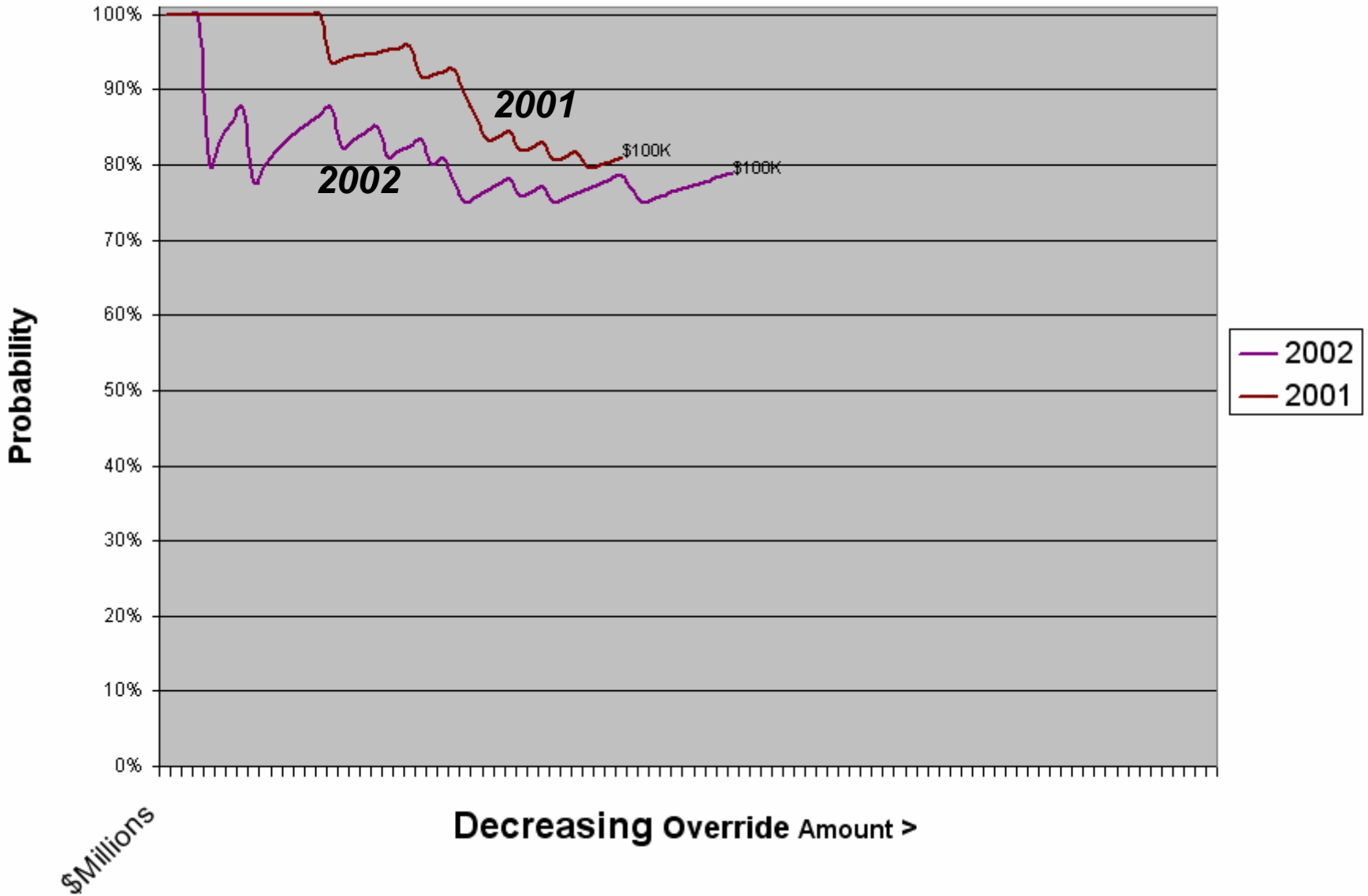
Override Probability of WIN vs. \$\$ vs. 2001



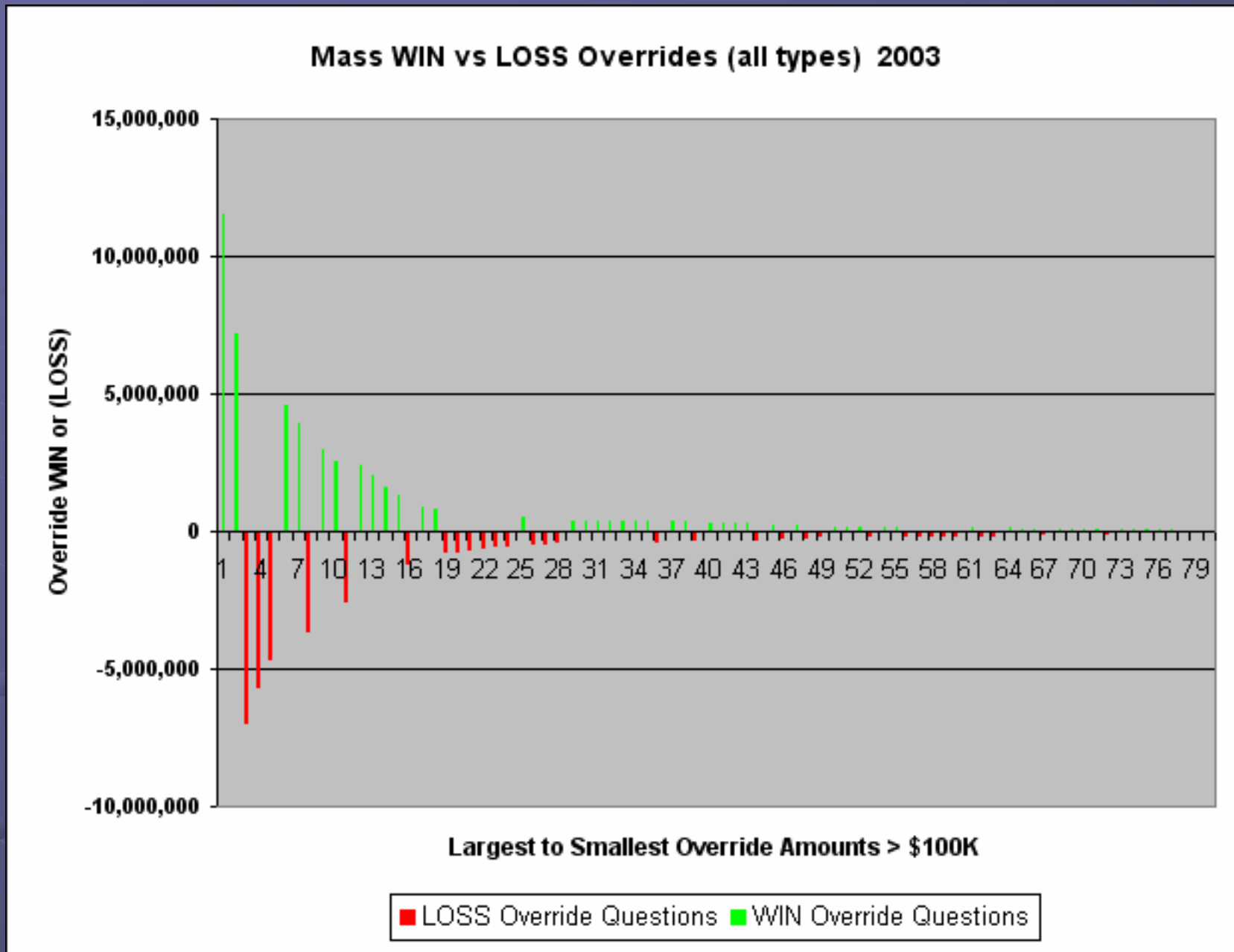
Override WIN vs. LOSS Profile in Dollars Sorted FY 2002



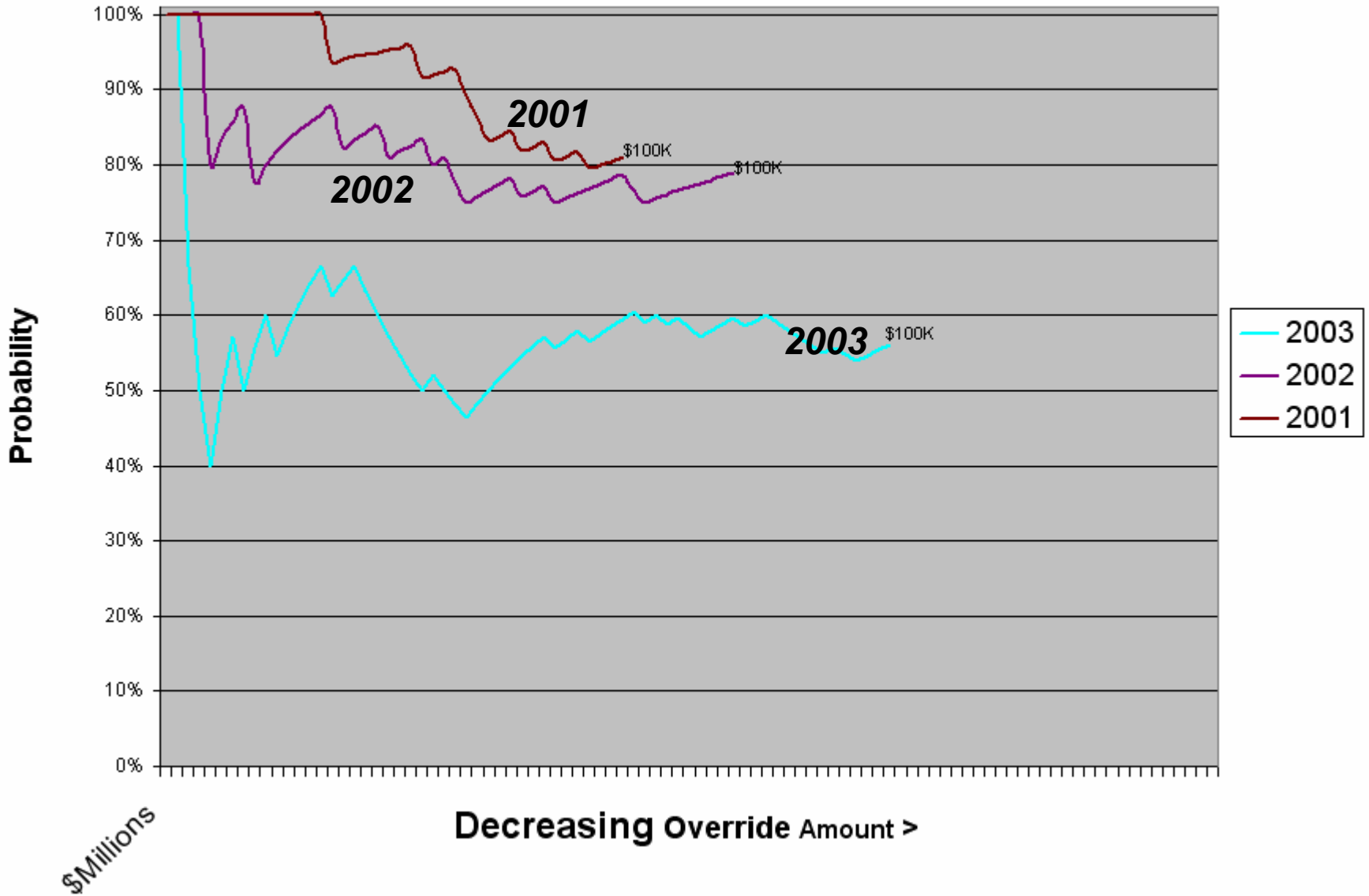
Override Probability of WIN vs. \$\$ vs. 2001-2002



