



## Overrides and Proposition 2 ½ - How They Work

### What is Proposition 2½?

Proposition 2 ½ is a state law passed in 1980 that controls how local property taxes may be raised. Under the law known as Prop 2 ½, the town can raise property taxes up to 2 ½ percent annually. Any increase greater than 2 ½ percent must be approved directly by the majority of voters.

### How does an override work?

When the cost of town services exceeds the limits of Proposition 2 ½, communities may ask voters to consider an override ballot initiative. An override permits a property tax increase greater than the 2 ½ percent limit, though rate increases are limited to 2 ½ percent in subsequent years. The ballot initiative must specify exactly how much additional revenue is being sought.

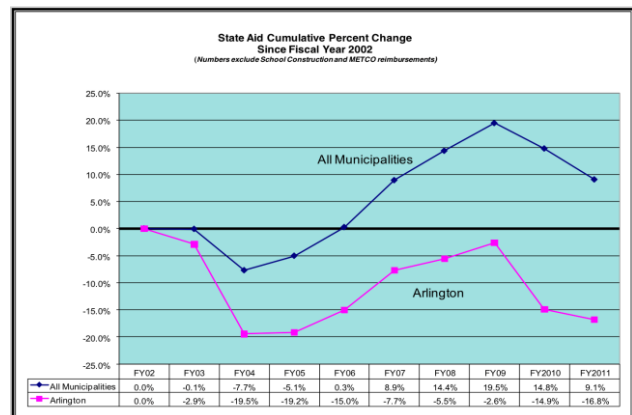
### When did Arlington last approve an override?

In June 2005, the voters approved an override in conjunction with a five-year plan that was created by town leaders. At the time, the selectmen promised not to come back to the town for another override for five years. By economizing, cutting budgets and using reserves created by the five-year plan, the town waited six years before placing another override in front of the voters.

### Why does the town need to keep asking for overrides?

Arlington has a “structural deficit,” meaning that revenues from all sources – local, state, and federal – are not adequate to maintain services at current, already reduced, levels. The biggest reason for this is that state aid to cities and towns has been cut deeply for years, and Arlington was among the hardest hit by these cuts, along with limited new growth opportunities which reduce the Town’s ability to expand the tax base.

According to the Town’s ‘Fiscal Year 2012 Financial Plan’, since 2002, Arlington’s total state aid has decreased by 16.8% while local aid for all municipalities has increased 9.1%.



### Why has Arlington been hit so hard by cuts in state funding?

The two main sources for aid for towns come either as Chapter 70 educational aid or general aid. Chapter 70 aid has remained largely protected by the legislature, but Arlington receives the minimum aid possible from Chapter 70 because of our high property values and income levels. The major source of state aid for Arlington is general aid, which has been cut drastically by the legislature.

**It's up to us. Vote Yes on June 7.**