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Engaged Citizen Corner

All about Proposition 2-1/2

League of Women Voters of Brookline

The Brookline League of Women Voters sponsors a monthly coffee hour discussion on topics of community interest. On April 13, the topic was the tax impact of the proposed 2018 override ballot questions. Harold Petersen, Vice Chair of the Brookline Board of Assessors, explained the incremental dollar impact on tax bills of previously voted debt exclusions combined with the May 8, 2018 municipal ballot questions for 1) an operating override to pay for increased costs and 2) a debt exclusion override to pay for expansion at Brookline High School (BHS). He also discussed financial assistance programs available for seniors to help them meet tax obligations.

An operating override becomes a permanent part of the levy base.. *A debt exclusion override* is to pay debt service for a major capital project and is time-limited to the term of borrowing, usually 20- 25 years.

Operating Override. On March 14, the Select Board voted for a modified three-year single operating override ballot question for a total of \$6.6 million, with \$5.9 million for the schools and \$700,000 for town departments. It assumes savings from lower employee health benefit costs, plus additional fees and projected non-property tax revenue in the third year.

Debt Exclusion Override. On March 14, the Select Board voted to approve a debt exclusion ballot question for a portion of the cost of expansion of BHS. If voters approve, borrowing can be scheduled to cover approximately \$168.2 million, and the debt service added to the levy. <http://www.brooklinema.gov/CivicAlerts.aspx?AID=454>

Changes in the Tax Levy for Fiscal Years (FYs) 2019-2022

If the override ballot questions pass, the percentages added to the FY18 tax levy can be used to roughly approximate the dollar impact on individual tax bills over the next four years as the debt exclusions and override get phased in. The amounts will vary each year. Some underlying assumptions affect these percentages, including the assumption

that the interest rate to finance the debt will be 5 percent, although the rate could be lower.

Changes in tax levy due to *previously* voted debt exclusions (1995 for BHS and 2015 for Devotion) for FYs 2019-2022 are projected as 0.97% of the FY18 Tax Levy. Over those four years, the estimated dollar impact on the median-value single-family home is \$116; on a condo, \$38; on a two-family \$121; and on a three-family, \$132.

Projected additional changes in the tax levy for FYs 2019-2022 as a result of the *May 2018 ballot questions* total 8.70%: 3.11% for the Operating Override plus 5.59% for the debt exclusion for BHS expansion by FY2022. Over these four years, the estimated dollar impact on the median-value single-family home is \$1,034; on a condo, \$342; on a two-family \$1,081; and on a three-family, \$1,184.

Combining the previously voted debt exclusions and the 2018 ballot questions, the total percentage increase over the four years is 9.68% on average. Over those four years, the total estimated dollar impact on the median-value single-family home is \$1,150; on a condo, \$381; on a two-family \$1,202; and on a three-family, \$1,317.

These increases are in addition to the 2.5% property tax increase allowed in MA under Proposition 2-1/2. Also, the 2017 federal tax reform that will be in effect in FY 2019 limits the deduction for personal property tax to \$10,000 for itemized filers.

Tax Assistance

Age and income restricted tax assistance and tax deferral programs are available. Visit the Brookline Assessors website for eligibility criteria and application forms. A workshop on private sector options for reverse mortgages will be held at the Senior Center May 30, beginning at 10:15 a.m. Counselors at the Senior Center are also available.

Prepared and submitted by a member of the League of Women Voters of Brookline (LWVB). The League is a nonpartisan organization that encourages informed and active participation in government and that works to influence public policy through education and advocacy.