Override WIN vs. LOSS Profile in Dollars Sorted FY 2003

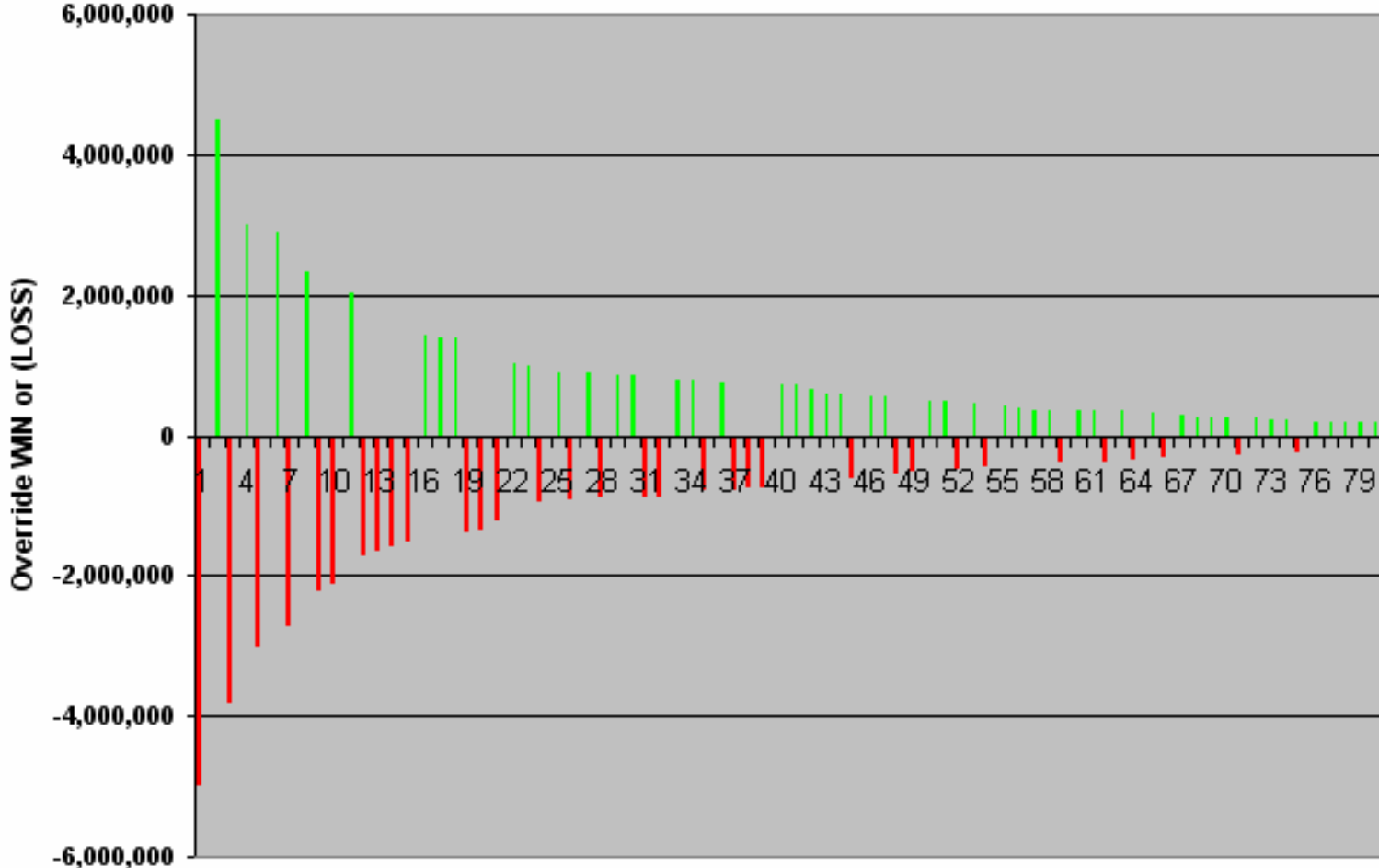


Override Probability of WIN vs. \$\$ vs. 2001-2003



Override WIN vs. LOSS Profile in Dollars Sorted FY 2004

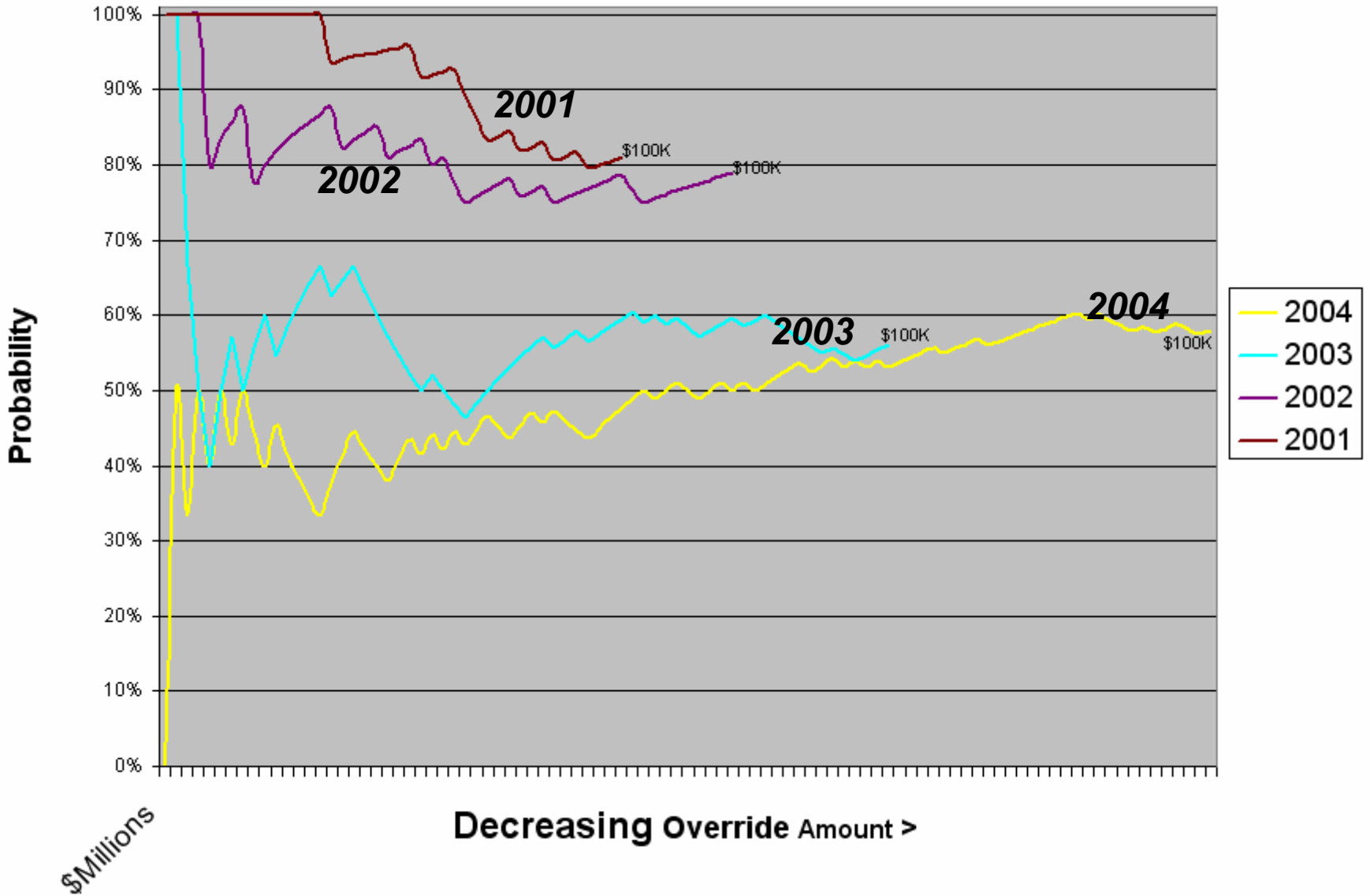
Mass WIN vs LOSS Overrides (all types) 2004



