

HOUSE No. 3693

The Commonwealth of Massachusetts

PRESENTED BY:

William J. Driscoll, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act achieving a green future with infrastructure and workforce investments.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|---------------------------------|-----------------------|------------------|
| <i>William J. Driscoll, Jr.</i> | <i>7th Norfolk</i> | <i>1/17/2023</i> |
| <i>Natalie M. Blais</i> | <i>1st Franklin</i> | <i>1/18/2023</i> |
| <i>Frank A. Moran</i> | <i>17th Essex</i> | <i>1/27/2023</i> |
| <i>Tram T. Nguyen</i> | <i>18th Essex</i> | <i>1/27/2023</i> |
| <i>Jessica Ann Giannino</i> | <i>16th Suffolk</i> | <i>1/27/2023</i> |
| <i>Daniel R. Carey</i> | <i>2nd Hampshire</i> | <i>1/28/2023</i> |
| <i>Carmine Lawrence Gentile</i> | <i>13th Middlesex</i> | <i>1/28/2023</i> |
| <i>Christopher Hendricks</i> | <i>11th Bristol</i> | <i>1/30/2023</i> |
| <i>Vanna Howard</i> | <i>17th Middlesex</i> | <i>1/31/2023</i> |
| <i>David Paul Linsky</i> | <i>5th Middlesex</i> | <i>1/31/2023</i> |
| <i>Lindsay N. Sabadosa</i> | <i>1st Hampshire</i> | <i>1/31/2023</i> |
| <i>Bud L. Williams</i> | <i>11th Hampden</i> | <i>2/6/2023</i> |
| <i>Thomas M. Stanley</i> | <i>9th Middlesex</i> | <i>2/8/2023</i> |
| <i>Brandy Fluker Oakley</i> | <i>12th Suffolk</i> | <i>3/9/2023</i> |
| <i>Manny Cruz</i> | <i>7th Essex</i> | <i>3/14/2023</i> |

HOUSE No. 3693

By Representative Driscoll of Milton, a petition (accompanied by bill, House, No. 3693) of William J. Driscoll, Jr., and others relative to achieving a green future with infrastructure and workforce investments. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

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

An Act achieving a green future with infrastructure and workforce investments.

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. Section 3 of chapter 25A of the Massachusetts General Laws, as appearing
2 in the 2012 Official Edition, is hereby amended by inserting the following definitions:-

3 “Environmental justice population,” a definition established in chapter 30. If none shall
4 exist the secretary of the executive office of energy and environmental affairs in consultation
5 with appropriate departments, shall establish such a definition with criteria that includes; median
6 household income, and minority status.

7 “Environmental justice council,” an advisory committee of the same name, established in
8 chapter 30. If no such body exists, one shall be established and consist of not less than 9, but not
9 more than 15, members appointed by the governor, who shall designate a chair.

10 “Environmental justice principles”, principles that support protection from environmental
11 pollution and the ability to live in and enjoy a clean and healthy environmental, regardless of
12 race, color, income, class, handicap, gender identity, sexual orientation, national origin, ethnicity

13 or ancestry, religious belief or English language proficiency, which includes: (i) the meaningful
14 involvement of all people with respect to the development, implementation and enforcement of
15 environmental laws, regulations and policies, including climate change policies; and (ii) the
16 equitable distribution of energy and environmental benefits and environmental burdens.

17 “Revenue commissioner,” the commissioner of the department of revenue

18 “Secretary,” The secretary of the executive office of energy and environmental affairs.

19 “Quintile 1 household,” a household with an annual gross income below the quintile 1
20 income limit, as defined in this section.

21 “Quintile 1 income limit,” an amount that is greater than the annual household gross
22 incomes of no more or less than 20 per cent of households in the state, as determined and
23 updated annually by the commissioner of revenue.

24 “Quintile 2 household,” a household with an annual gross income above the quintile 1
25 income limit, but below the quintile 2 income limit, as defined in this section.

26 “Quintile 2 income limit,” an amount that is greater than the annual household gross
27 incomes of no more or less than 40 per cent of households in the state, as determined and
28 updated annually by the commissioner revenue.

29 SECTION 2. Chapter 25A of the General Laws, as so appearing, is hereby amended by
30 inserting after section 13 the following section:-

31 25A:13A Green Infrastructure Fund

32 (a) There shall be established on the books of the commonwealth a separate fund to be
33 known as the Green Infrastructure Fund, to be administered by the secretary. The secretary may
34 assign responsibility for administering portions of the funds and plans to state agencies, regional
35 authorities, municipal governments, or other public institutions outside its authority. None of the
36 proceeds shall fund government operations of the commonwealth, other than to pay for
37 reasonable administrative costs as provided under subsection (g) of this section.

38 (b) The secretary shall deposit into the fund all proceeds collected by any market-based
39 mechanism under clause (ii) of subsection (a) of section 7 of chapter 21N that remain after initial
40 distribution to the household green dividend fund, under section 13C of chapter 25A. The
41 secretary shall deposit into the fund all proceeds collected by market-based mechanisms under
42 clause (iii) and clause (iv) of subsection (a) of section 7 of chapter 21N that remain after initial
43 distribution to the following funds, as applicable; (i) the household green dividend fund,
44 established under section 13C of chapter 25A; (ii) the green workforce development and training
45 fund, established under section 13B of chapter 25A; and (iii) the Massachusetts local climate
46 crisis trust fund, established under chapter 25D.

