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Why did my property tax bill go up more than 2.5 percent?

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By **Matt Rocheleau**

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In Massachusetts, property tax increases are restricted under a law called Proposition 2½, which features a limit on annual property tax increases to 2.5 percent of the total property taxes collected in any given community.

But the law is more complex than it may seem at first glance, and residents sometimes don't fully understand what it does.

One question readers are asking is: If such a law exists, why did my bill rise more than 2.5 percent? Here are some reasons why:

- The law, which passed in a statewide referendum in 1980, is named for its two key restrictions: each municipality cannot collect more than 2.5 percent of the total value of all of its taxable property; and it cannot increase the total amount of property taxes it collects by more than 2.5 percent in any given year. The limits in the law apply to the giant pool of money collected by each municipality; they do not directly apply to the amounts on people's individual tax bills.



- In addition, Proposition 2½ has some loopholes. One of the most well-known exceptions that towns and cities use is the “override.” That’s when voters are asked for their approval to lift the limits of Proposition 2½. Overrides can be permanent or temporary, though even temporary overrides tend to last for at least several years, if not a couple of decades.

Deadline to contest property tax bills is Feb. 1 in most Mass. towns, cities

Massachusetts officials issued a reminder on Tuesday that the deadline to contest property tax bills in most cities and towns is Feb. 1.

- Another exception allows for communities to increase the total amount of property taxes they collect by more than 2.5 percent to account for new development and construction in town. This “new growth” is factored in each year. No voter approval is required. The idea is that new growth causes new municipal costs so a community should be able to collect new revenue, rather than making do with what it was getting before, the Department of Revenue says in an online copy of a [guide to Proposition 2½](#).
- It’s also important to note that homeowners can see different changes year-to-year than their neighbors. That’s because each bill is a unique combination of the local tax rate and the particular home’s assessed value. Your bill could go up because you added a sunroom or bumped out a dormer. Or it could go up because your whole neighborhood has become more valuable.
- Things can get even more complicated. If communities shift how the tax burden is distributed among different classifications of property, it can affect people’s bills. For example, the burden could be shifted slightly from commercial property to residential property, ratcheting up





taxes higher on homeowners.

• Yet another reason that your property tax bill could go up more than 2.5 percent is not a feature of the Proposition 2 1/2 law at all. It's a totally different law called the Community Preservation Act. The law lets cities and towns add surcharges to property tax bills, if the voters approve, to pay for open space, outdoor recreation facilities, affordable housing, and historic preservation.

... Ah, if only this law were as simple as its name! What's the next step? Either grudgingly pay that bill or seek an abatement. But that's a whole nother story.

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