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HOUSE . . . . . No. 3609

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act Relative to the Taxpayer's Bill of Rights..

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

The General Laws, as appearing in the 2006 Official Edition, are hereby amended by inserting after chapter 29D the following new chapter:-

CHAPTER 29E. LIMITATION ON THE GROWTH OF STATE EXPENDITURES

Section 1. It is the intent of this chapter that there be established for each fiscal year a state expenditure growth limit calculated on the basis of the level of growth of inflation and population in the Commonwealth.

Section 2. For the purposes of this chapter the following definitions apply:

"Inflation" means the percentage change in the United States Bureau of Labor Statistics Consumer Price Index for Boston-Brockton-Nashua, all items, all urban consumers, not seasonally adjusted, or its successor index.

"State Expenditures" means funds made available by appropriation by the general court for the ordinary maintenance of the several departments, offices, commissions and institutions of the commonwealth, as set forth for the fiscal year in the general appropriations act and

supplemental appropriations acts as provided for in chapter 29; provided, such funds are financed by state tax revenues.

"State Population Change" means the percentage change in state population as determined by annual federal census estimates and such number shall be adjusted every decade to match the federal census.

"State Tax Revenues" means the revenues of the Commonwealth from every tax, surtax, receipt, penalty and other monetary exaction, and interest in connection therewith, including but not limited to, taxes and surtaxes on personal income, excises and taxes on retail sales and use, meals, motor vehicle fuels, businesses and corporations, public utilities, alcoholic beverages, tobacco, inheritances, estates, deeds, room occupancy and pari-mutuel wagering; but excluding federal reimbursements, proceeds from bond issues, earnings on investments, tuitions, fees, service charges and other departmental revenues, and revenues directly attributable to the additional taxes levied pursuant to section eighty-eight of chapter six hundred and eighty-four of the Acts of nineteen hundred and seventy-five.

Section 3. Beginning on or after January 1, 2010 the growth rate in state expenditures for every ensuing fiscal year shall equal inflation plus the state population change as so reported 12 months before.

Section 4. Following the execution of the provisions of section 3, should state tax revenues exceed state expenditures, the amount in excess shall be transferred to the temporary holding fund established by the comptroller. Any balance in the temporary holding fund greater than zero at the end of the fiscal year shall be refunded to the taxpayers of the Commonwealth, as prescribed by rules and regulations determined by the commissioner of revenue; provided, the

provisions of section 5C of chapter 29 shall not occur until after the provisions of this section are executed.

Section 5. Following the execution of the provisions of section 3, should state expenditures exceed state tax revenues, the amount in excess shall be reduced to match state tax revenues.

Section 6. The Supreme Judicial Court or Superior Court may, upon the petition of not less than twenty-four taxable inhabitants of the Commonwealth, enforce the provisions of this chapter. If successful, said taxable inhabitants shall be entitled to recover reasonable attorneys' fees and other costs from the Commonwealth incurred in maintaining such suit.

Section 7. The provisions of this law are severable, and if any clause, sentence, paragraph, or section of this chapter or an application thereof shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph, or section adjudged invalid.

SECTION 2. Chapter 62F of the General Laws, as appearing in the 2006 Official Edition, is hereby repealed.