47 (c) (1) The Green Infrastructure Fund shall support investments that facilitate, directly or
48 indirectly, reductions of greenhouse gas emissions. Eligible projects shall include but not be
49 limited to: (i) investments in public transit, low carbon buses and trucks, electric vehicles,
50 electric vehicle charging infrastructure, and other modes of clean transportation; (ii) transit-
51 oriented affordable housing; (iii) expansion of in-state renewable energy, battery storage, and
52 community microgrids; (iv) energy efficiency, electrification, and renewable energy investments
53 in housing, municipal infrastructure and public school buildings; (v) technology research,

54 development, and commercialization program; and (vi) clean energy and climate change
55 investments in rural communities.

56 (2) Other eligible projects may include those currently established and administered by a
57 state agency, including, but not limited to: (i) the Mass Save program; (ii) grid-level power
58 storage through the Massachusetts clean energy center's advancing commonwealth energy
59 storage program; (iii) battery storage through department of public utilities battery rebate
60 program; (iv) support for the development of offshore wind workforces, local supply chains,
61 adequate port infrastructure and advanced research and innovation; and (v) continued marketing
62 development aimed at technology commercialization for building decarbonization.

63 (d) (1) A committee known as the green infrastructure fund board shall be created,
64 consisting of 18 members. The secretary shall serve as a member and the chair of the green
65 infrastructure fund board, with 14 other members chosen by the governor representing: (i) the
66 department of transportation; (ii) the department of environmental protection; (iii) the
67 department of energy resources; (iv) the department of housing and community development; (v)
68 the massachusetts clean energy center; (vi) the environmental justice council; (vii) organized
69 labor; (viii) large commercial/industrial business; (ix) small business community; (x) low-
70 income residents; (xi) clean energy industry; (xii) youth, with the member being 25 years of age
71 or younger; and (xiii) two separate representatives from regional planning associations
72 representing different regions of the state.

73 (2) The green infrastructure fund board shall also consist of 1 member of the public
74 chosen by the speaker of the house of representatives, 1 member of the public chosen by the
75 president of the state senate, and 1 member chosen by the state treasurer.

76 (e) No later than January 1st, 2024, and subsequently every 3 years, the secretary, in
77 consultation with the green infrastructure fund board, shall develop and issue a 3 year plan for
78 expenditure of the Green Infrastructure Fund funds, which shall be made available to the public
79 within 7 days of completion.

80 (f) The secretary shall submit an annual report to the appropriate committees of the
81 general court on the status of projects funded under this bill and their outcomes, which shall also
82 be made available to the public within 7 days. Administering agencies and public institutions
83 shall report to the secretary, and the secretary shall include in the report, a description of how the
84 administering agencies have fulfilled legislative requirements under this section.

85 (g) The Green Infrastructure Fund shall be administered by the secretary using no more
86 than 3½ per cent of Green Infrastructure Fund proceeds to cover administrative costs, including
87 but not limited to, support from expert consultants, technical assistance to municipal
88 governments and regional agencies, or program outreach.

89 (h) Priority disbursements shall be awarded to projects that concur with investment
90 principles established by the green infrastructure fund board, in consultation with the public.

91 (i) Within a given calendar year, the secretary shall allocate a minimum of 60 per cent of
92 invested monies to projects that are directly located within and provide meaningful benefits to
93 environmental justice populations.

94 (j) All construction, reconstruction, alteration, installation, demolition, maintenance or
95 repair paid through the Green Infrastructure Fund shall be subject to Massachusetts General Law
96 Chapter 149 Sections 26 to 27F inclusive, Massachusetts General Law Chapter 149 Section 29,

97 Massachusetts General Law Chapter 30 Section 39M, and Massachusetts General Law Chapter
98 30 Sections 61 through 62L, inclusive.

99 (k) No later than January 1st, 2024, and subsequently every 3 years, the secretary, in
100 consultation with the environmental justice council and the public, shall submit to the legislature
101 and make public a report that includes: (i) measurable criteria that administering entities of
102 monies disbursed from the Green Infrastructure Fund must report for some or all of a project to
103 be considered directly located within, and providing direct and meaningful benefits to,
104 environmental justice populations; (ii) procedures for administering entities of the monies
105 disbursed from the Green Infrastructure Fund to follow in order to determine what portion of a
106 project’s expenditures are directly located within, and providing direct and meaningful benefits
107 to, environmental justice populations; and (iii) other requisite procedures for administering
108 entities of the monies disbursed from the Green Infrastructure Fund to follow in order to adhere
109 to environmental justice principles.

110 SECTION 3. The General Laws, as so appearing, is hereby amended by inserting after
111 Chapter 25C the following chapter:-

112 Chapter 25D: LOCAL CLIMATE CRISIS INVESTMENTS ACT

113 Section 1. This chapter shall be known and may be cited as the Local Climate Crisis
114 Investments Act.

115 Section 2. As used in this chapter, the following words shall, unless the context clearly
116 indicates a different meaning, have the following meanings:—

117 “Executive office,” the executive office of energy and environmental affairs.

