



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

A. JOSEPH DeNUCCI
AUDITOR

TEL (617) 727-2075
FAX (617) 727-2383

January 6, 2009

The Honorable Stanley Rosenberg, Chair
Special Municipal Relief Commission
State House – Room 320
Boston, Massachusetts 02133-1053

Dear Senator Rosenberg:

Thank you for this opportunity to offer input as you deliberate options for providing financial relief for our cities and towns. We are aware of numerous proposals, ranging from local option sales and use taxes, to expanding management prerogatives in shaping local employee benefit plans. In an effort to bring something different to the table, I would like to call your attention to legislation I have sponsored in the last several sessions to clarify and strengthen the scope of municipal protection from unfunded state mandates – an ongoing source of fiscal stress at the local level. Additionally, I would like to suggest that this may be the right time to revisit recommendations I have made to relieve cities and towns of the cost of providing property tax abatements for senior citizens and to equalize these benefits across communities. (Please see enclosed report.)

Regarding the Local Mandate Law, my proposal (House No. 3 for the 2007 – 2008 session) would clarify the scope of municipal protection from unfunded state mandates by further defining the term “local mandate.” Under this definition, mandates would include new state laws and regulations that increase the cost of so-called “voluntary” local government activities, undertaken pursuant to the lawful authority of state law, regulation, or local charter, whether or not the activity is strictly required by state law. The bill would also provide that the Local Mandate Law would apply to a costly amendment to a local option law, when the amendment is enacted after the initial local vote to accept the original law. (Please see enclosed letter to the Chairs of the Committee on Municipalities and Regional Government for a more detailed explanation.)

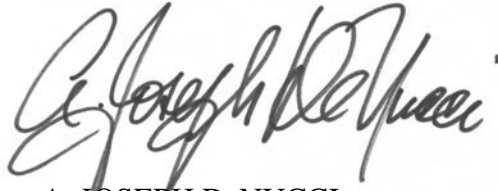
As for the cost of providing property tax abatements for senior citizens, my 2005 report documents that, at that time, communities were providing nearly \$4 million in senior tax relief that was not reimbursed by the Commonwealth. Further, this report shows the great disparity in relief provided from one community to another, and recommends equalization of this benefit with full state assumption of the administration and cost of

The Honorable Stanley Rosenberg
Page Two

the program. Page 20 of this report shows projections of the additional cost to the Commonwealth at three different equalized benefit levels, ranging from no net new cost to \$16 million.

I believe that these proposals would implement changes that would support the fiscal stability of the communities of our state. I hope you may consider these recommendations appropriate for inclusion in your package of recommendations to the full Legislature, and thank you for your attention.

Sincerely,

A handwritten signature in dark ink, appearing to read "A. Joseph DeNucci". The signature is fluid and cursive, with a large initial "A" and a distinct "DeNucci" at the end.

A. JOSEPH DeNUCCI
Auditor of the Commonwealth

Enclosures