

## What is an override?

Proposition 2½ is a Massachusetts law that limits how much a city or town can raise in property taxes each year. Under Proposition 2½ Nahant's total property tax revenue can only go up by no more than 2.5% per year, plus whatever new growth comes from new construction, and the Town can never collect more than 2.5% of the total assessed value of all property in town. This law was intended to prevent real estate taxes from rising too high or too quickly. This is not a limit on your individual tax bill. It is a limit on the total amount the Town can collect from real estate taxes.

Costs for schools, public safety, roads, employee contracts, and utilities often rise faster than 2½% per year. When expenses grow faster than allowed revenue, towns face a budget gap. An override is an option that can address these cost gaps.

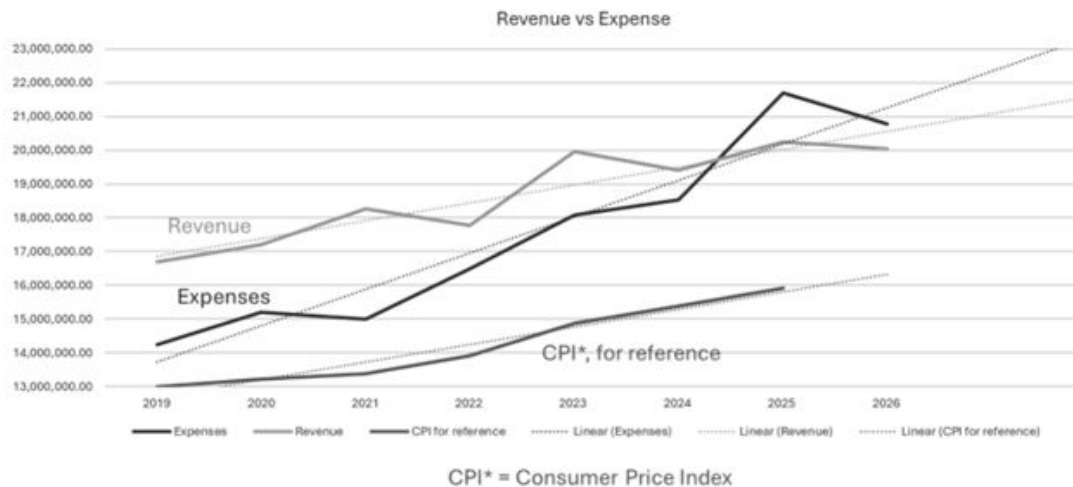
An override is a democratic tool that lets residents decide whether the Town should be allowed to raise more than the 2½% limit, either permanently or for a specific capital project. This proposed override is a permanent override; it will increase the allowed Town budget by \$1 million beginning in fiscal 2026 and continuing into the future. It is like raising the roof of your house - once it is higher, it stays higher.

*In one sentence - Proposition 2½ limits how fast towns can raise property taxes, and an override is a community vote to raise that limit when costs outgrow the cap.*

## Why is this override requested?

Town administration is requesting this \$1 million override for three reasons:

1. About 20% of the override is allocated to a variety of budget line items to keep pace with inflation which has been rising faster than the 2½% limit. The squeeze of inflation exceeding our limited revenue increases has caught up to us. Major expenses such as utilities, employee benefits and health coverage are rising faster than both inflation and the 2½% limit. Further, Nahant is competing with nearby Towns to attract and retain talented personnel. The chart below depicts the situation more clearly than can be described in words.

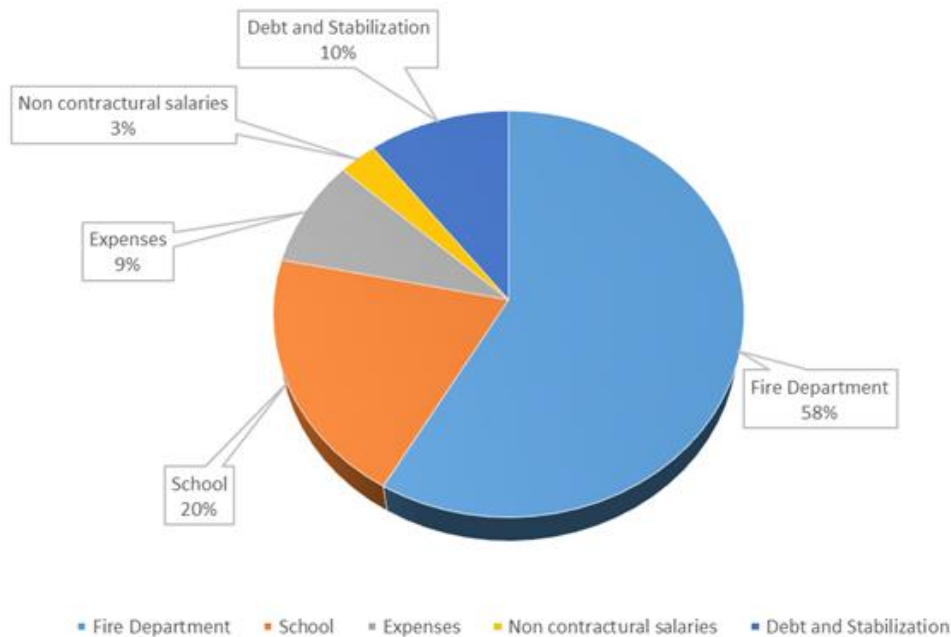


If this override does not pass, the town can likely maintain the same level of services to citizens for one more year and Town Meeting approved a level services budget that will take effect if this override fails. After that, or if inflation rises during the next year, we must balance the budget by cutting services, because we cannot legally spend more than the Prop 2½ limit allows. If this override does not pass, there will likely be an override request next year.

2. Another 20% of this override is an increase in funding for Nahant schools. A portion of these funds would provide targeted tutoring to improve MCAS performance. This is not special education. It is individual help for Johnson School students who are having trouble with particular topics or skills. Another portion of these funds would be used to improve Johnson School curriculum (teaching, materials, methods, and training) to better prepare our students and to ease the transition into the Swampscott Schools.
3. The remaining approximately 60% of the override is funding for additional full time firefighters for the Fire and Emergency Services. The Nahant Fire Department has historically relied heavily on call firefighters and/or mutual aid to achieve required, effective and safe response levels. The Fire Chief has stated that this staffing model is now proving unworkable. Fire fighters also operate the Town ambulance which adds to staffing difficulties. The Fire Department is facing significant issues with attracting and retaining call fire fighters due to demographic changes (less population in Town during working hours) and cultural shifts (less desire to serve as call firefighters).

The override would fund an additional 4 full-time firefighters to the existing staff of 9. The additional personnel would provide one additional full time fire fighter on duty, 24/7. This would reduce, but not eliminate, the reliance on call firefighters and make first response safer for the full time firefighters.

*In one picture:*



### **What is the process for approving an override?**

State Law requires that an override be 1) approved by Select Board and 2) earn a majority of votes cast at a ballot election. The Nahant Select Board presented the override question to Town Meeting in order to provide a public forum for debate and decision. This override request was approved at the May 16, 2026 Annual Town Meeting and the ballot election will be June 24, 2026 at Town Hall. Early and absentee ballots are available at Town Hall.

### **What is the impact to taxpayers?**

This proposed override would increase the real estate tax rate by 7.5% or \$0.68 per one thousand dollars of assessed value. This would be an increase of \$604 per median household value of \$888,500. Because this is a permanent override, that amount will continue into the future, changing as the tax rate changes.