118 “Fund”, the Local Climate Crisis Fund established in this chapter.

119 “Trust fund”, the Massachusetts Local Climate Crisis Trust Fund established in this
120 chapter.

121 “Jurisdiction”, a city, town, or municipality in the commonwealth. May also include a
122 regional combination of adjacent or coordinated municipalities established under section 3 of this
123 chapter, with the approval of the secretary.

124 "Local green investment", a project within the geographic boundaries of a town or city,
125 approved by a majority vote of the local climate crisis council, that is eligible to be financially
126 supported under section 11 of this chapter.

127 “Local climate crisis council”, the committee established by the legislative body of a city
128 or town to make recommendations for local green investments, as provided in section 4 of this
129 chapter.

130 “Local Climate Crisis Fund", the municipal fund established under section 5 of this
131 chapter.

132 "Legislative body", the agency of municipal government which is empowered to enact
133 ordinances or by-laws, adopt an annual budget and other spending authorizations, loan orders,
134 bond authorizations and other financial matters and whether styled as a city council, board of
135 aldermen, town council, town meeting or by any other title.

136 “Secretary,” the secretary of the executive office of energy and environmental affairs.

137 “Massachusetts Local Climate Crisis Trust Fund”, a state fund established by section 7
138 overseen by the secretary of the executive office of energy and environmental affairs.

139 “Regional climate crisis council,” the committee established by the legislative body of
140 multiple cities or towns to make recommendations for local green investments, as provided in
141 section 4 of this chapter. Also referred to as the regional council.

142 Section 3. Sections 3 to 6, inclusive, shall take effect in any city or town upon the
143 approval by the legislative body as set forth in this chapter. Notwithstanding the provisions of
144 any other general or special law to the contrary, the legislative body may vote to accept sections
145 3 to 6, inclusive. The legislative body shall notify the secretary of its acceptance, and confirm its
146 compliance with sections 3 to 6 annually.

147 Section 4. (a) A city or town that accepts sections 3 to 6, inclusive, shall establish by
148 ordinance or by-law a local climate crisis council. The council shall consist of not less than five
149 nor more than eleven members. The ordinance or by-law shall determine the composition of the
150 council, the length of its term and the method of selecting its members, whether by election or
151 appointment or by a combination thereof. In establishing ordinance or by-law, a city or town
152 may consider allowing the council to recommend a municipal bond issuance, notwithstanding
153 the provisions of any other general or special law to the contrary. A city or town should consider
154 combining the duties and responsibilities of the council with any existing municipal committee,
155 if it meets the requirements laid out in this chapter.

156 (b) Multiple adjacent cities or towns, with approval from each city or town’s legislative
157 body and the secretary, may designate themselves a jurisdiction for the purposes of this chapter.
158 Such a jurisdiction shall designate one regional climate crisis council to represent the cities or
159 towns within said region, and shall combine the designated funds from multiple cities or towns
160 into one Local Climate Crisis Fund administered by the secretary, operating under similar

161 guidelines set forth in section 5 of this chapter. A regional council and its member municipalities
162 are subject to sections 3 to 6, inclusive, unless otherwise determined by the secretary in order to
163 allow for the proper and efficient administration of this chapter on a regional basis.

164 (c) In selection of members of the council, due consideration shall be made in achieving
165 proportional representation on the basis of the socioeconomic, racial, age, and gender
166 demographics within the city or town, as determined by the most recent decennial census
167 conducted by the United States Census Bureau. At least 1 member of the council shall be a
168 resident under the age of 22 years of age. Should the council represent a jurisdiction containing
169 one or more environmental justice populations, then the council shall include, at a minimum, a
170 proportion of members representing environmental justice populations in the jurisdiction equal to
171 within 15 per cent of the greater of: (i) the proportion of the jurisdiction's population who live in
172 an environmental justice population; or (ii) the proportion of the jurisdiction's Local Climate
173 Crisis Fund allocated for environmental justice populations, as determined under section 8.

174 (d) The council shall make recommendations to the legislative body for use of funds
175 designated part of the Local Climate Crisis Fund for the city or town, under section 6 of this
176 chapter.

177 (e) The council, incorporating applicable guidance from the secretary, shall ensure that
178 decisions made regarding local green investments be done following public input that shall
179 include, but is not limited to, hearings, and some combination of forums, surveys, or social
180 media. The council shall meet no less than 4 times a year. The council shall consult with relevant
181 municipal officials working in planning, conservation, schools, or sustainability in making

182 spending recommendations. Due consideration shall be given to funding proposals benefiting
183 environmental justice populations.

184 (f) The council may include in its recommendation to the legislative body a request to set
185 aside for later spending funds for specific purposes that are consistent with the definition of a
186 local green investment but for which sufficient revenues are not then available in the Local
187 Climate Crisis Fund to accomplish that specific purpose or to set aside for later spending funds
188 for general purposes that are consistent with the local green investment goals of the council. In
189 making recommendations, the council shall consider: (i) combining funds with other sources of
190 revenue; (ii) coordinating with other municipalities in purchasing, or in making other
191 investments whose impacts may benefit multiple cities or towns; (iii) matching local green
192 investment funds with other state or federal grants; or (iv) using funds originating from a city or
193 town capital budget, including municipal bonding. The legislative body shall not spend funds
194 from the Local Climate Crisis Fund without approval by the council.

