

AN ACT TO REQUIRE INDEPENDENT AUDITS FOR ALL PROPERTY TAX INCREASES AND STREAMLINE OVERRIDES

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 1. Purpose. The purpose of this act is to ensure fiscal responsibility in all municipalities of the Commonwealth by requiring independent audits prior to any property tax increase, to protect residents from unnecessary taxation, and to streamline voter-approved overrides for essential services.

Section 2. Definitions. For the purposes of this act: (a) “Property tax increase” means any increase in the total property tax levy authorized by a city or town over the prior fiscal year, including increases below statutory limits. (b) “Independent municipal audit” means a financial review conducted by an auditor not employed by the municipality, tasked with identifying potential cost savings, inefficiencies, and waste. (c) “Override” means a voter-approved increase in the property tax levy above the annual limit established in this act.

Section 3. Annual Property Tax Limit. No city or town shall increase the total property tax levy by more than **0.5 percent** per year, excluding new growth from construction or newly developed property. Any proposed increase above this limit shall be considered an override under Section 5.

Section 4. Automatic Independent Audit. (a) Any proposed property tax increase, regardless of amount, shall **automatically trigger an independent municipal audit** to identify potential cost reductions or efficiency improvements. (b) The audit must be completed and publicly posted at least **30 days before any vote or approval** of the tax increase. (c) The governing body shall provide a written explanation of how cost reductions were implemented or considered before approving any increase.

Section 5. Streamlined Overrides. (a) Overrides for essential services—including schools, public safety, and infrastructure—may be approved with a **simple majority vote** of residents in a town election or city-wide vote. (b) Overrides may be proposed for a single fiscal year or multiple years as needed. (c) For emergency situations, overrides may be approved at a special election or town meeting called with at least 14 days’ notice to residents.

Section 6. Transparency and Reporting. Cities and towns shall post the following information publicly prior to any override or tax increase: (a) the results of the independent

municipal audit; (b) the proposed budget and justification for the increase; (c) projected impact on average property tax bills.

Section 7. Enforcement. Any city or town that implements a property tax increase in violation of this act shall be prohibited from collecting the excess amount and shall be subject to review by the Department of Revenue.

Section 8. Severability. If any provision of this act is held invalid, the remaining provisions shall remain in full force and effect.

Section 9. Effective Date. This act shall take effect for the fiscal year following enactment.