OFFERED BY COUNCILOR EDWARD M. FLYNN

CITY OF BOSTON

IN THE YEAR TWO THOUSAND TWENTY SIX

RESOLUTION TO SUPPORT MAINTAINING AND ADHERING TO PROPOSITION 2 ½ IN THE CITY OF BOSTON

WHEREAS, Proposition 2 ½ is a Massachusetts law passed by voters in 1980 that limits how much cities and towns can raise property taxes. It was enacted in response to rapidly rising property taxes during the 1970s, with the goal of slowing the growth of local property taxes while still allowing municipalities to raise revenue for essential services; *and*

WHEREAS, The law has two limits within it, the levy ceiling and the levy limit. The levy limit determines how much a municipality can increase property tax collections from one year to the next. This is determined by taxes generated from new growth such as new residential and commercial development or renovations to existing properties that increase assessed value. The levy ceiling is the absolute maximum amount of property taxes that can be collected by a municipality. A city or town cannot collect more than 2.5% of the total assessed value of all taxable property within its borders; *and*

WHEREAS, Because Massachusetts municipalities rely heavily on property taxes to fund local government, Proposition 2 ½ has a significant impact on public schools, police and fire departments, public works and road maintenance, libraries, parks and recreation, and municipal employee salaries and benefits; *and*

WHEREAS, Since 2024, joint studies from Tufts University and the Boston Policy Institute have indicated that falling commercial property values on account of continued remote work policies could potentially cost the City of Boston up to $2.1 billion in annual tax revenue. While municipalities across the country also face this vexing issue, Boston may potentially be the most vulnerable as 70% of revenue is derived from property taxes, and over 50% of the City's land is owned by nonprofits or nontaxable. As such, there has recently been public discussion among city officials to lift Proposition 2 ½ in Boston; *and*

WHEREAS, Limiting annual property tax revenue growth means the local government must exercise fiscal responsibility, accountability, and transparency. This Proposition makes taxes more predictable for residents who have endured challenging economic times in Boston due to steep increases in property taxes in the last two years*; and*

WHEREAS, At this time, with the City of Boston having required nearly $70 million in supplemental budgets and residents having also endured two straight years of double digit property tax increases, the City must reaffirm its commitment to Proposition 2 ½ ; ***NOW, THEREFORE BE IT***

RESOLVED: That the Boston City Council supports Proposition 2 ½ .

Filed on: July 8, 2026