195 (g) The council shall not meet or conduct business without the presence of a quorum. A
196 majority of the members of the local climate crisis council shall constitute a quorum. The council
197 shall approve its actions by majority vote. Recommendations to the legislative body shall include
198 their anticipated costs.

199 (h) After receiving recommendations from the local climate crisis council, the legislative
200 body shall take such action and approve such appropriations from the Local Climate Crisis Fund
201 as set forth in section 5, and such additional non-Local Climate Crisis Fund appropriations as it
202 considers appropriate to carry out the recommendations of the council. In the case of a city, the

203 ordinance shall provide for the mechanisms under which the legislative body may approve or
204 veto appropriations made under this chapter, under the city charter.

205 (i) The local community climate council shall report by source to the executive office, on
206 an annual basis, all amounts credited to, and all expenditures from, the Local Climate Crisis
207 Fund. The executive office shall establish standard criteria and format for the annual report.

208 Section 5. (a) Notwithstanding the provisions of section 53 of chapter 44 or any other
209 general or special law to the contrary, a city or town that accepts sections 3 to 6, inclusive, shall
210 establish a separate account to be known as the Local Climate Crisis Fund of which the
211 municipal treasurer shall be the custodian. The authority to approve expenditures from the fund
212 shall be limited to the legislative body and the municipal treasurer shall pay such expenses under
213 chapter 41. Unused funds shall remain in the Local Climate Crisis Fund, and shall not
214 automatically revert to the general fund of the city or town at the end of each fiscal year.

215 (b) The following monies shall be deposited in the fund: (i) all funds received from the
216 commonwealth or any other source for such purposes; and (ii) additional funds appropriated or
217 dedicated from allowable municipal sources referenced under subsection (f) of section 4. The
218 treasurer may deposit or invest the proceeds of the fund in savings banks, trust companies
219 incorporated under the laws of the commonwealth, banking companies incorporated under the
220 laws of the commonwealth which are members of the Federal Deposit Insurance Corporation or
221 national banks, or may invest the proceeds in paid up shares and accounts of and in co-operative
222 banks or in shares of savings and loan associations or in shares of federal savings and loan
223 associations doing business in the commonwealth or in the manner authorized by section 54 of
224 chapter 44 of the General Laws, and any income therefrom shall be credited to the fund. The

225 expenditure of revenues from the fund shall be limited to implementing the recommendations of
226 the local climate crisis council and providing administrative and operating expenses to the
227 council.

228 Section 6. (a) Funds made available by the Local Climate Crisis Fund for a city or town
229 shall be made available exclusively for a purpose of funding all or part of a local green
230 investment, as defined by the secretary, through a process outlined in section 11 of this chapter.
231 Whenever possible, funds shall prioritize investments in the area within a city or town designated
232 as an environmental justice population, if such a community exists.

233 (b) At the discretion of the secretary, and upon determination of a violation of this
234 section, funds not used for the purpose of local green investments shall be returned to the
235 Massachusetts Local Climate Crisis Trust Fund or future disbursements from the trust fund to the
236 city or town may be reduced by an amount considered appropriate by the secretary.

237 Section 7. (a) There shall be established and set up on the books of the commonwealth a
238 separate fund, to be known as the Massachusetts Local Climate Crisis Trust Fund, for the benefit
239 of cities and towns that have accepted sections 3 to 6, inclusive. The secretary shall deposit into
240 the trust fund 30 per cent of all proceeds collected by market-based mechanisms under clause
241 (iii) and clause (iv) of subsection (a) of section 7 of chapter 21N, as well as any other funding
242 sources including, but not limited to, state government bonding. The trust fund shall be governed
243 according to section 9 of this chapter.

244 (b) The state treasurer shall deposit the Massachusetts Local Climate Trust Fund under
245 the provisions of section 8 in such manner as will secure the highest interest rate available
246 consistent with the safety of the trust fund and with the requirement that all amounts on deposit

247 be available for withdrawal without penalty for such withdrawal at any time. All interest accrued
248 and earnings shall be deposited into the trust fund. The trust fund shall be expended solely for the
249 administration and implementation of this chapter. Any unexpended balances shall be
250 redeposited for future use consistent with the provisions of this chapter.

251 (c) The state treasurer shall make all disbursements and expenditures from the
252 Massachusetts Local Climate Trust Fund without further appropriation, as directed by the
253 secretary under section 8. The secretary shall report by source all amounts credited to the trust
254 fund and all expenditures from the trust fund. The secretary shall assign personnel of the
255 department as it may need to administer and manage the trust fund disbursements and any
256 expense incurred by the department shall be considered an operating and administrative expense
257 of the program. The operating and administrative expenses shall not exceed 5 per cent of the
258 annual total revenue received under the provisions of subsection (a) of this section.

