

## **Basic Provisions of Proposition 2 ½.**

Proposition 2 ½ limits the total amount of taxes that a town can raise and increase in any given year. The total dollars raised in a given year is used as the levy limit for the following fiscal year. The amount the town is allowed to raise in the following fiscal year (without an override) is this levy limit increased by 2 ½% plus any additional increase in property values due to what is called new growth. The state certifies new growth late in the summer so it is difficult to know what the ceiling is that a town is allowed to tax until this number has been established.

If the Selectmen strongly feel that more monies are needed, they may recommend an *override*. Any override must be approved by the taxpayers of the town. An approval by majority vote of our Selectmen is required by law to allow an override question to be placed on the ballot. Override questions must be presented in dollar terms and must specify the purpose of the override. Overrides require a majority vote to pass. Once an override passes, it becomes a part of next year's Levy Limit and is therefore carried forward forever.

Overrides are not just for the year in which they are approved. Overrides increase the levy limit and therefore increase the potential amount of taxes that can be levied. Although it is possible that the town will not tax to the levy limit, this has not been the case in recent years and it is unlikely to be the case for the foreseeable future. The end result is that overrides effectively result in a permanent tax increase.

Important Note: Proposition 2 ½ is designed to give property tax payers full control over their tax burden. Very few states give this "Right of Control" to its property tax payers. Your vote or an unwillingness to vote for an override directly affects property taxes, immediate and long term. Your approval or disapproval of an override is a control that is yours alone to decide whether the additional requested dollars are a necessity in the budget. It is also your decision whether you have the ability/willingness to absorb more taxes or not. Either way you decide, Town officials must abide by your voted decision.