

Inside Town Finances Volume 15: Overrides

What is an override?

An override is a **permanent** increase in a town's property tax levy, requiring majority approval at both Town Meeting and the following Town Election. Once approved, an override becomes part of the base calculation of future years' tax levy limits and grows annually by 2.5%.

Ideally, after an override, a town's higher tax limit will be sufficient to fund future operating budgets. If revenue and expense growth are not aligned, a town will face the difficult choice of either recurring overrides to maintain services or the reduction and/or elimination of services.

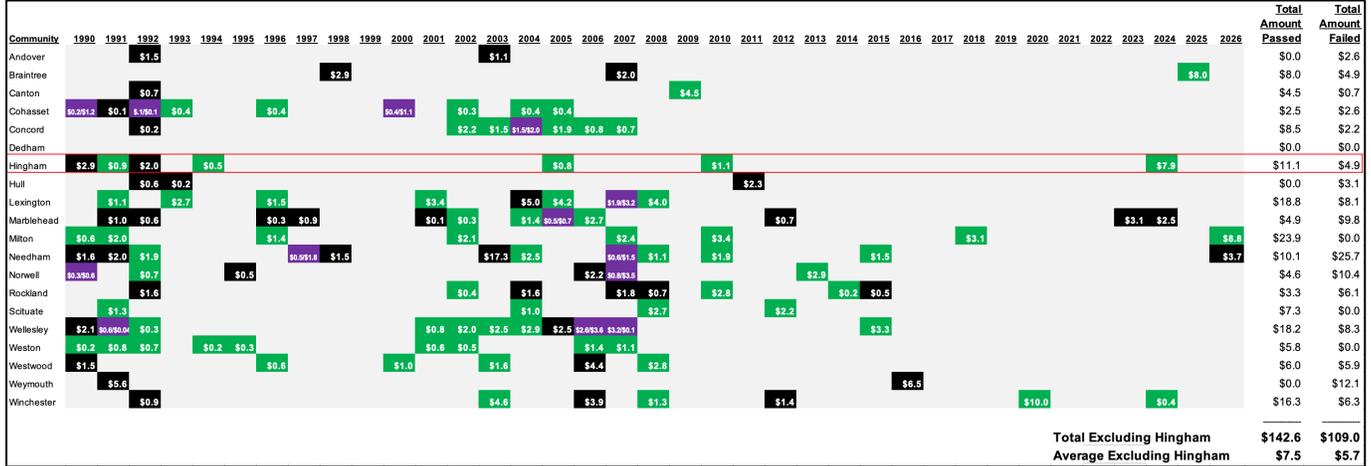
How many overrides has Hingham considered? What were the results?

The chart to the right shows Hingham's override history (Source: MA Dept. of Revenue). Since 1990, voters have approved five overrides totaling \$11.1 million and rejected four overrides totaling \$4.9. In the 1990s, Hingham considered multiple override questions in the same fiscal year. Under MA General Laws, overrides may be structured as a single question or divided into multiple questions - commonly referred to as "pyramid", "tier", or "menu" overrides.

Fiscal Year	Win / Loss	Yes %	No %	Amount
1990	Loss	48%	52%	\$950,000
1990	Loss	44%	56%	\$1,900,000
1991	Win	61%	39%	\$875,000
1992	Loss	50%	50%	\$1,000,000
1992	Loss	48%	52%	\$1,000,000
1994	Win	55%	45%	\$485,508
2005	Win	63%	37%	\$753,682
2010	Win	67%	33%	\$1,100,000
2024	Win	62%	38%	\$7,890,467

How does Hingham's override history compare to its benchmark communities?

The chart below shows override history for Hingham and its 19 benchmark communities since Fiscal Year 1990 (Source: MA Dept. of Revenue). All data is in millions of dollars. Green boxes indicate years and amounts of overrides that were approved. Black boxes indicate years and amounts of overrides that were rejected. Purple boxes indicate years when both passed and failed overrides occurred. The chart also includes total amounts passed and failed, as well as the combined total and average amounts for all benchmark communities excluding Hingham.



What is the impact of an override on property tax bills?

Using Fiscal Year 2025 tax rates, the chart to the right shows estimated annual property tax increases in both \$ and % for various override amounts for the average assessed value home in Hingham (Source: MA Dept of Revenue).

Amounts **exclude** the annual increase allowed under Proposition 2½, the Community Preservation (CPA) surcharge, and any increases resulting from voter-authorized debt exclusions.

Average Assessed Value Home		\$1,273,121
Current Average Tax Bill		\$13,610
Estimated increase from override*	\$	%
\$1 million	\$114.58	0.8%
\$3 million	\$356.47	2.6%
\$5 million	\$598.37	4.4%
\$7 million	\$827.53	6.1%
\$9 million	\$1,069.42	7.9%

* Override impact only. Excludes increase allowed under Proposition 2½, Community Preservation Surcharge, and any increases from voter-authorized debt exclusions.