259 Section 8. (a) The secretary shall annually on or before November 15th disburse monies
260 from the trust fund established in section 7 to a jurisdiction that has: (i) accepted sections 3 to 6,
261 inclusive; (ii) notified the secretary of its acceptance; and (iii) whose acceptance has been
262 considered sufficient to meet the obligations set forth in sections 3 to 6. The jurisdiction shall
263 notify the secretary of the date and all terms on which the legislative body accepted said sections
264 3 to 6, inclusive, no later than October 1st to ensure eligibility for funding in the coming year.

265 (b) The secretary shall disburse 60 per cent of the amount available in the trust fund, after
266 any disbursements for operating and administrative expenses under subsection (c) of section 7 or
267 programmatic expenses under section 10, in a first round distribution known as the standard
268 distribution. The secretary shall determine the standard distribution in several steps. The first

269 step shall be to divide this amount by the total population of all cities and towns, as determined
270 by the most recent decennial census conducted by the United States Census Bureau, who have
271 notified the secretary of acceptance and whose acceptance has been considered sufficient. The
272 second step shall be to distribute to each city or town accepting the sections 3 to 6, inclusive, an
273 amount equal to the population of the city or town multiplied by the amount calculated under
274 step one.

275 (c) The secretary shall further divide the remaining 40 per cent of the trust fund in a
276 second round distribution, known as the environmental justice distribution. The secretary shall
277 determine the environmental justice distribution in several steps. The first step shall be to divide
278 the remaining 40 per cent of monies available in the trust fund by the total number of residents in
279 Massachusetts who reside in a census block group that is both (i) defined as an environmental
280 justice population, under General Law, and (ii) within a jurisdiction whose legislative body has
281 accepted sections 3 to 6, inclusive and whose acceptance has been considered sufficient by the
282 secretary. The second step shall be to distribute to each city or town an amount equal to the
283 amount calculated under step one of this paragraph multiplied by the total population of the city
284 or town that resides in a census block group defined as an environmental justice population.

285 (d) The secretary shall determine each participant's total state grant by adding the amount
286 received in the first round distribution with the amounts received in any later round of
287 distributions.

288 (e) After distributing the Massachusetts local climate crisis trust fund under this section,
289 the secretary shall keep any remaining funds in the trust for distribution in the following year.

290 (f) For the purpose of establishing the representation of environmental justice populations
291 on local climate crisis councils under section 4, a percentage of each jurisdiction's Local Climate
292 Crisis Fund is considered allocated for environmental justice populations. This percentage is
293 calculated as follows; (i) the annual monies allocated to the jurisdiction's Local Climate Crisis
294 Fund as a standard distribution, under subsection (b) or this section, is multiplied by the
295 percentage of the jurisdiction's population that resides within an environmental justice
296 population; (ii) the amount calculated under clause (i) of this subsection is added to the annual
297 monies allocated to the jurisdiction as an environmental justice distribution, under subsection (c)
298 of this section; and (iii) the percentage of the jurisdiction's Local Climate Crisis Fund allocated
299 for environmental justice populations is calculated as the sum derived from clause (ii) of this
300 subsection, divided by the total annual monies allocated to that jurisdiction's Local Climate
301 Crisis Fund under section 8.

302 Section 9. The Massachusetts Local Climate Crisis Trust Fund established under section
303 7 of this chapter shall be administered by the secretary and the executive office in accordance
304 with sections 7 and 8 of this chapter.

305 Section 10. (a) The secretary shall assign personnel of the executive office as it may need
306 to administer and manage program implementation. The programmatic, operating and
307 administrative expenses shall not exceed 500,000 dollars, and shall be received under the
308 provisions of said section 8, or otherwise appropriated, and be under the direction of the
309 secretary under this chapter.

310 (b) The executive office shall provide technical assistance and guidance to cities and
311 towns with the goal of assisting them in selecting local green investments that reflect the
312 preference of the community, meet state climate change goals, and maximize local job creation.

313 (c) To the end specified in subsection (b) of this section, the council may do all of the
314 following: (i) establish training and best practice guidelines for seeking public input on local
315 green investments; (ii) sponsor conferences, symposia, or other public forums with the goal of
316 seeking a broad range of public advice regarding local and regional resource planning,
317 sustainable development, and strategies to reduce greenhouse gas emissions and mitigate against
318 the impacts of climate change; (iii) provide technical guidance specific to investment options for
319 gateway cities, rural communities, or all municipalities, including those with an environmental
320 justice population; and (iv) create a list of project types and existing state programs that would
321 meet the definition of a local green investment for a given calendar year.

322 (d) The secretary shall prioritize jurisdictions that contain environmental justice
323 populations and rural communities when providing outreach, technical assistance, and
324 implementation under this section.

325 Section 11. (a) The secretary shall determine the definition of a local green investment
326 for the purpose of this chapter. The definition shall balance the following criteria: (i) be
327 sufficiently broad so to allow a participating city or town the flexibility in determining a project
328 considered necessary to achieving local climate or environmental goals; (ii) where possible, shall
329 be consistent with the stated greenhouse gas emissions limits of the commonwealth of
330 Massachusetts; (iii) shall be defined to allow funding for projects relating to climate mitigation,

331 as well as climate adaptation and climate resilience; and (iv) shall include a requirement of
332 public input into the making of a spending recommendation from a local climate crisis council.

