

SENATE No. 2554

Senate, January 11, 2024-- Text of the Senate Bill to provide for competitiveness and infrastructure investment in Massachusetts (Senate, No. 2554) (being the text of Senate, No. 2548, printed as amended)

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

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, as stated in the most recent Statutory Basis Financial Report.

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. The secretary of administration and finance
44 shall provide notice to the clerks of the senate and the house of representatives and the senate
45 and house committees on ways and means not less than 30 days prior to expending funds from
46 the Commonwealth Federal Matching and Debt Reduction Fund including, but not limited to, the
47 purpose and amount of said expenditure.

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

52 SECTION 3. Section 5G of said chapter 29 is hereby amended by striking out the first
53 paragraph, as appearing in the 2022 Official Edition, and inserting in place thereof the following
54 2 paragraphs:-

55 After each quarter, the department of revenue shall certify to the state comptroller the
56 amount of tax revenues estimated to have been collected during the preceding quarter from
57 capital gains income. If the department of revenue certifies that the amount of tax revenues
58 estimated to have been collected from capital gains income exceeds \$1,479,221,303 in a fiscal
59 year, the comptroller shall transfer quarterly any such amount that exceeds \$1,479,221,303
60 collected during that fiscal year as follows:

61 (i) if the balance of the Commonwealth Stabilization Fund at the time of the transfer is
62 not more than 10 per cent of budgeted revenues for all budgeted funds and other financial
63 resources pertaining to all budgeted funds for the preceding fiscal year, as stated in the most
64 recent Statutory Basis Financial Report: (A) 90 per cent of such amount shall be transferred to
65 the Commonwealth Stabilization Fund established in section 2H; (B) 5 per cent of such amount
66 shall be transferred to the State Retiree Benefits Trust Fund established in section 24 of chapter
67 32A; and (C) 5 per cent of such amount shall be transferred to the Commonwealth's Pension
68 Liability Fund established in subsection (e) of subdivision 8 of section 22 of chapter 32;

69 (ii) if the balance of the Commonwealth Stabilization Fund at the time of the transfer is
70 more than 10 per cent but not more than 15 per cent of budgeted revenues for all budgeted funds
71 and other financial resources pertaining to all budgeted funds for the preceding fiscal year, as
72 stated in the most recent Statutory Basis Financial Report: (A) 50 per cent of such amount shall
73 be transferred to the Commonwealth Stabilization Fund established in said section 2H; (B) 25

74 per cent of such amount shall be transferred to the State Retiree Benefits Trust Fund established
75 in said section 24 of said chapter 32A; and (C) 25 per cent of such amount shall be transferred to
76 the Commonwealth's Pension Liability Fund established in said subsection (e) of said
77 subdivision 8 of said section 22 of said chapter 32;

78 (iii) if the balance of the Commonwealth Stabilization Fund at the time of the transfer is
79 more than 15 per cent but not more than 22.5 per cent of budgeted revenues for all budgeted
80 funds and other financial resources pertaining to all budgeted funds for the preceding fiscal year,
81 as stated in the most recent Statutory Basis Financial Report: (A) 10 per cent of such amount
82 shall be transferred to the Commonwealth Stabilization Fund established in said section 2H; (B)
83 45 per cent of such amount shall be transferred to the State Retiree Benefits Trust Fund
84 established in said section 24 of said chapter 32A; and (C) 45 per cent of such amount shall be
85 transferred to the Commonwealth's Pension Liability Fund established in said subsection (e) of
86 said subdivision 8 of said section 22 of said chapter 32; or

87 (iv) if the balance of the Commonwealth Stabilization Fund at the time of the transfer is
88 more than 22.5 per cent of budgeted revenues for all budgeted funds and other financial
89 resources pertaining to all budgeted funds for the preceding fiscal year, as stated in the most
90 recent Statutory Basis Financial Report: (A) 50 per cent of such amount shall be transferred to
91 the State Retiree Benefits Trust Fund established in said section 24 of said chapter 32A; and (B)
92 50 per cent of such amount shall be transferred to the Commonwealth's Pension Liability Fund
93 established in said subsection (e) of said subdivision 8 of said section 22 of said chapter 32.

94 The threshold of \$1,479,221,303 established in this section shall be adjusted annually to
95 reflect the average annual rate of growth in United States gross domestic product over the

96 preceding 5 years based on the most recently available data published by the Bureau of
97 Economic Analysis in the United States Department of Commerce.

98 SECTION 4. Notwithstanding any general or special law to the contrary, quarterly, the
99 secretary of administration and finance shall submit interim reports to the clerks of the senate
100 and the house of representatives and the senate and house committees on ways and means on
101 expenditures from the Commonwealth Federal Matching and Debt Reduction Fund made
102 pursuant to clauses (i) to (iii), inclusive, of section 5. The report shall include, but not be limited
103 to: (a) a detailed list of capital projects receiving money from the fund and for each project: (i)
104 projected total project cost; (ii) information on funding sources; and (iii) projected timeline for
105 completion; and (b) a detailed list of federal funding applications and the status of those
106 applications. The secretary shall issue a final report not later than December 31, 2026.

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

119 guidelines adopted by the executive office for administration and finance; (ii) not more than
120 \$50,000,000 for matching funds for federal programs in the form of grants, loans and other
121 financial assistance to cities, towns, tribes, regional organizations whose membership is
122 exclusively composed of municipal governments, regional planning agencies, community
123 development corporations and other development authorities or agencies; and (iii) not more than
124 \$12,000,000 for planning and studies, preparation of plans and specifications and technical
125 assistance to support cities, towns, tribes, regional organizations whose membership is
126 exclusively composed of municipal governments, regional planning agencies, community
127 development corporations and other development authorities or agencies in pursuit of federal
128 funding opportunities, under guidelines adopted by the executive office for administration and
129 finance. The secretary shall provide technical assistance and guidance to cities, towns, tribes and
130 regional organizations on the availability of state matching funds for federal programs eligible
131 under this section. The secretary shall provide notice to the clerks of the senate and the house of
132 representatives and the senate and house committees on ways and means not less than 30 days
133 prior to expending funds under this section including, but not limited to, the purpose and amount
134 of said expenditure. The secretary shall not obligate any funds under this section on or after
135 December 31, 2026.