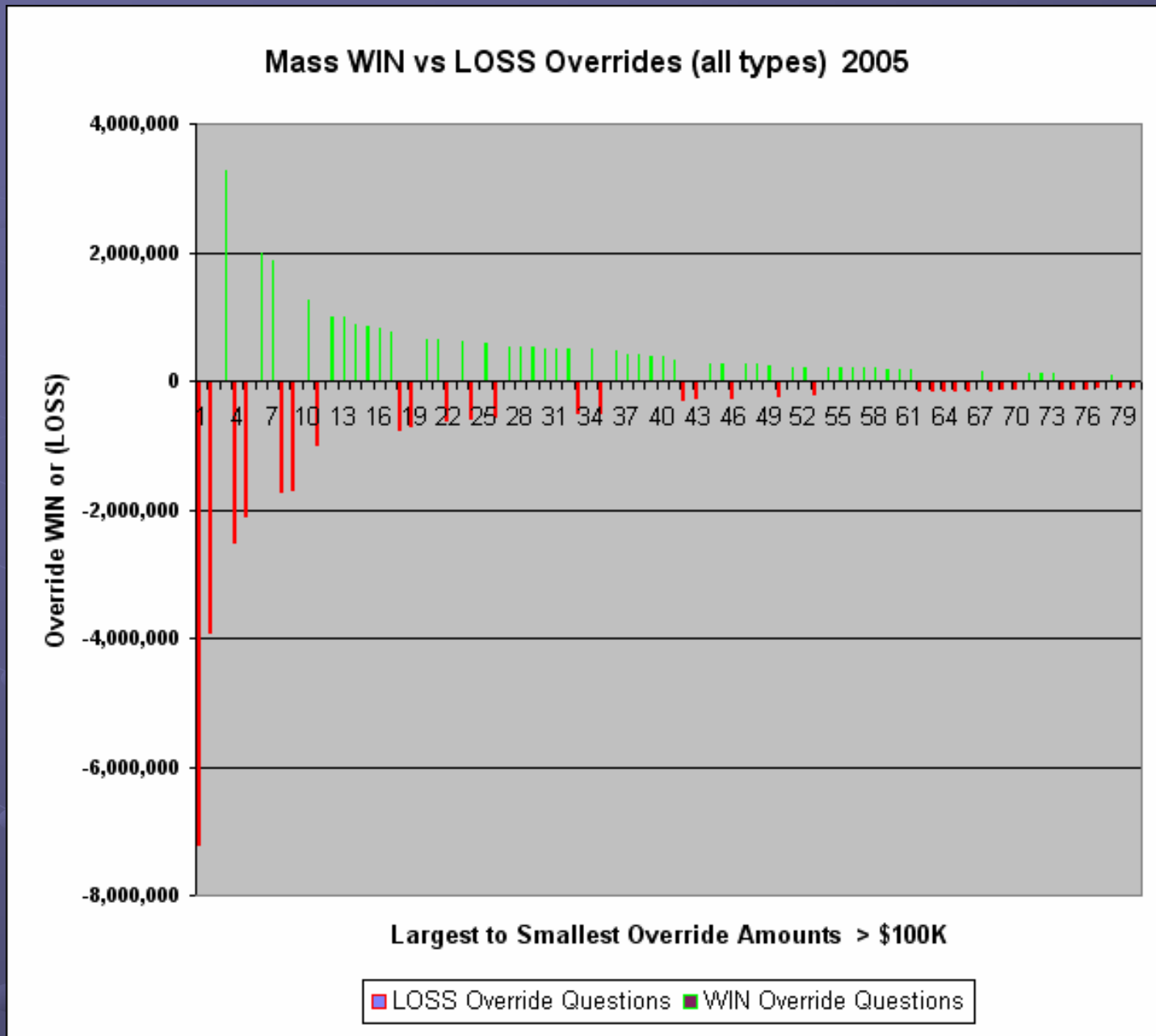
Largest to Smallest Override Amounts > \$100K

LOSS Override Questions WIN Override Questions

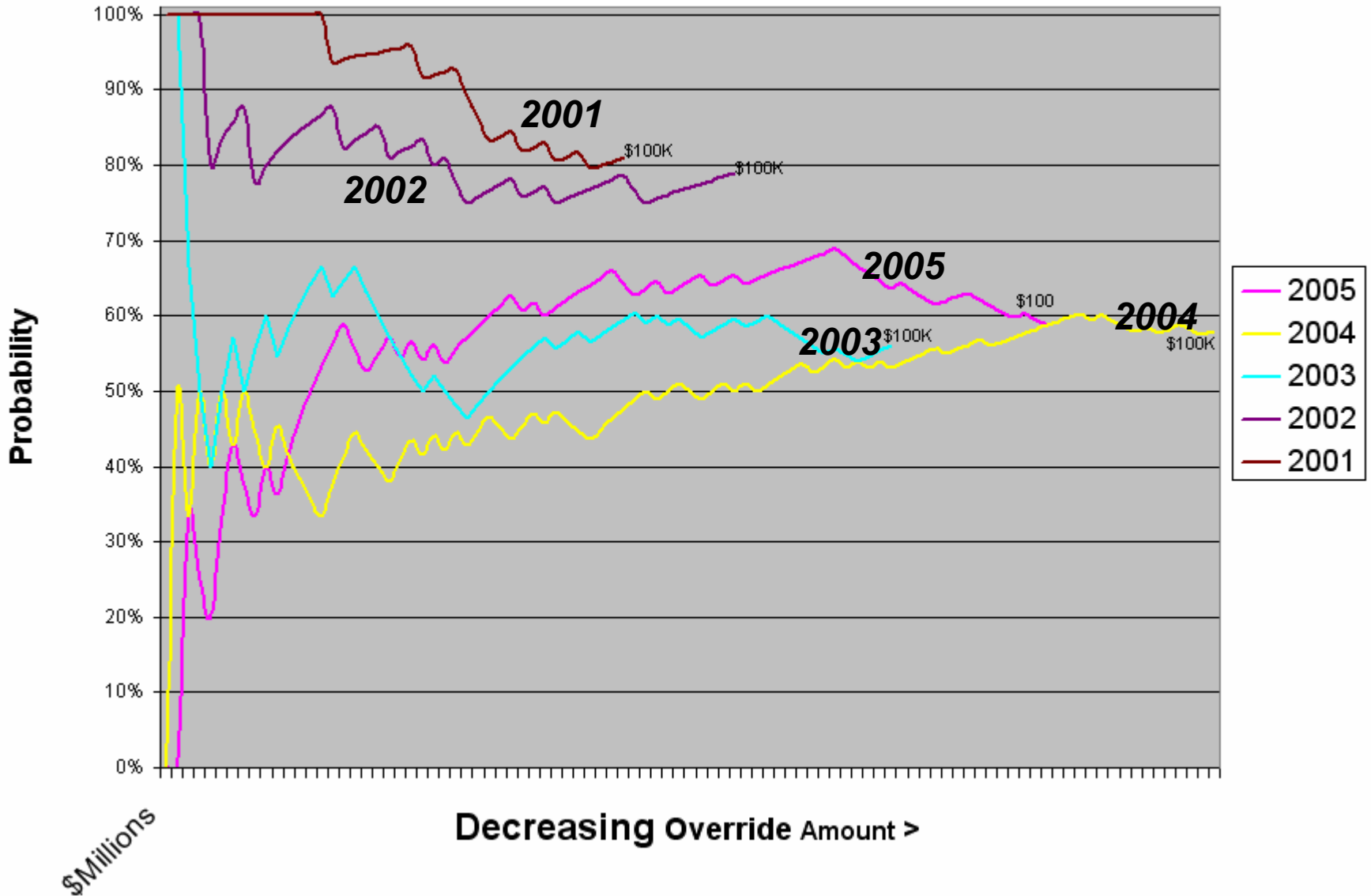
Override Probability of WIN vs. \$\$ vs. 2001-2004



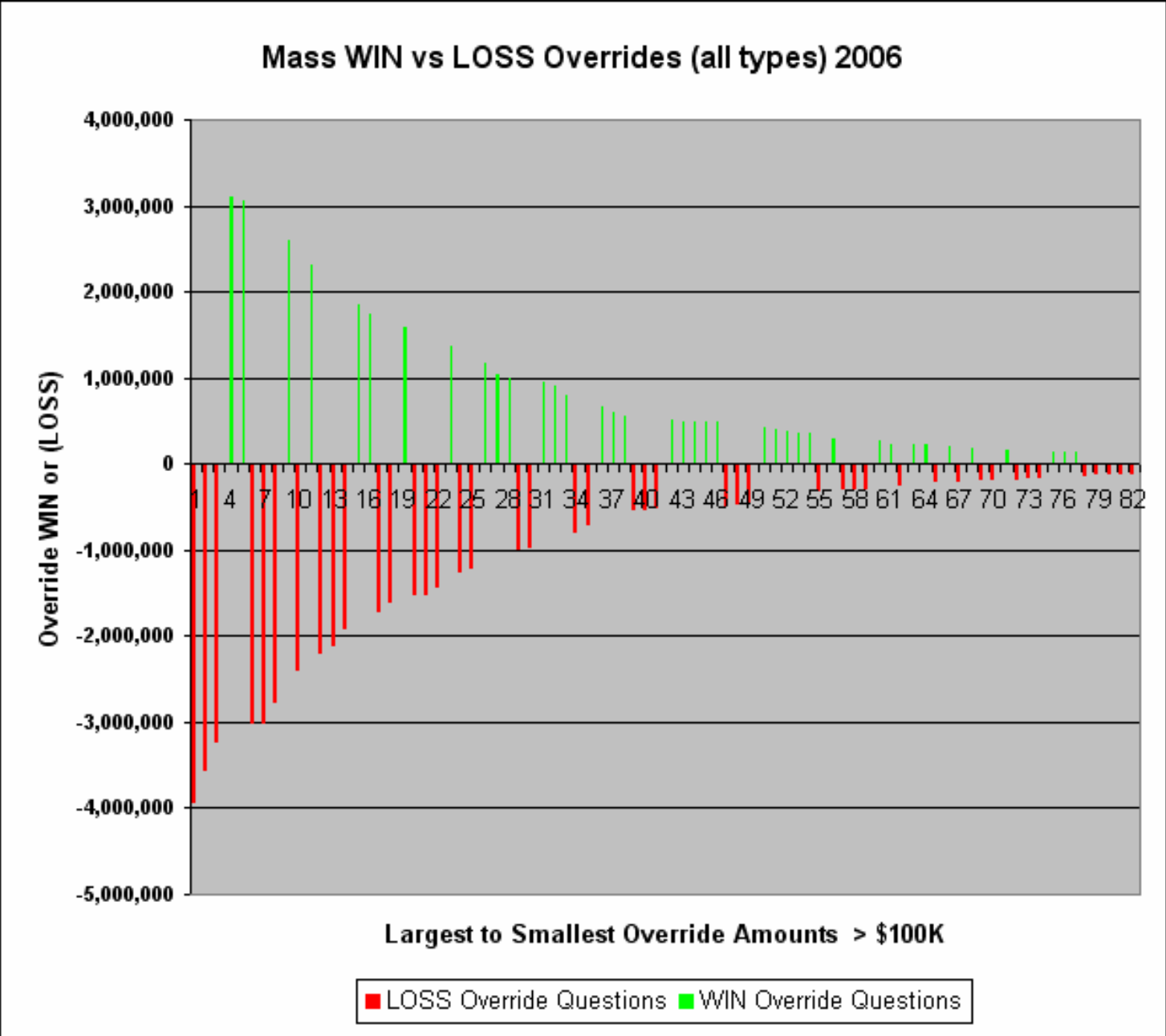
Override WIN vs. LOSS Profile in Dollars Sorted FY 2005