333 (b) The definition shall be published no later than December 1st of the year prior to its
334 effective date, and shall come with a non-exhaustive list of project types and existing state
335 programs that meet the definition for the upcoming calendar year. The secretary shall amend the
336 definition every 2 to 5 years.

337 SECTION 4. Chapter 25A of the General Laws, as so appearing, is hereby amended by
338 inserting after section 13 the following section:-

339 25A:13B Green Workforce Commission

340 (a) There shall be established on the books of the commonwealth a separate fund to be
341 known as the Next Generation Green Workforce Fund. The secretary shall deposit a number
342 equal to or greater than 1 per cent but equal to or less than 3 per cent of proceeds collected by
343 market-based mechanisms under clause (iii) and clause (iv) of subsection (a) of section 7 of
344 chapter 21N.

345 (b) Governance: The green workforce commission shall be created, consisting of a total
346 of 9 members: 2 members who shall be chosen by the governor, including at least one member
347 representing an environmental justice population, 1 member of the public chosen by the speaker
348 of the house of representatives, and 1 member of the public chosen by the president of the state
349 senate. Further, 5 members shall be appointed by the president of the Massachusetts AFL-CIO,
350 including 4 who meet the following criteria: 1 of whom shall have expertise in the building and
351 construction trades; 1 of whom shall have expertise in the utility sector; 1 of whom shall
352 represent workers in sectors that may be displaced through advancements in green technologies

353 and emissions reduction; and 1 of whom shall represent workers in the public or private services
354 sector. A representative from the Massachusetts clean energy center and any other relevant
355 agency may serve as a non-voting advisory member of the commission. Members shall make all
356 decisions regarding use and maintenance of the Next Generation Green Workforce Fund.

357 (c) The Next Generation Green Workforce Fund shall ensure that workers displaced due
358 to emission reductions and advancements in green technology have immediate access to training
359 and employment opportunities in green technology and next generation utilities or related fields.
360 Whenever possible, the green workforce commission shall focus on providing employment that
361 provides comparable working conditions, benefits, living wages, union representation, or job
362 protections. Funds shall be used to establish education, training, and support for displaced
363 workers and those seeking to enter the green economy, including, but limited to, consideration
364 of: (i) education in affected sectors with benefits, wages, and working conditions similar in type,
365 amount, and duration to previous employment; (ii) the education of dislocated workers, in
366 collaboration with employers of dislocated workers and the relevant labor unions; (iii) the
367 establishment and structure of a set-aside fund to assist displaced workers, as outlined in
368 subsection (f) of this section, including a workforce transition plan for facility closures and loss
369 of employment; and (iv) the expansion of existing programs and development of new programs
370 to provide educational and training programs for residents of Massachusetts in clean energy and
371 the green economy, including serves aimed at benefiting formerly and currently incarcerated
372 individuals.

373 (d) The commission shall appoint an executive director by a majority vote. The executive
374 director shall supervise the administrative affairs and general management and operations of the
375 commission and also serve as secretary of the commission, ex officio. The executive director

376 shall receive a salary commensurate with the duties of the office. The executive director may,
377 with the approval of the commission, appoint other officers and employees of the commission
378 necessary to the functioning of the commission. The total annual cost of all salaries, benefits,
379 operating and administrative expenses paid by commission out of the Next Generation Green
380 Workforce Fund shall not exceed 500,000 dollars.

381 (e) The green workforce commission shall identify those workers currently working in
382 the energy and related construction and utility sectors, their current wage and benefits packages,
383 and their current training requirements and regularly maintain, update, and make publicly
384 available those standards.

385 (f) A portion of the Next Generation Green Workforce Fund, not below 20 per cent
386 annually, shall be allocated to the Rapid Response Set-Aside Fund, that is part of the Next
387 Generation Green Workforce Fund. The Rapid Response Set-Aside Fund shall be administered
388 under the direction and discretion of the green workforce commission, and solely for the purpose
389 of providing assistance to workers and communities experiencing displacement, loss of tax
390 revenue, or other forms of economic loss due to the shrinkage of fossil fuel industries and related
391 industries. Unused monies designated in a given year to the Rapid Response Set-Aside Fund
392 shall be saved for use in future years.

393 (g) The governor and general court may recommend, under Article LXIII of the
394 Amendments to the Constitution, additional monies to be appropriated to the Next Generation
395 Green Workforce Fund to fulfil duties specified in this section.

396 SECTION 5. Chapter 25A of the General Laws, as so appearing, is hereby amended by
397 inserting after section 13 the following section:

398 25A:13C Household Green Dividend Fund

399 (a) (1) There shall be established on the books of the commonwealth a separate fund to be
400 known as the Household Green Dividend Fund. None of the proceeds shall fund government
401 operations of the commonwealth, other than to pay for reasonable administrative costs, provided
402 they do not exceed 5 per cent of total revenue collected by market-based mechanisms under
403 clause (ii) through clause (iv) of subsection (a) of section 7 of chapter 21N, inclusive.

