Citizens for Limited Taxation PO Box 1147 Marblehead, Massachusetts 01945



Proposition 2½ was Saved Again!
Your 2021 CLT membership card is enclosed!

CITIZENS

for Limited Taxation

47 Years as the Voice of Massachusetts Taxpayers
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February, 2021

Dear CLT member or supporter — current, or *past but not yet forgotten*;

We saved Proposition 2½ again! We unearthed the latest stealth attack on it back on July 10 and have fought tooth-and-nail opposing it. It was taken out in the final conference committee bill, dead on arrival!

The House and Senate (which contained the sneak attack) versions of the final compromise bill were held in the secret conference committee since July 23. It was abruptly released in the late afternoon/early evening of January 5.

That was the final day of the two-year legislative session, which under the state constitution must "prorogue" (end) by midnight on the first Tuesday of January, to allow for swearing in the newly-elected legislature the next morning. Regardless, voting continued well into the next morning.

At 4:00 a.m. on January 6 the House raced the final bill through with a quick a 143-4 vote then sent it over to the Senate. Fifteen minutes later it passed there by a vote of 40-0. The Legislature ended its 2019-2020 session at 4:41 a.m. The newly-elected Legislature convened at 11:30 a.m.and was sworn in.

I didn't get a copy of the final 63-page bill until 3:30 a.m. After scouring it I found no mention of the sneak attack on Proposition $2\frac{1}{2} - \underline{it\ had\ been\ re-}$ moved from the final bill. I immediately sent out an early morning CLT Update e-mail to all subscribed members: We have saved Prop $2\frac{1}{2} - \underline{again!}$

My appreciation goes out to CLT's allies in this battle, the National Federation of Independent Businesses (NFIB) and MassFiscal Alliance — both of which activated their respective memberships to contact legislators to oppose the sneak attack. And of course, *most indispensable of all* were the CLT members who answered our call to action and contacted their own legislators.

Winning now and then is so much better than losing!

In an after-action discussion among us opponents the next day it was recognized that all the tax increases or new taxes (mostly in the initial House version) were stripped from the final conference committee bill so that *something* could be released and passed. We also agreed that all the bad will be resurrected and restored in the new legislative session which just started.

Every year for the past decade we must diligently scour page by page, line by line, every bill that's filed to discover where the latest sneak attack on Proposition 2½ is buried — like some kind of perverse treasure hunt:

- **2010:** The attack that year was to allow municipalities to raise property taxes in excess of 2.5% to fund tax abatements, cracking the door open for further weakening of Prop 2½. We defeated it.
- **2018:** That year's attack plan was to *circumvent* Proposition 2½ limitations by creating "Community Benefit Districts" dividing cities and towns into neighborhoods, each with its own power to tax property, *in addition to* the existing municipal property tax. It was buried in the massive Economic Development bill. We defeated that attack in the final minutes of that legislative session too.
- **2018** also witnessed *another* sneak attack buried within that same Economic Development bill. It would have allowed cities and towns to impose or increase taxes on payroll, sales, property, fuel, or the vehicle excise. We defeated that as well.
- **2019:** The annual stealth attack that year was secreted into the massive Education Reform bill. It proposed to "analyze the impact of Proposition 2½ on the ability of municipalities" and make "recommendations to mitigate the constraints of Proposition 2½." That was passed by the Legislature, and Gov. Baker refused our request that he veto that section so it became and is now law.
- **2020:** The latest sneak attack we just defeated was discovered buried within a 62-page Senate transportation bond bill intended for borrowing and appropriating \$18 billion for long-term state transportation projects. It would have allowed cities and towns to create a new *additional* local tax to fund *municipal* roads and streets projects.

As the latest stealth attack on Proposition 2½ was approaching the end of 2020 without resolution CLT was confronting a major decision: Whether or not it could afford to continue operating into the coming new year.

First I pulled out and reviewed the letter sent out to you in July of 2018, when it was determined that CLT did not have sufficient support to continue and would shut down when existing funds were exhausted. You can find that letter here:

At that time 2018 contributions were down in the first six months by 34% from the first six months of 2016, just two years before. Keeping CLT going was no longer an option, shutting it down could not be avoided.

The response to that mailing kept CLT clinging on through the November 2018 election, then the funds ran out and it shut down. Subsequently many long-time members talked me into giving it a second chance, into jump-starting CLT. We sent out a letter in January 2019 to gauge interest in restarting. There were enough contributions in response to give it one more shot and see what happens.

CLT is still slogging along for the moment, barely.

Year-over-year contributions have now declined by 40% since 2016 — an additional drop of 11% *less* than when CLT was forced to shut down in 2018.

The time and labor required each year to transition all CLT files, records, financial accounts, and systems into a new year is extensive. Having done this at the end of every December for the past twenty-five years I recognize that it takes 3-4 days and late-nights to make everything ready for a new year. The hard decision to keep CLT going or throw in the towel and walk away again needed to be made before wasting all that time and labor for nothing.

But Proposition 2½ was still under attack because the Legislature still hadn't gotten around to doing its job. The Legislature that never ended last July as was normal didn't get it done until January 5. After three days and nights through the long New Year's holiday weekend I had all the systems ready for 2021 — to keep our defense of Prop 2½ going for a few more days.

CLT was ready when we beat back the latest assault on Prop 21/2, again.

With that latest defense completed successfully our mission has been accomplished for now. There's no doubt the next stealth attack is already being quietly plotted. Locating wherever it'll be hidden *next* is our coming challenge.

The good news is that we launched 2021 with another victory — and all CLT systems are now up and humming, ready to battle in the new year ahead.

Now the question is whether there will be enough support to keep it going and for how long.

I don't want CLT to go dark again as it did in 2018 and neither should you — to be shut down the next time *permanently*. I'm hoping it won't need to be. I *know* there will be no *third* chance.

Citizens for Limited Taxation has been your eyes, ears, and voice on Beacon Hill for now 47 years. It will remain so "for as long as humanly possible," as I vowed to **Barbara Anderson** days before she passed away.

What is "humanly possible" is <u>entirely dependent on you</u> and the many others reading this. Sadly, there are too many who seem to take CLT for granted, something-for-nothing until it's gone. We are again at that pivot point of what is "humanly possible" and what isn't.

Your response — or non-response if that's your choice — will be the critical deciding factor in the approaching difficult decision.

That's the decision <u>each of us</u> must make — both you and me.

I hope CLT can continue fighting for you and all Massachusetts taxpayers.

Thank you for your past support — a special thanks to everyone who helped carry CLT over the finish line through the past year. And definitely thanks to all who helped with winning our latest victory.

Chip Ford

Executive Director

Secure contributions can be made online immediately at:

http://cltg.org/contribution.htm

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(PLEASE PRINT YOUR E-MAIL ADDRESS VERY CLEARLY)

Visit CLT's website at: www.cltg.org

CLT can accept all contributions, including corporate, but they are not tax deductible

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