CHAIRPERSON JAMES: Mr. Mercado?

MR. MCCAULEY: Mr. McCauley. Mr. Mercado is absent.

CHAIRPERSON JAMES: Mr. Mercado is not here, okay. Mr. McCauley?

MR. MCCAULEY: Thank you very much, Madame Chairperson and members of the Commission. My name is Francis X. McCauley, I reside at [ ] in the City of Quincy. Quincy is a city of 88,000 people and is a suburb of Boston and it's the birthplace of the sixth and second presidents of the United States, John Adams and John Quincy Adams.

For over 24 years, I have served the City of Quincy in elected office. I'm presently serving as a member of the city council and from 1982 through 1989, was Mayor of Quincy.

In November 1980, the citizens of Massachusetts overwhelmingly voted in favor of a property tax limitation plan known as Proposition 2«. This plan severely restricts the amount of revenue to be raised from real and personal property taxes.

The City of Quincy was particularly hard hit by the provisions of this act. To bring the city into compliance, the city was forced to reduce the
amount to be raised from property taxes over a three
two year period from $67 million in fiscal year in 1981, to
$46 million in fiscal year 1984, a reduction of $21
million or 31 percent.

It became apparent that with the
implementation of Proposition 2«, the city would have
to rely on other sources of revenue. One of these
sources was revenues generated by the operation of the
state lottery. The Massachusetts State Lottery became
operational in 1972 and has proven to be one of the
most efficient operations in the country.

Cities and towns in the Commonwealth of
Massachusetts have derived increasing amounts of
revenues from Lottery operations. For fiscal years
1990 through 1998, the City of Quincy has received
$47,829,600 from Lottery revenues. The percentage of
revenues received from the Lottery, to total state
revenues received from all sources, has increased from
$4,250,000 or 12 percent in fiscal year 1990, to
$7,400,000 or 21.3 percent, for fiscal 1998.

The City of Quincy has recently embarked on
a $73 million program to upgrade school facilities.
The success of this program, which will not be
completed until well into the 21st century, will depend
on continued growth of state aid, of which Lottery revenues are an important component.

Thank you very much, Madame Chairperson and members of the Commission.

CHAIRPERSON JAMES: Thank you.