404 (2) The secretary shall deposit, on an annual basis, no more than 50 per cent of total
405 revenue collected by market-based mechanisms under clause (ii) and clause (iii) of subsection (a)
406 of section 7 of chapter 21N into the Household Green Dividend Fund. This amount must be
407 sufficient for the revenue commissioner to fulfill all requirements of the Household Green
408 Dividend Fund under this section, with any request of an annual amount over 50 per cent made
409 under paragraph (4) of this subsection.

410 (3) The revenue commissioner shall disburse Household Green Dividend Fund proceeds
411 directly to households, such that: (i) on an annual basis, no less than 95 per cent of quintile 1
412 households shall receive payments greater than their expected increase in energy-related costs
413 from market-based mechanisms established under clause (iii) of subsection (a) of section 7 of
414 chapter 21N; (ii) on an annual basis, quintile 2 households shall, on average, receive payments
415 equal to or greater than the expected increase in energy-related costs from market-based
416 mechanisms established under clause (iii) of subsection (a) of section 7 of chapter 21N; and (iii)
417 on an annual basis, quintile 1 households and quintile 2 households shall receive sufficient
418 payments so as to mitigate, or avoid altogether, any disproportionate and unreasonable financial

419 burden that would otherwise be imposed by market-based mechanisms established under clause
420 (ii) of subsection (a) of section 7 of chapter 21N.

421 (4) The secretary may deposit greater than 50 per cent of total revenue collected by
422 market-based mechanisms under clause (ii) and clause (iii) of subsection (a) of section 7 of
423 chapter 21N into the Household Green Dividend Fund, provided that; (i) the governor, in
424 consultation with the secretary, submits a formal request to the legislature that states the alternate
425 amount to deposit into the Household Green Dividend Fund; and (ii) the legislature formally
426 approves the amount requested by a majority vote of the members of the senate and house of
427 representatives of the general court.

428 (5) In providing payments, the revenue commissioner shall coordinate with officials of
429 the executive office of energy and environmental affairs, the executive office of health and
430 human services, the executive office of housing and economic development and other agencies
431 in making all reasonable efforts to identify the names and location of residency of all residents,
432 with special attention to the names and locations of low-income, homeless, and undocumented
433 residents so that they can receive payments expeditiously.

434 (b) Within 90 days of the conclusion of each calendar year, the secretary, in consultation
435 with the revenue commissioner, shall submit a report that confirms the required outcomes
436 established under subsection (a) of this section have been met for that calendar year.

437 (c) (1) the revenue commissioner shall do at least one of the following: (i) provide
438 payments to individuals in quintile 1 households and quintile 2 households in advance of the
439 annual heating season; (ii) distribute part or all of the annual expected value of the payments to
440 quintile 1 households and quintile 2 households prior to collecting greenhouse gas charges in

441 year one, using bond funding authorized under subsection (a) of section 13D of chapter 25A; or
442 (iii) otherwise set schedules and methods for distribution of payments that ensure quintile 1
443 households and quintile 2 households obtain payments corresponding to the time schedule in
444 which they can be expected to be paying for most charges established under section 7 of chapter
445 21N.

446 (2) Notwithstanding any general or special law to the contrary, payments distributed
447 under this section shall not be counted as income for the purposes of state tax liability or
448 determining eligibility for state programs with income limitations. To the degree possible, said
449 payments shall not count as income for the purposes of federal tax liability or income limitations
450 for federal programs.

451 SECTION 6. (a) Chapter 21N is hereby further amended by striking out section 7, as so
452 appearing, and inserting in place thereof the following section:

453 Section 7. (a) The secretary shall promulgate regulations establishing market-based
454 compliance mechanisms for the: (i) electricity sector, (ii) transportation sector, (iii) residential,
455 commercial, and institutional heating sectors, and (iv) industrial sector; provided, however, that
456 the regulations shall, at a minimum, address fuel combustion and significant other sources of
457 greenhouse gas emissions associated with industrial processes. The secretary may promulgate
458 regulations establishing said market-based compliance mechanisms across multiple sectors
459 concurrently.

460 (b) Market-based compliance mechanisms established under this section shall be
461 designed to: (i) maximize the ability of the commonwealth to achieve the statewide greenhouse
462 gas emissions limits established under this chapter; (ii) ensure that the commonwealth achieves

463 the required emissions reductions equitably and in a manner that protects and, where feasible,
464 improves the condition of low-income and moderate-income persons and residents of
465 environmental justice populations; (iii) measurably reduces the emissions of toxic air
466 contaminants, black carbon, and criteria air pollutants, including, but not limited to, emissions of
467 nitrogen oxides, sulfur dioxide, and mercury; (iv) identify manufacturing sectors, economic
468 sectors, and other economic subsectors at risk of adverse impacts due to such mechanisms and
469 mitigate said impacts to the extent possible; (v) address the distinguishing characteristics and
470 vulnerabilities of rural, suburban and urban households; and (vi) maximize additional
471 environmental and economic benefits for the commonwealth, as appropriate.

472 (c) The executive office and the department may work with the participating regional
473 greenhouse gas initiative states, other interested states and Canadian provinces to develop a plan
474 to expand market-based compliance mechanisms such as the regional greenhouse gas initiative to
475 other sources and sectors necessary or desirable to facilitate the achievement of the statewide
476 greenhouse gas emissions limits.

