

6/4/07-13

# Massachusetts Municipal Association

## Municipal Partnership Act *Advocacy Kit*

### Sample Letter to Send to Your Legislators – Please Paste onto Your Letterhead

May 2007

The Honorable (Your Representatives and Senators)  
State House  
Boston, MA 02133

#### ***Re: Requesting Your Support for All Provisions of the Municipal Partnership Act***

Dear (Representative or Senator \_\_\_\_\_),

I am writing to respectfully request your strong support for *all* of the provisions of the Municipal Partnership Act filed by Governor Deval Patrick and Lt. Governor Timothy Murray. This legislation is vital to the financial health of our community, and is necessary for our state's economic growth and competitiveness.

We urgently need every aspect of the Municipal Partnership Act, including the local option meals tax, the increase in the local option lodging tax, the closure of the telecommunications property tax loophole, the local option GIC provision, and the modest proposal to transfer the assets of some local pension systems into the state's PRIT fund for investment purposes.

While there is growing legislative support for the health insurance and pension provisions of the bill, which I strongly support, there are reports of resistance to the revenue parts of the Municipal Partnership Act. We need ALL of the proposals to pass, including the revenue proposals. You know that we have been forced to rely far too much on residential property taxes in recent years, and to reduce this burden we need the local-option meals and lodging capacity, and we need to end the special telecommunications property tax loophole that gives Verizon and a few companies a break, but costs our city and local taxpayers throughout the state millions of dollars.

These are very difficult and painful times for virtually every community. In spite of your efforts to fund local aid, with state resources limited and the Commonwealth facing a huge budget gap, we have been forced to balance our budget through a combination of over-reliance on the regressive property tax and deep cuts in important services. The Municipal Partnership Act would provide us with local option revenues that are necessary to avoid even greater pressure on our residents and even more cuts in municipal and school programs.

In order to maintain high quality municipal and school services, cities and towns need local taxing authority beyond the tightly capped property tax and the very limited motor vehicle excise and existing local option taxes. Equally important, we need to have this greater self-reliance in order for Massachusetts to meet the economic challenges from our competitor states, as we seek to keep property taxes low and provide the services that attract and keep businesses and families here.

*Support the Local Option Sales Tax On Meals:* The partnership legislation would allow cities and towns to adopt a sales tax on meals of up to two percent in addition to the five percent state tax. Municipalities would retain 75 percent of the local collection with the balance deposited in a fund to be used to increase reimbursements for locally administered property tax exemptions.

A two percent local sales tax on meals could provide as much as \$250 million annually to take pressure off the over-burdened and regressive property tax, and help pay for police, fire, school and other local government services. This important proposal would make our tax system less regressive, and provide us with the resources we need to provide critical municipal and education services in our community.

We are not asking you to approve or vote for a tax. This proposal would simply allow us to make this taxation decision locally, on a community-by-community basis, giving municipal officials who are accountable to the citizens and voters the authority to vote to levy the tax, and allocate the funds.

*Support the Local Option Room Occupancy Excise:* The partnership legislation would allow cities and towns to add an additional one percentage point to the existing local option room occupancy excise of up to four points. As with the local option meals tax, 75 percent would be retained locally, with the balance used to fund tax exemption reimbursements.

Massachusetts lags behind room occupancy rates in other states. Allowing cities and towns to add one additional percentage point to the current local rate will not result in any competitive disadvantages and would generate approximately \$20 million in new revenues, much of it paid by individuals and businesses from outside the region.

*Close the Telecommunications Company Property Tax Loophole:* The partnership legislation would modernize the outdated and obsolete statute in order to end the unwarranted ability of telecommunications companies to remove high value personal property (mostly poles, wires and switching equipment) from our local tax rolls, which is currently shifting approximately \$80 million in property taxes onto homeowners and other businesses across the state.

One major problem facing local government is the growing obsolescence of the state's property tax language governing exemptions. Increasingly, businesses are removing property from local tax rolls because the law has simply not kept up with changes in technology and business practices. When the property of a particular class of businesses (the telecommunications companies are the most notable example) becomes tax-exempt, the tax burden is picked up by homeowners and other business taxpayers. This is a manageable problem if there is a clear policy reason for the exemption, but it is totally unacceptable if the tax avoidance is due to outdated law, as is the case with the telecommunications loophole. I respectfully and urgently ask you to end this tax loophole that benefits a few telecommunications companies at the expense of taxpayers and communities across the Commonwealth.

Again, on behalf of our community, please support all parts of the Municipal Partnership Act. These measures are essential in order to restore fiscal stability and health here at home, and allow us all to build a strong future for Massachusetts.

Thank You.

Sincerely,

*(Insert Your Name and Title Here)*

cc: Speaker Salvatore DiMasi, State House, Room 356, Boston, MA 02133  
Senate President Therese Murray, State House, Room 332, Boston, MA 02133  
MMA, One Winthrop Square, Boston, MA 02110

## Municipal Partnership Poll of Legislators

	2% Local Option Meals Tax	1% Local Option Lodging Tax	Close the Telecom. Tax Loophole	GIC Coalition Barg. Option	Pension Assets in PRIT
Sen. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U
Sen. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U
Sen. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U
Rep. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U
Rep. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U
Rep. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U
Rep. _____	Y N M U	Y N M U	Y N M U	Y N M U	Y N M U

City/Town \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

**Please print this form out, call your legislators and ask for their commitment to vote for the 5 key provisions of the MPA**  
**We need to count votes and identify supporters and opponents as quickly as possible**  
 Please fax back the to the MMA's Legislative Division at 617-695-1314 by Friday, May 25, 2007

Y=Yes; N=No; M=Maybe; U=Undecided

# Massachusetts Municipal Association

## Municipal Partnership Act *Advocacy Kit*

### Sample Press Release – Please Paste onto Your Letterhead

For Immediate Release

For more information, contact **(insert name and telephone number)**

#### **(Insert Name) CALLS FOR PASSAGE OF THE MUNICIPAL PARTNERSHIP ACT**

**(Insert name and title)** has joined the Massachusetts Municipal Association (MMA), local government leaders from across the state, Gov. Deval Patrick and Lt. Gov. Timothy Murray today to call for passage of the Municipal Partnership Act, legislation to allow cities and towns to adopt local option taxes and to close a property tax loophole used by telecommunications companies to avoid local taxation. **(Insert title and name)** said passage of the legislation would provide **(Insert \$ estimate from spreadsheet in kit)** to **(Insert name of community)** to reduce the property tax burden on homeowners, restore fiscal stability, fund essential municipal and school services, and attract businesses investment.

“We need a true partnership and the tools to make our community and the Commonwealth stronger,” said **(Insert name)**. “Far too often, we have only two choices – cutting services or raising property taxes. Massachusetts communities and local taxpayers must have other resources to balance budgets, restore fiscal stability and fund services. The modest 2% local option meals tax and 1% local option lodging tax in the Municipal Partnership Act would allow us to reduce our reliance on property taxes, and fund critical public safety, public works and education services. The Municipal Partnership Act would close the telecommunications property tax loophole that is being abused by a handful of companies, costing communities and local taxpayers \$80 million a year. The bill would allow local and state officials to stand together and do the necessary work to build a strong and vibrant future for Massachusetts, keeping our residents here, and attracting business investment and growth.”

**(Insert title and name)** joined municipal leaders from throughout the state in endorsing the full Municipal Partnership Act. “If the Legislature fails to pass the bill, that will only deepen the property tax crisis that is hurting us all,” **(Insert “he” or “she”)** said.

The Municipal Partnership Act was filed by the Governor in February, and offers a series of initiatives that would allow communities to become more self-reliant through local option meals and lodging taxes that together could provide \$270 million in new revenue capacity for cities and towns, setting aside 25 percent of those funds for property tax relief, and would close the tax loopholes that allow telecommunications companies to avoid paying their fair share of an estimated \$80 million in local property taxes. The bill also includes provisions that could offer health insurance savings to some communities, and could generate greater revenue from the investment of pension assets.

“The need for this legislation has become even more urgent as the state struggles with a \$1 billion budget gap, and local aid levels have been limited by the state’s fiscal condition,” said **(Insert last name)**. “We are asking the Legislature to recognize the need to pass this bill and allow communities to address the property tax problem, and invest in the core local services that we need to attract and keep families and businesses – the more we empower our communities, the stronger our state will become,” **(Insert “he” or “she”)** concluded.

-END-

# Massachusetts Municipal Association

## Municipal Partnership Act *Advocacy Kit*

### Sample Letter to the Editor – Please Paste onto Your Letterhead

Dear Editor,

I am writing because we need our legislators to pass the Municipal Partnership Act before breaking for the summer recess in July. This vital bill would provide **(Insert \$dollar estimate from spreadsheet in kit)** to **(Insert name of community)** to reduce the property tax burden on homeowners, restore fiscal stability, fund essential municipal and school services, and attract businesses investment to the area.

We need a true partnership and the tools to make our community and the Commonwealth stronger. Far too often, we have only two choices – cutting services or raising property taxes. Massachusetts communities and local taxpayers must have other resources to balance budgets, restore fiscal stability and fund services. The modest 2% local option meals tax and 1% local option lodging tax in the Municipal Partnership Act would allow us to reduce our reliance on property taxes, and fund critical public safety, public works and education services. The Municipal Partnership Act would close the telecommunications property tax loophole that is being abused by a handful of companies, costing communities and local taxpayers \$80 million a year.

Property taxes have skyrocketed in every community, and we've cut local services and programs far too much. **(Insert local details here)**. If the Legislature fails to pass Municipal Partnership Act the property tax crisis will continue to hurt us all, and we'll be forced to impose more cuts.

The Municipal Partnership Act was filed by the Governor in February, and offers a package of initiatives that would allow us to become more self-reliant through local option meals and lodging taxes that together could provide \$270 million in new revenue capacity for cities and towns, using 25 percent of those funds for property tax relief. The bill would finally close the tax loopholes that allow telecommunications companies to avoid paying local property taxes, and as they dodge their fair share, the burden is shifted to homeowners and local businesses. The bill also includes provisions that could offer health insurance savings to some communities, and could generate greater revenue from the investment of pension assets.

We have never recovered from the local aid cuts that hit several years ago, and with the state facing a budget gap of its own, we need the Legislature to pass this entire bill and allow communities to address the property tax problem, and invest in the core local services that we need to attract and keep families and businesses. Beacon Hill needs to give us a chance. I believe that the more we empower our communities, the stronger our state will become.

Sincerely,

*(Name and Title)*