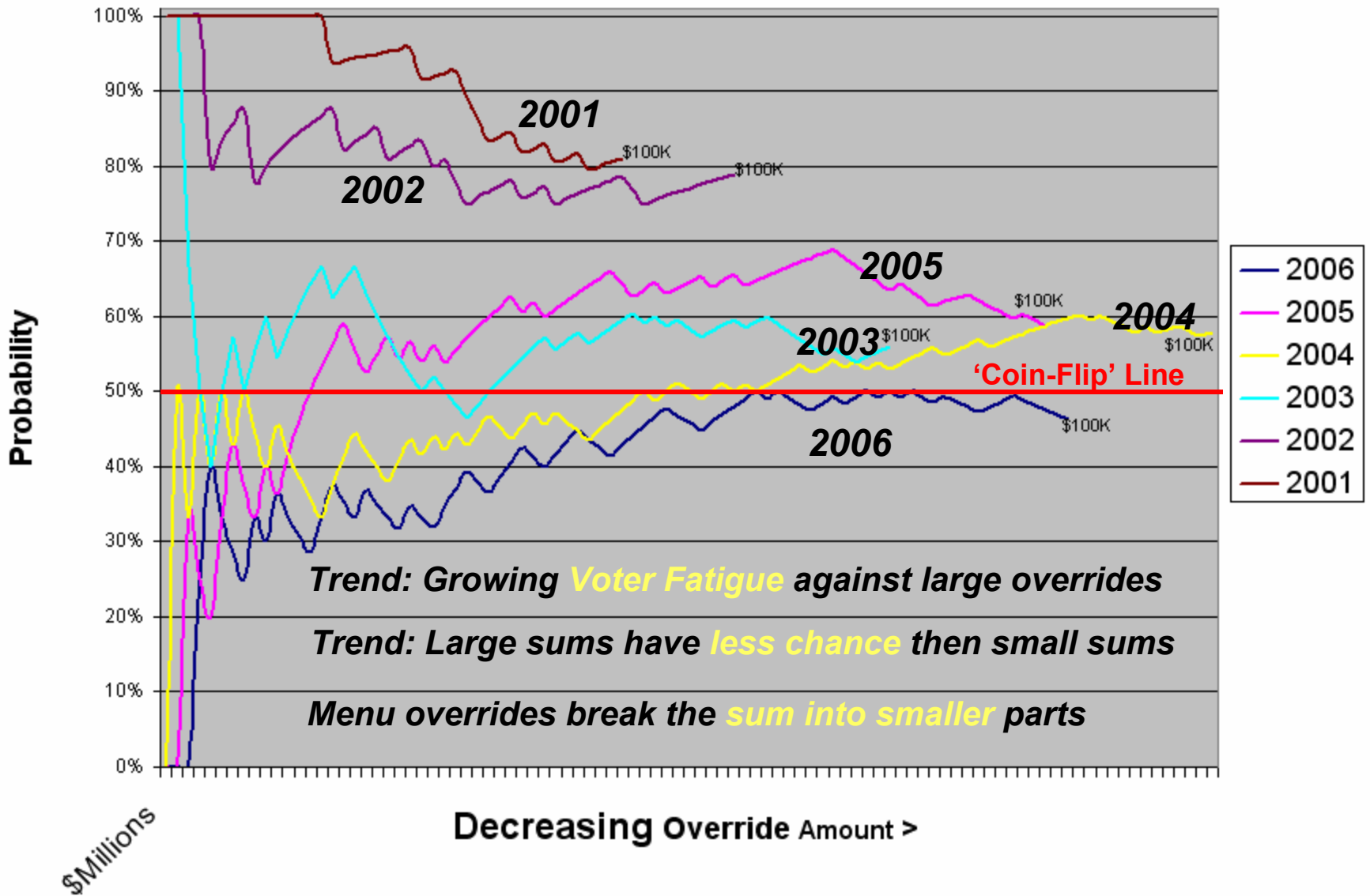
Override Probability of WIN vs. \$\$ vs. 2001-2005



Override WIN vs. LOSS Profile in Dollars Sorted FY 2006



Override Probability of WIN vs. \$\$ vs. 2001-2006



● Voter Override Fatigue ??

● Why do we think this is happening ??

● Could it be.....

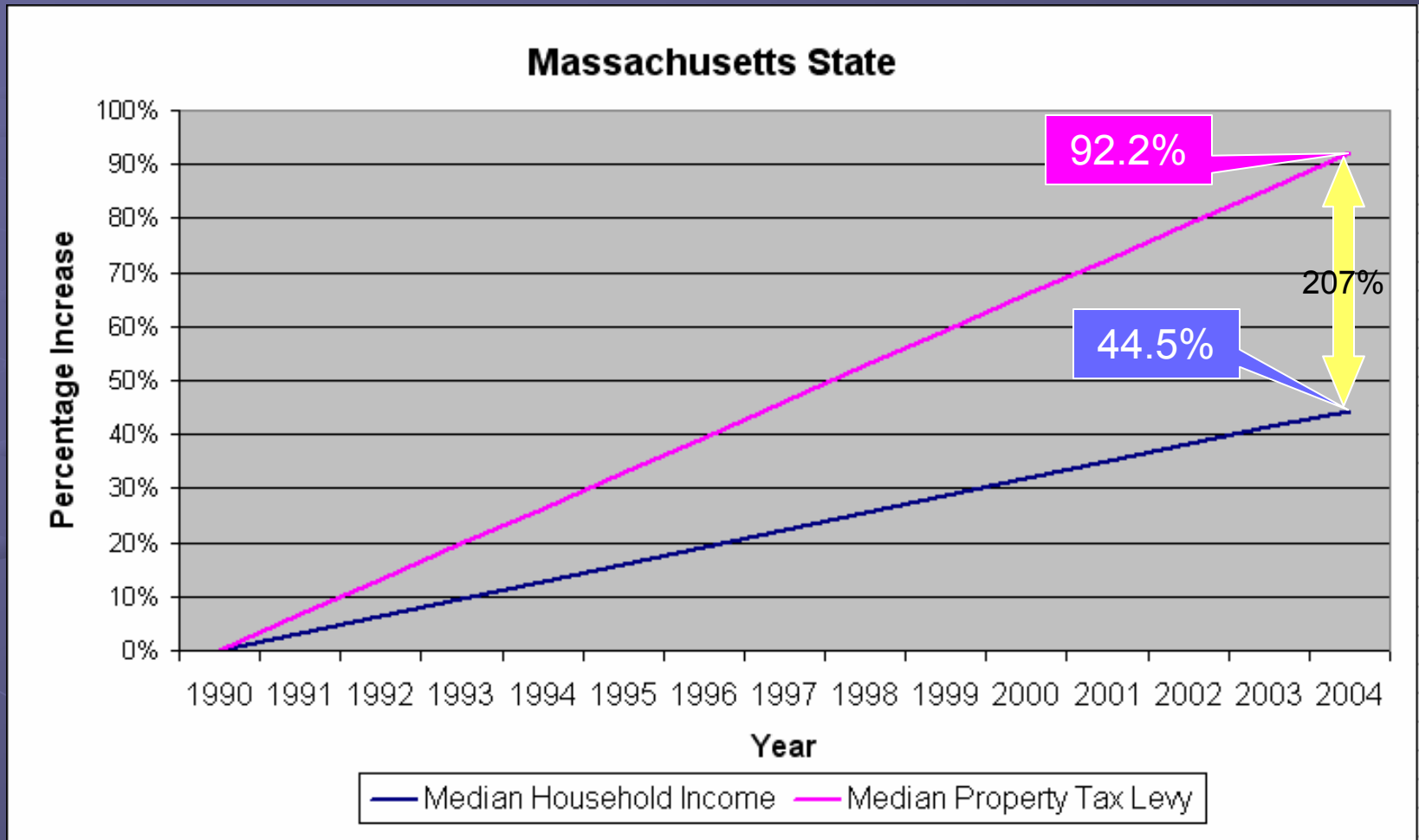
● Costs of services are accelerating ?

● State return funding is diminishing ?

● 96% Residential & 4% Commercial

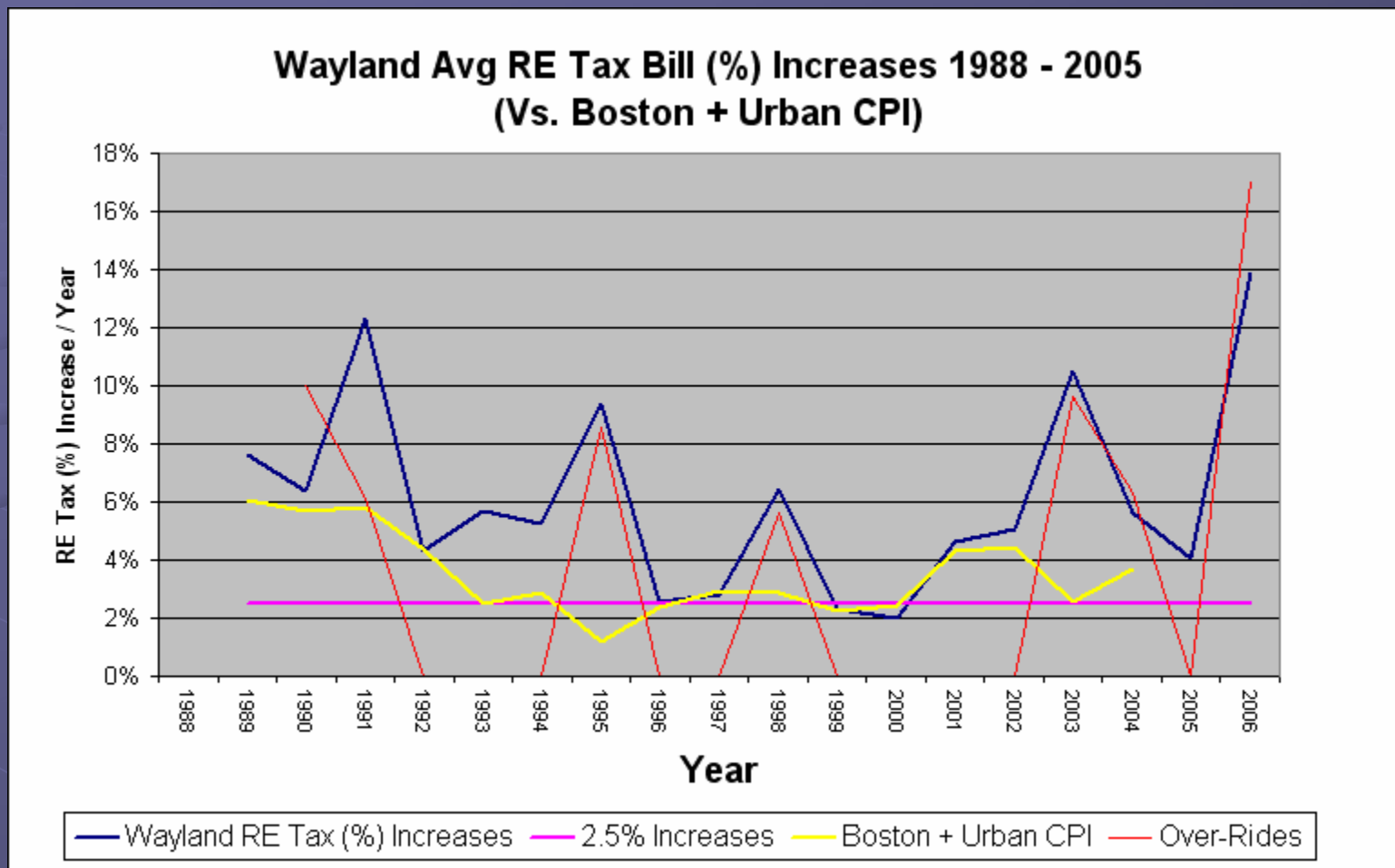
● Taxation is outpacing income ?

Massachusetts Median Household Income vs. Tax Assessment (1990 – 2004)



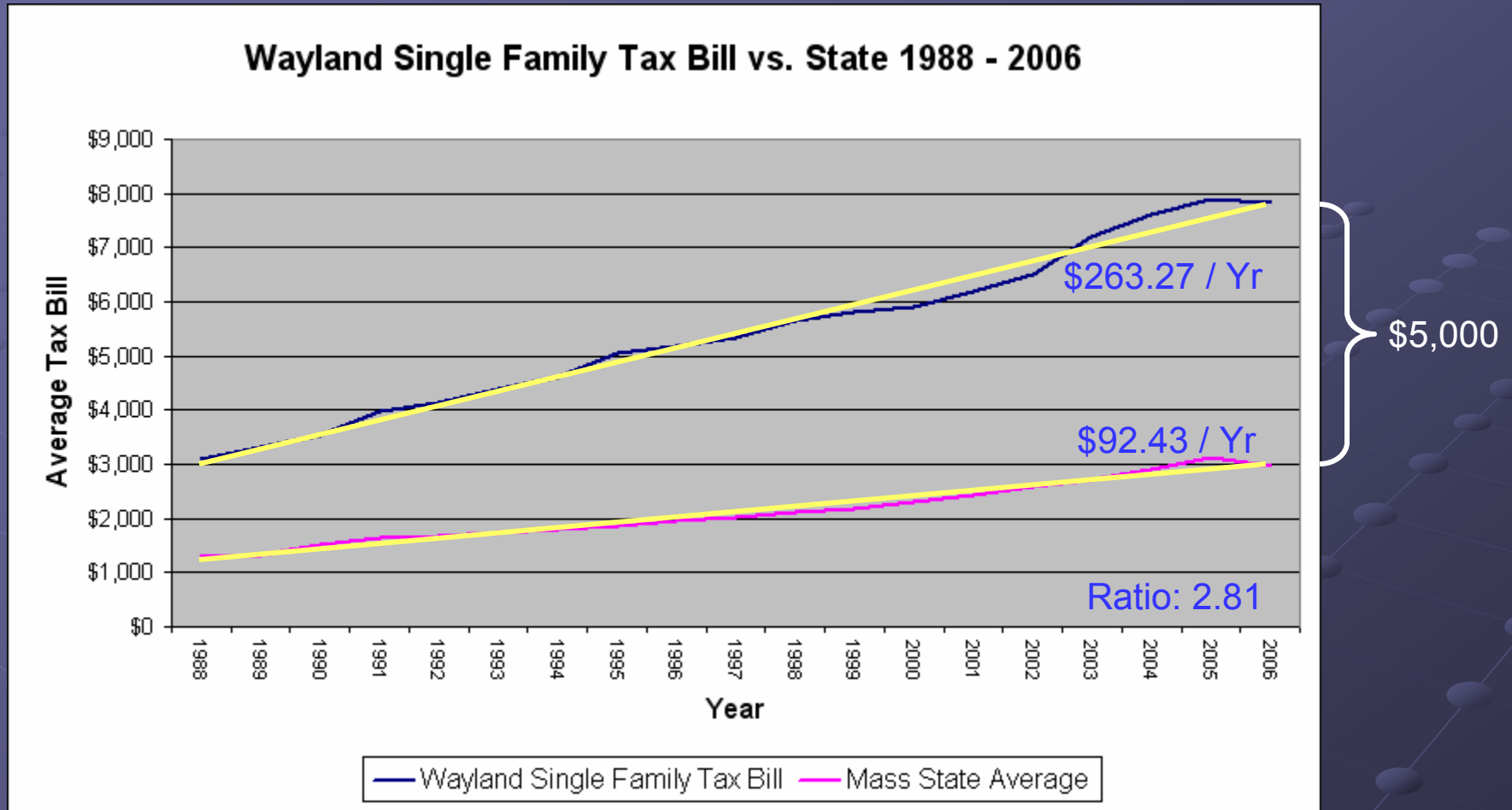
Source: Mass Municipal Association Jan 2006

Wayland: Single Family Tax Bill Increases Year to Year



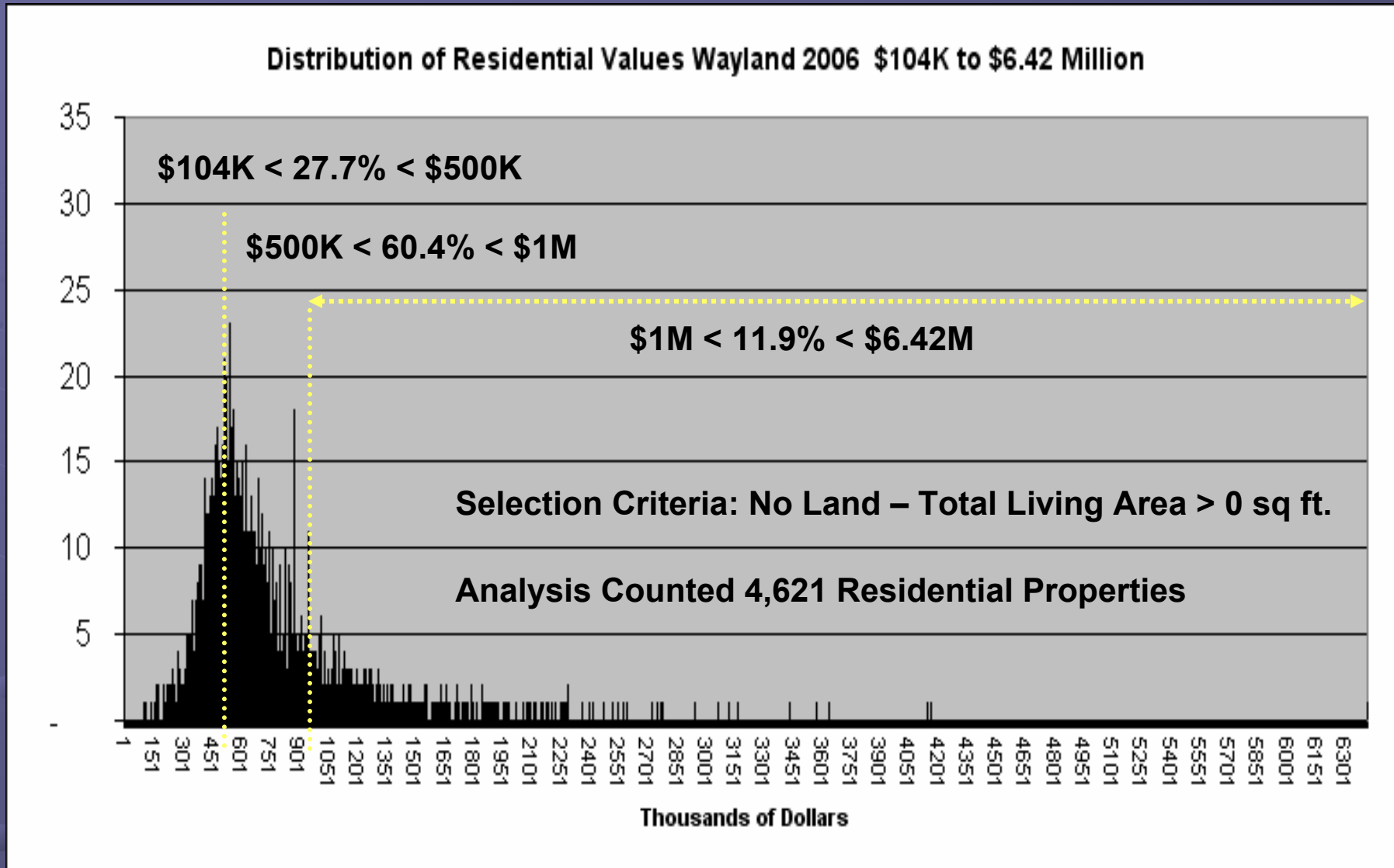
Source: Mass Department of Revenue

Wayland vs. Mass: Single Family Tax Bills Accumulated



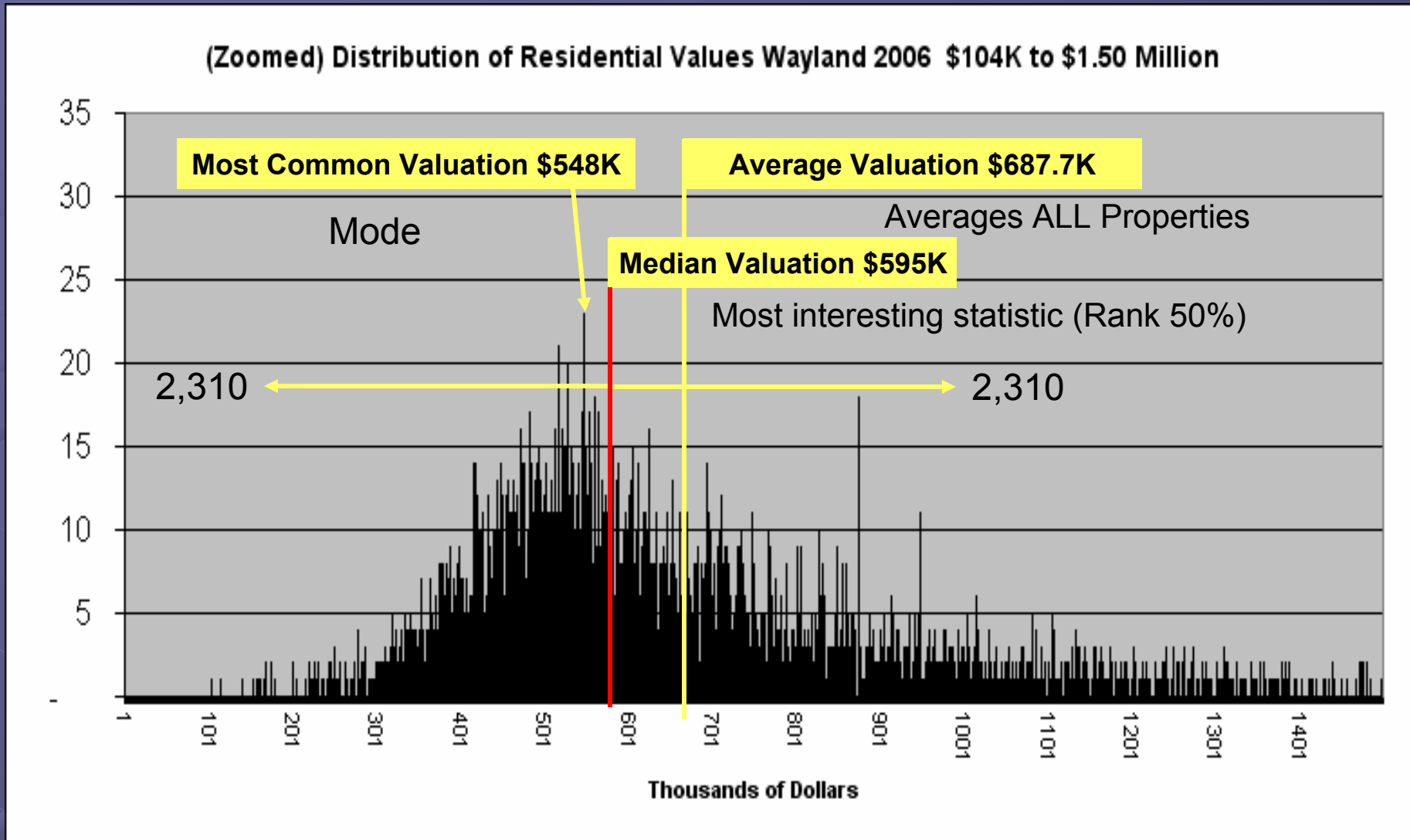
Source: Mass Department of Revenue

Distribution of Residential Properties in Wayland FY2006



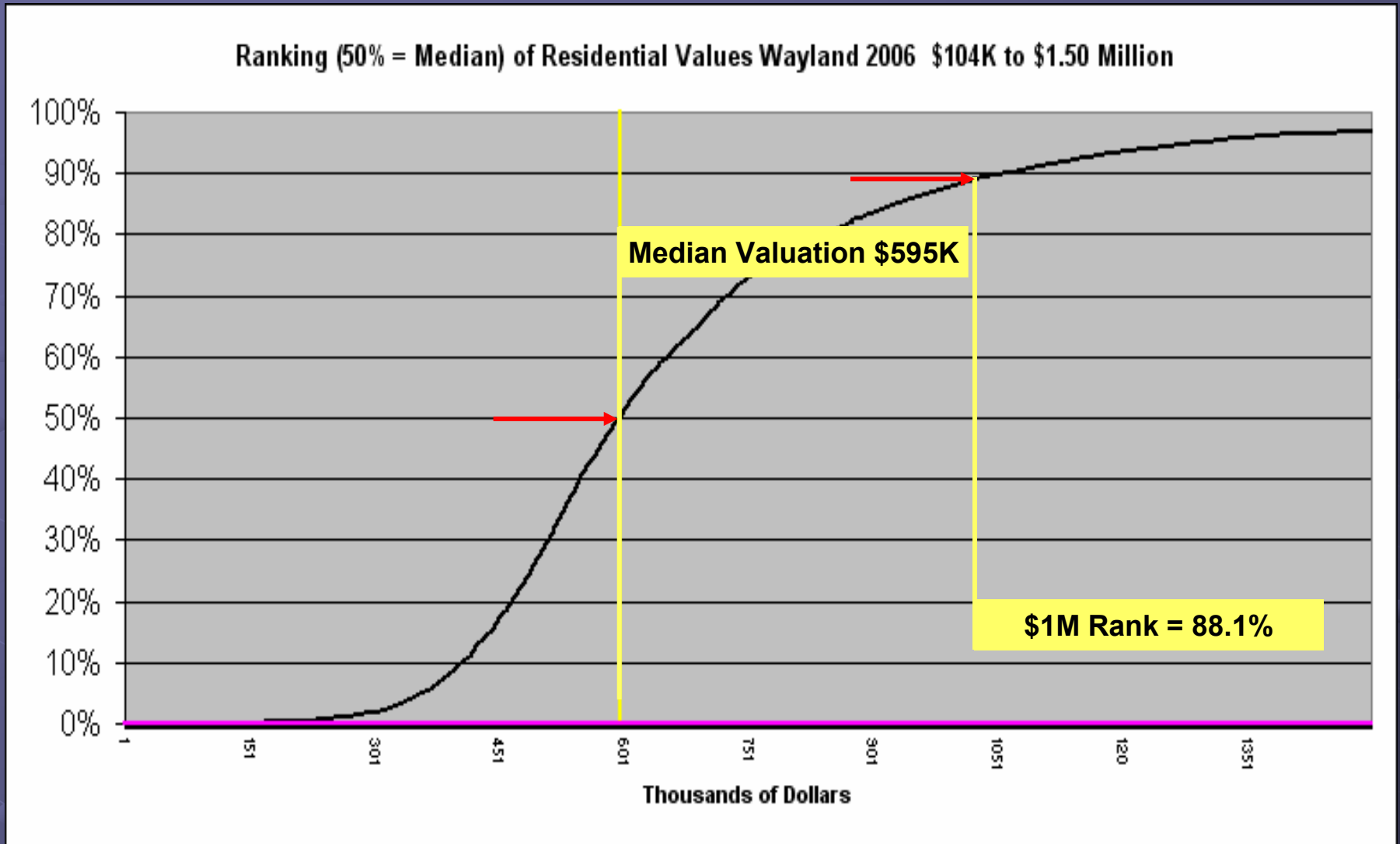
Source: Downloaded data from BoA www.wayland.ma.us

(Zoomed) Distribution of Residential Properties in Wayland FY2006



Source: Downloaded data from BoA www.wayland.ma.us

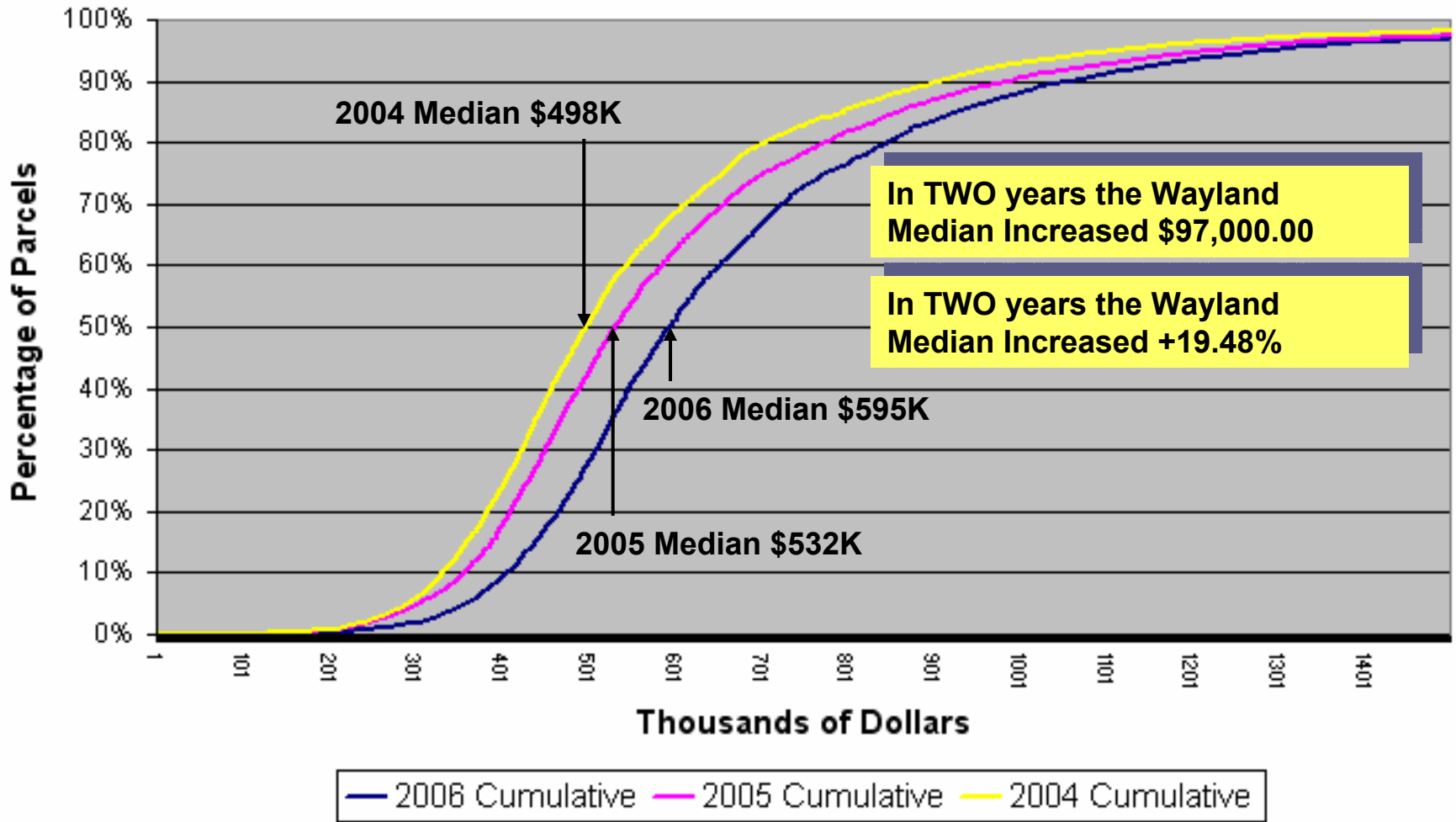
Ranking of Residential Valuations Wayland FY2006