477 (d) The secretary may adopt regulations governing the use of market-based compliance
478 mechanisms by regulated entities subject to the statewide greenhouse gas emissions limits and
479 mandatory report requirements to achieve compliance with such limits.

480 (e) The executive office shall monitor compliance with and enforce any rule, regulation,
481 order, emissions limit, emissions reduction measure or market-based compliance mechanism
482 adopted by the secretary or department under this chapter. The department may impose a civil
483 administrative penalty under section 16 of chapter 21A for a violation of any rule, regulation,

484 order, emissions limit, emissions reduction measure or other measure adopted by the secretary
485 under this chapter.

486 (f) The secretary shall study the feasibility of imposing and collecting additional
487 greenhouse gas emission charges on emissions attributable to biomass. The report shall include:

488 (i) an analysis of the feasibility of calculating a reasonably accurate current statistical baseline,
489 specific to the commonwealth, of such emissions; and (ii) a recommendation on the best means
490 for implementing emissions charges on biomass. Within 9 months of the effective date of this
491 act, the secretary shall submit the report to the public, as well as the house and senate committees
492 on ways and means, the joint committee on telecommunications, utilities, and energy, and the
493 house and senate committees on global warming and climate change.

494 (g) The department may, in consultation with the secretary, impose an additional
495 schedule of fees on regulated sources of greenhouse gas emissions sufficient to recover, for each
496 fiscal year, the administrative and implementation costs of chapter 21N. Revenues collected
497 under this section shall be deposited in a Global Warming Solutions Act Implementation Fund
498 for use, as directed by the legislature or the secretary, solely for the purpose of carrying out
499 chapters 21N.

500 SECTION 7. Chapter 25A of the General Laws, as so appearing, is hereby amended by
501 inserting after section 13 the following section:

502 25A:13D Green Investment & Infrastructure Bonding Program

503 (a) (1) To meet any immediate expenditures necessary in carrying out sections 13A
504 through 13C of chapter 25A, inclusive, or chapter 25D, the state treasurer, upon the request of
505 the governor and no later than January 1st 2024, may issue and sell bonds of the commonwealth

506 as hereinafter provided in this subsection. The amount of the bonds is to be specified but not
507 exceeding in the aggregate 500,000,000 dollars within a given fiscal year.

508 (2) Any such bonds used for purposes outlined in section 13A of chapter 25A shall be
509 special obligations of the commonwealth first from monies credited to the Green Infrastructure
510 Fund established said section 13A of chapter 25A; provided, however, that notwithstanding any
511 general or special law to the contrary, including without limitation section 60A, such bonds shall
512 also become general obligations of the commonwealth if the funds from the Green Infrastructure
513 Fund established in said section 13A are insufficient to cover bond repayment.

514 (3) Any such bonds used for purposes outlined in section 13B or 13C of chapter 25A or
515 chapter 25D shall be considered general obligations of the commonwealth.

516 (4) Bonds established by this subsection may be issued in such manner and on such terms
517 and conditions as the state treasurer may determine under this paragraph and, to the extent not
518 inconsistent with this paragraph, the General Laws for the issuance of bonds of the
519 commonwealth. Bonds may be secured by a trust agreement entered into by the state treasurer,
520 with the concurrence of the secretary of administration and finance and the secretary of energy
521 and environmental affairs, on behalf of the commonwealth, which trust agreement may pledge or
522 assign all or any part of monies credited to the Green Infrastructure Fund and rights to receive
523 the same, whether existing or coming into existence and whether held or thereafter acquired, and
524 the proceeds thereof. The state treasurer may, with the concurrence of the secretary of
525 administration and finance and the secretary of energy and environmental affairs, enter into
526 additional security, insurance or other forms of credit enhancement which may be secured on a
527 parity or subordinate basis with the bonds. A pledge in any such trust agreement or credit

528 enhancement agreement shall be valid and binding from the time such pledge shall be made
529 without any physical delivery or further act, and the lien of such pledge shall be valid and
530 binding against all parties having claims of any kind in tort, contract or otherwise, whether such
531 parties have notice thereof or not. Any such pledge shall be perfected by filing of the trust
532 agreement or credit enhancement agreement in the records of the state treasurer and no filing
533 need be made under chapter 106. Any such trust agreement or credit enhancement agreement
534 may establish provisions defining defaults and establishing remedies and other matters relating to
535 the rights and security of the holders of the bonds or other secured parties as determined by the
536 state treasurer, including provisions relating to the establishment of reserves, the issuance of
537 additional or refunding bonds, whether or not secured on a parity basis, the application of
538 receipts, monies or funds pledged under such agreement, the regulation of the custody,
539 investment and application of monies and such other matters considered necessary or desirable
540 by the state treasurer for the security of such bonds. Any such bonds shall be considered to be
541 investment securities under chapter 106, securities in which any public officer, fiduciary,
542 insurance company, financial institution or investment company may properly invest funds and
543 securities which may be deposited with any public custodian for any purpose for which the
544 deposit of bonds is authorized by law. