

**SENATE . . . . . No. 2548**

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**The Commonwealth of Massachusetts**

—  
**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
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SENATE, January 8, 2024.

The committee on Senate Ways and Means to whom was referred the message from Her Excellency the Governor recommending legislation to provide for competitiveness and infrastructure investment in Massachusetts, reports recommending that the accompanying bill (Senate, No. 2548) ought to pass.

For the committee,  
Michael J. Rodrigues

**SENATE . . . . . No. 2548**

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**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Third General Court  
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An Act to provide for competitiveness and infrastructure investment in Massachusetts.

*Whereas*, The deferred operation of this act would tend to defeat its purposes, which are to enhance the competitiveness of Massachusetts in winning federal funds and to provide for the infrastructure needs of the Commonwealth, each of which is immediately necessary to accomplish important public purposes, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. The first paragraph of section 2H of chapter 29 of the General Laws, as  
2 appearing in the 2022 Official Edition, is hereby amended by striking out the first sentence and  
3 inserting in place thereof the following sentence:- There shall be established and set up on the  
4 books of the commonwealth a separate fund to be known as the Commonwealth Stabilization  
5 Fund, consisting of amounts transferred to the fund in accordance with sections 5C and 5G,  
6 amounts credited under this section, income derived from the investment of amounts in the fund  
7 and any appropriations or other amounts transferred to the fund.

8           SECTION 2. Said chapter 29 is hereby further amended by inserting after section  
9 2DDDDDD the following section:-

10 Section 2EEEEEE. (a) There shall be established and set up on the books of the  
11 commonwealth a separate, non-budgeted special revenue fund to be known as the  
12 Commonwealth Federal Matching and Debt Reduction Fund. The secretary of administration and  
13 finance shall administer the fund.

14 The fund shall be credited with: (i) interest earned in each fiscal year on the investment of  
15 money in the Commonwealth Stabilization Fund established in section 2H, subject to subsection  
16 (b); (ii) any appropriations or other money designated to be credited to the fund; and (iii) interest  
17 earned on any amounts in the fund. Amounts credited to the fund shall be expended without  
18 further appropriation. Any unexpended balance in the fund at the end of a fiscal year shall  
19 remain available for expenditure in subsequent fiscal years. No expenditure made from the fund  
20 shall cause the fund to be in deficit at any point.

21 (b) Quarterly, the comptroller shall transfer interest credited to the Commonwealth  
22 Stabilization Fund during the previous quarter to the fund; provided, however, that no such  
23 transfer shall occur if: (i) the balance of the Commonwealth Stabilization Fund for the most  
24 recently ended fiscal year has decreased below the balance of the Commonwealth Stabilization  
25 Fund at the close of the immediately preceding fiscal year as certified by the comptroller in the  
26 statutory basis financial report required by section 12 of chapter 7A; or (ii) the balance of the  
27 Commonwealth Stabilization Fund does not exceed 10 per cent of budgeted revenues for all  
28 budgeted funds and other financial resources pertaining to the budgeted funds for the preceding  
29 fiscal year.

30 (c) Annually, not later than 5 business days after the issuance of the statutory basis  
31 financial report required by section 12 of chapter 7A, the comptroller shall report to the

32 executive office for administration and finance, the clerks of the senate and the house of  
33 representatives and the senate and house committees on ways and means on: (i) the balance of  
34 the Commonwealth Stabilization Fund as of June 30 of the preceding fiscal year; and (ii) the  
35 interest earned by the Commonwealth Stabilization Fund during the preceding fiscal year.

36 (d) The secretary of administration and finance may expend money from the  
37 Commonwealth Federal Matching and Debt Reduction Fund, without further appropriation, for:  
38 (i) repaying, prepaying, defeasing, retiring, tendering, purchasing, reducing the principal or  
39 interest payable on or otherwise reducing any portion of the commonwealth's indebtedness; (ii)  
40 reducing, repaying or retiring any portion of the commonwealth's long-term liabilities including,  
41 but not limited to, pension obligations, other post-retirement benefits, capital leases, general or  
42 special obligation contract liabilities and equivalent liabilities; and (iii) transferring any amounts  
43 in the fund to the Commonwealth Stabilization Fund.

44 (e) The secretary of administration and finance shall provide quarterly reports to the  
45 clerks of the senate and the house of representatives and the senate and house committees on  
46 ways and means on the activities of the Commonwealth Federal Matching and Debt Reduction  
47 Fund for the preceding fiscal quarter.

48 SECTION 3. Section 5G of said chapter 29 is hereby amended by striking out the first  
49 paragraph, as appearing in the 2022 Official Edition, and inserting in place thereof the following  
50 2 paragraphs:-

51 After each quarter, the department of revenue shall certify to the state comptroller the  
52 amount of tax revenues estimated to have been collected during the preceding quarter from  
53 capital gains income. If the department of revenue certifies that the amount of tax revenues

54 estimated to have been collected from capital gains income exceeds \$1,479,221,303 in a fiscal  
55 year, the comptroller shall transfer quarterly any such amount that exceeds \$1,479,221,303  
56 collected during that fiscal year as follows:

57 (i) if such amount that exceeds the threshold is not more than 10 per cent of budgeted  
58 revenues for all budgeted funds and other financial resources pertaining to budgeted funds for the  
59 preceding fiscal year: (A) 90 per cent of such amount shall be transferred to the Commonwealth  
60 Stabilization Fund established in section 2H; (B) 5 per cent of such amount shall be transferred  
61 to the State Retiree Benefits Trust Fund established in section 24 of chapter 32A; and (C) 5 per  
62 cent of such amount shall be transferred to the Commonwealth's Pension Liability Fund  
63 established in subsection (e) of subdivision 8 of section 22 of chapter 32;

64 (ii) if such amount that exceeds the threshold is more than 10 per cent but not more than  
65 15 per cent of budgeted revenues for all budgeted funds and other financial resources pertaining  
66 to budgeted funds for the preceding fiscal year: (A) 50 per cent of such amount shall be  
67 transferred to the Commonwealth Stabilization Fund established in said section 2H; (B) 25 per  
68 cent of such amount shall be transferred to the State Retiree Benefits Trust Fund established in  
69 said section 24 of said chapter 32A; and (C) 25 per cent of such amount shall be transferred to  
70 the Commonwealth's Pension Liability Fund established in said subsection (e) of said  
71 subdivision 8 of said section 22 of said chapter 32;

72 (iii) if such amount that exceeds the threshold is more than 15 per cent but not more than  
73 22.5 per cent of budgeted revenues for all budgeted funds and other financial resources  
74 pertaining to budgeted funds for the preceding fiscal year: (A) 10 per cent of such amount shall  
75 be transferred to the Commonwealth Stabilization Fund established in said section 2H; (B) 45

76 per cent of such amount shall be transferred to the State Retiree Benefits Trust Fund established  
77 in said section 24 of said chapter 32A; and (C) 45 per cent of such amount shall be transferred to  
78 the Commonwealth's Pension Liability Fund established in said subsection (e) of said  
79 subdivision 8 of said section 22 of said chapter 32; or

80 (iv) if such amount that exceeds the threshold is more than 22.5 per cent of budgeted  
81 revenues for all budgeted funds and other financial resources pertaining to budgeted funds for the  
82 preceding fiscal year: (A) 50 per cent of such amount shall be transferred to the State Retiree  
83 Benefits Trust Fund established in said section 24 of said chapter 32A; and (B) 50 per cent of  
84 such amount shall be transferred to the Commonwealth's Pension Liability Fund established in  
85 said subsection (e) of said subdivision 8 of said section 22 of said chapter 32.

86 The threshold of \$1,479,221,303 established in this section shall be adjusted annually to  
87 reflect the average annual rate of growth in United States gross domestic product over the  
88 preceding 5 years based on the most recently available data published by the Bureau of  
89 Economic Analysis in the United States Department of Commerce.

90 SECTION 4. Notwithstanding any general or special law to the contrary, quarterly, the  
91 secretary of administration and finance shall submit interim reports to the clerks of the senate  
92 and the house of representatives and the senate and house committees on ways and means on  
93 expenditures from the Commonwealth Federal Matching and Debt Reduction Fund made  
94 pursuant to clauses (i) to (iii), inclusive, of section 5. The report shall include, but not be limited  
95 to: (a) a detailed list of capital projects receiving money from the fund and for each project: (i)  
96 projected total project cost; (ii) information on funding sources; and (iii) projected timeline for

97 completion; and (b) a detailed list of federal funding applications and the status of those  
98 applications. The secretary shall issue a final report not later than December 31, 2026.

99 SECTION 5. Notwithstanding section 2EEEEEE of chapter 29 of the General Laws, the  
100 secretary of administration and finance may expend from the Commonwealth Federal Matching  
101 and Debt Reduction Fund established in said section 2EEEEEE of said chapter 29: (i) not more  
102 than \$750,000,000 for matching funds for federal programs, including, but not limited to,  
103 projects and programs included in the Infrastructure Investment and Jobs Act of 2021, Public  
104 Law No. 117-58, the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act of  
105 2022, Division A of Public Law No. 117-167 and the Inflation Reduction Act of 2022, Public  
106 Law No. 117-169, and matching funds for federal programs in the form of grants, loans and  
107 other financial assistance to cities, towns, tribes, regional organizations whose membership is  
108 exclusively composed of municipal governments, regional planning agencies, community  
109 development corporations and other development authorities or agencies and providing technical  
110 assistance or otherwise enhancing the competitiveness of federal funding applications under  
111 guidelines adopted by the executive office for administration and finance; (ii) not more than  
112 \$50,000,000 for matching funds for federal programs in the form of grants, loans and other  
113 financial assistance to cities, towns, tribes, regional organizations whose membership is  
114 exclusively composed of municipal governments, regional planning agencies, community  
115 development corporations and other development authorities or agencies; and (iii) not more than  
116 \$12,000,000 for planning and studies, preparation of plans and specifications and technical  
117 assistance to support cities, towns, tribes, regional organizations whose membership is  
118 exclusively composed of municipal governments, regional planning agencies, community  
119 development corporations and other development authorities or agencies in pursuit of federal

120 funding opportunities, under guidelines adopted by the executive office for administration and  
121 finance. The secretary shall provide technical assistance and guidance to cities, towns, tribes and  
122 regional organizations on the availability of state matching funds for federal programs eligible  
123 under this section. The secretary shall not obligate any funds under this section on or after  
124 December 31, 2026.