Source: Downloaded data from BoA www.wayland.ma.us

Increasing Residential Valuations Wayland FY2004-2006

Wayland Assessment Median Shift 2004-2006



Residential Valuation and Tax Analysis Wayland FY2004-2006

Wayland Assessment	2004	2005	2006	04 - 05	05 - 06	04 - 06
TotalAssessment	\$ 2,660,005,000	\$ 2,861,754,000	\$ 3,177,947,000	7.58%	11.05%	19.47%
TotalResProperties	4619	4591	4621			
Median	\$ 498,000	\$ 532,000	\$ 595,000	6.83%	11.84%	19.48%

Wayland Tax Rate	2004	2005	2006
Rate per K\$	\$ 13.13	\$ 12.58	\$ 12.54

Reduction in Commercial

Increasing Median Taxation Wayland FY2004-2006

Wayland Taxation	2004	2005	2006	04 - 05	05 - 06	04 - 06
Median Tax Bill	\$ 6,539	\$ 6,693	\$ 7,461	2.35%	11.49%	14.11%

Increasing Average Taxation Wayland FY2004-2006

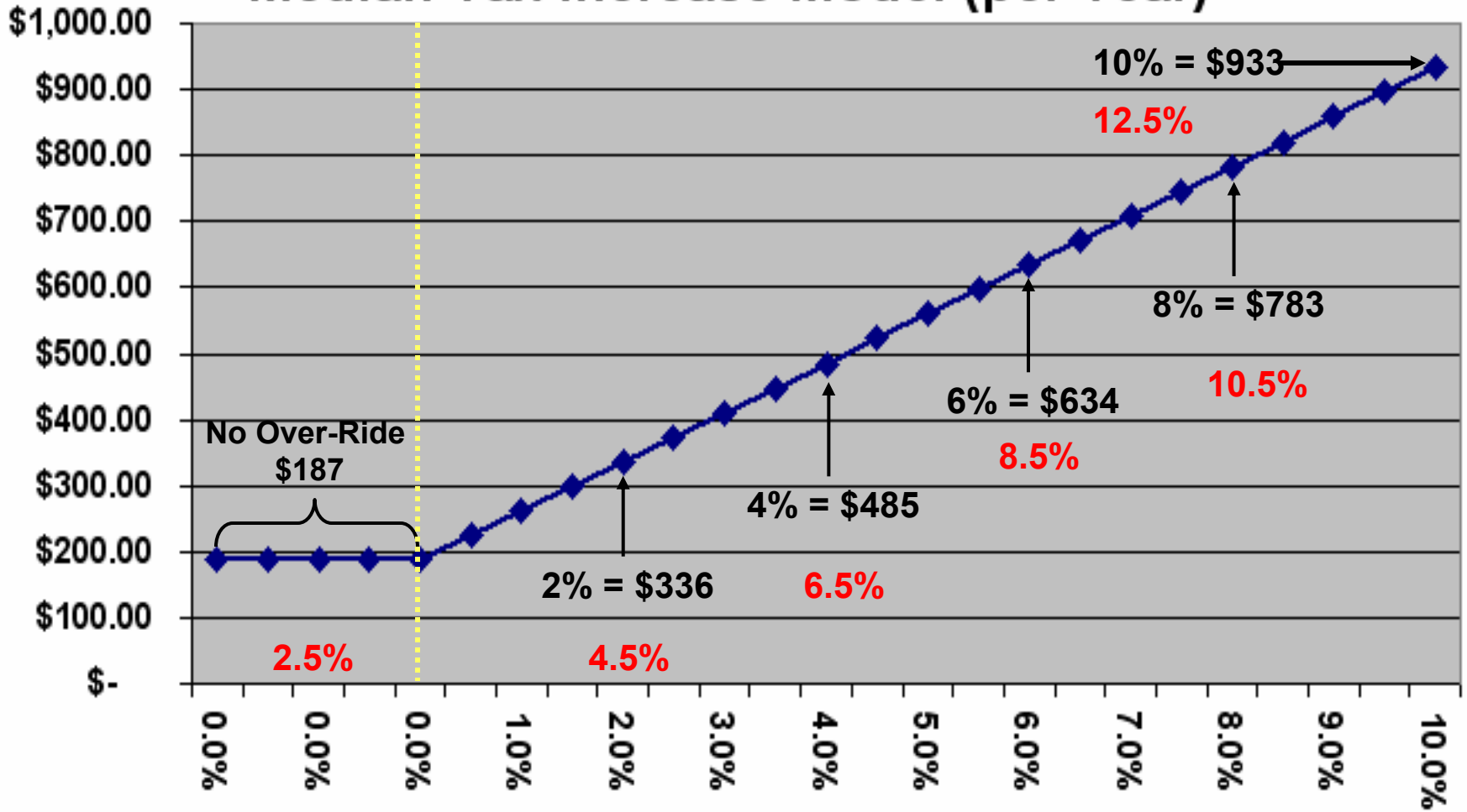
Wayland Taxation	2004	2005	2006	04 - 05	05 - 06	04 - 06
Average Tax Bill	\$ 7,561	\$ 7,842	\$ 8,624	3.71%	9.98%	14.05%

Source: Downloaded data from BoA www.wayland.ma.us

Override Median Residential Tax Increase Model FY2007

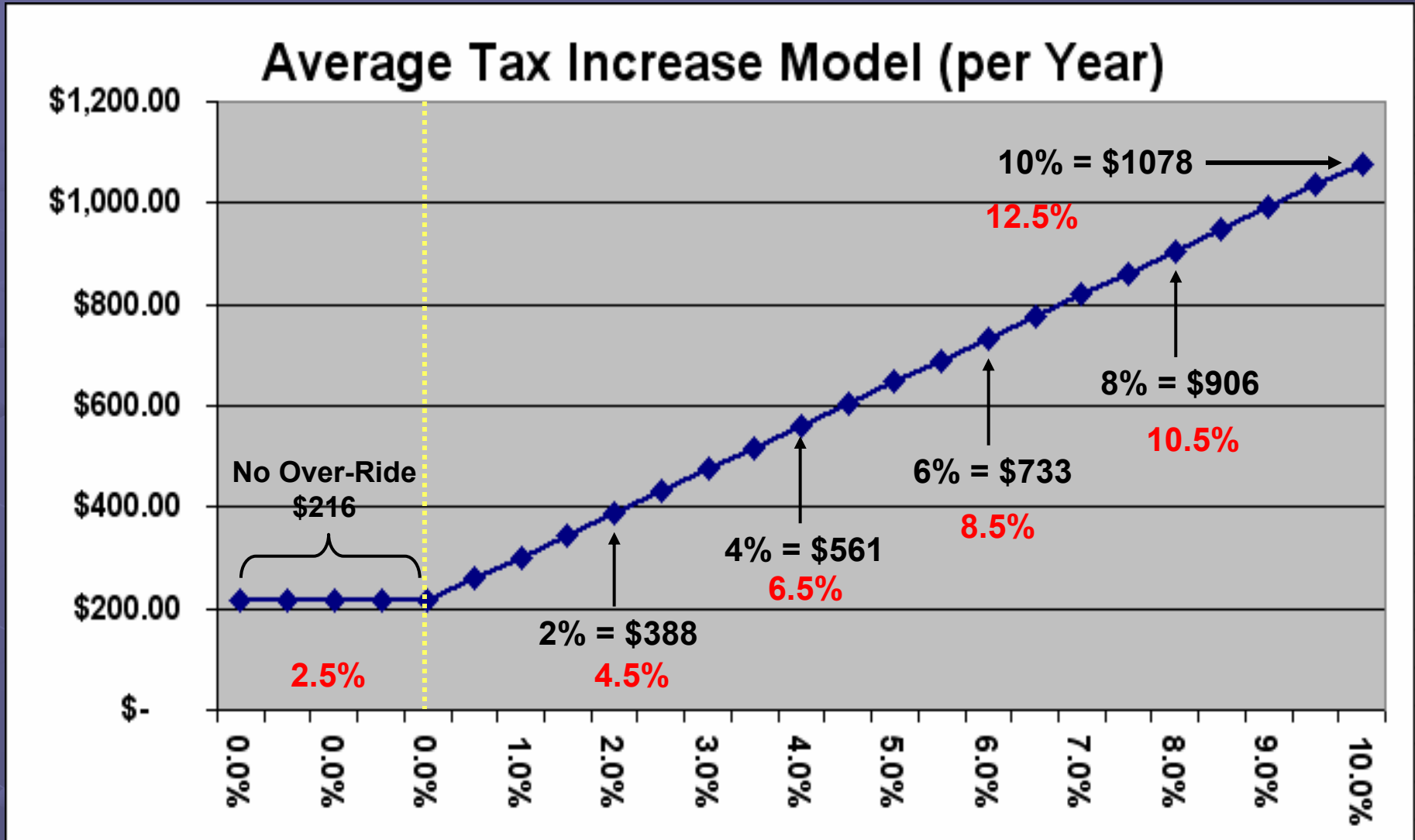
Approximation Analysis

Median Tax Increase Model (per Year)



Override Average Residential Tax Increase Model FY2007

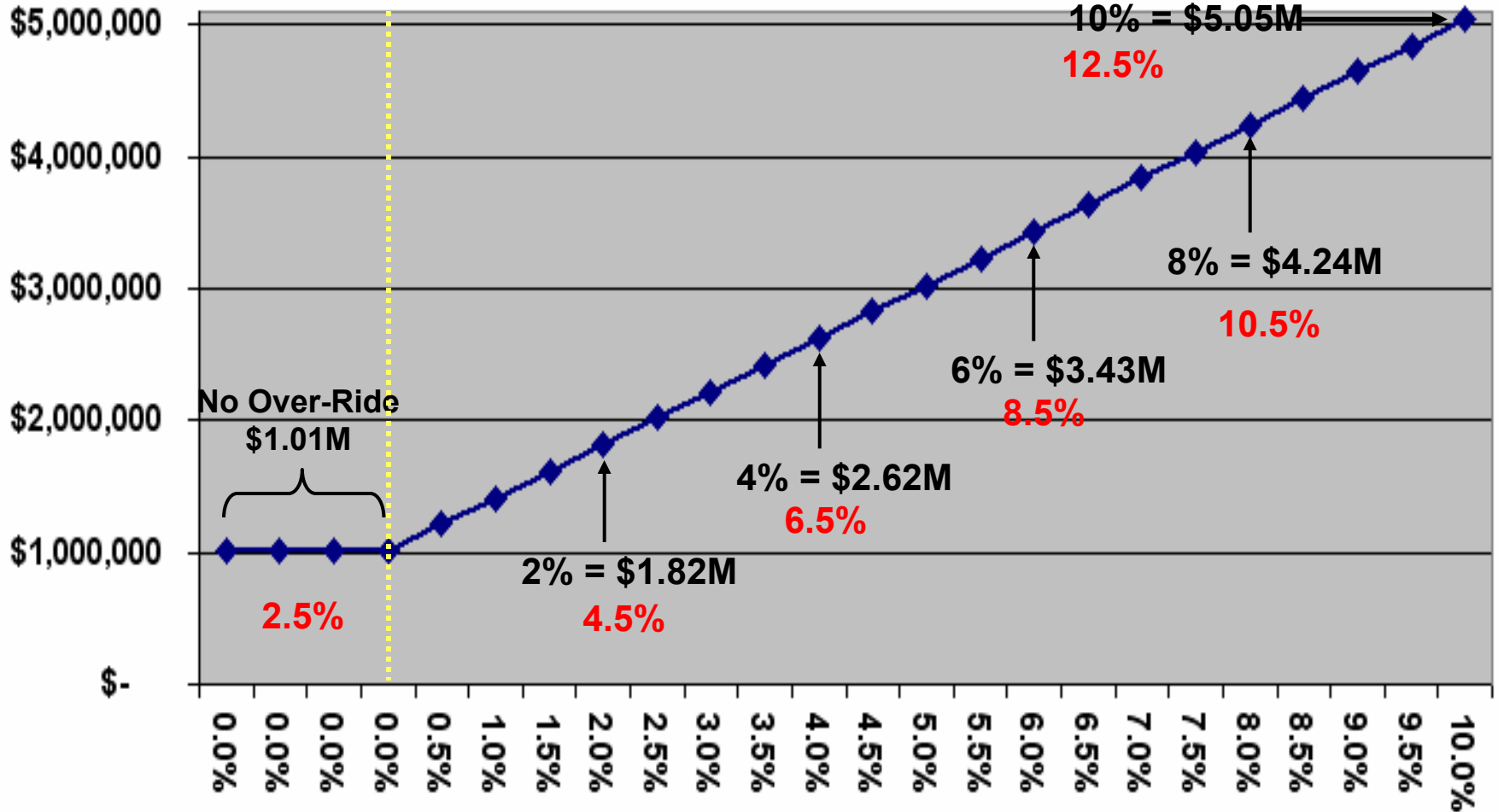
Approximation Analysis



Override % vs. Additional Dollars \$ Raised Model FY2007

Approximation Analysis

Override % vs. Additional Dollars \$ Raised



Source: Relationship Tax increase to Dollar amount FinCom – Chris Riley

'Single' YES or NO Override

- It's the most simple form of an override which make its easiest to understand.
- Gives the voters the least amount of choice resolution.
- It bundles all town functions including police / fire / dispatch which forces voters to make conflicting priority choices.

'Pyramid' type Override

- It's the most complicated form of an override question which may take longer to explain.
- Gives the voters more compromise funding choices between ALL or NOTHING.
- It **still** bundles all town functions including police / fire / dispatch which forces voters to make conflicting priority choices. **But to a lesser extent.**
- **And some of the objections are....**

'Pyramid' Override Objections

- Statement: “We will have much less chance of getting a full override – compromises may have to be made.”
- Reply: “The voters choose with more resolution and priority – More choices = More democracy.
- Statement: “This is just too complicated to explain and we need to focus on the issues.”
- Reply: “Lets not underestimate the intelligence of our town’s voting public. By the way, one of the issues is CHOICE.”

'Menu' type Override

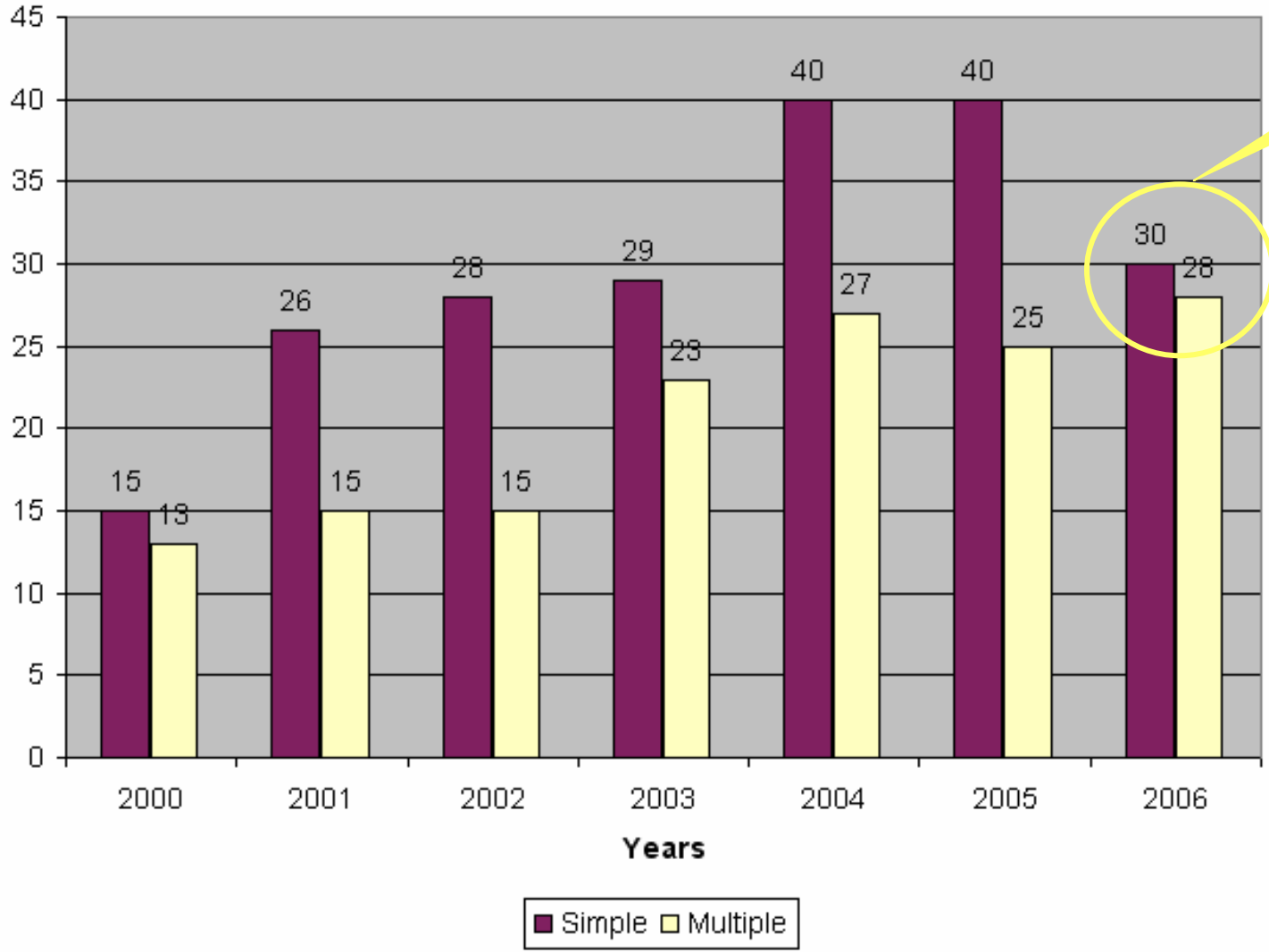
- It's not at all complicated to describe.
- It can give the voters maximum prioritization choice on how they want to spend their money.
- Voters now get to choose levels of funding between town / school / police / fire etc..
- It funds and cuts with line item voter veto power.
- **And some of the objections are....**

'Menu' Override Objections

- Statement: “Its *divisive* – it pits one function or department against another”
- Reply: “Line item veto voter choice forces efficiency and compromise for maximum departmental value.
- Statement: “The public may not understand the *intricacies* of what funding is needed or required by law.
- Reply: “It’s the voters money and they know best how to spend their own money.”

Statewide Ballot Question Types 2000 - 2006

State Ballot Question Types 2000 - 2006



Most Recent Trend
Simple ~ Multiple

- So what is the solution ??
- The solution is voter multiple choice...
- The transfer of power to the voter by..
- More than an simple YES or NO choice.
- How else can we know what YOUR priorities are and what YOU want to spend YOUR money on?

The Over-Ride Choice for Wayland FY 2007

This presentation will be posted on www.wayland.ma.us

You can also email AlanJReiss@Verizon.net
To obtain a copy of this presentation.



Town of Wayland
Massachusetts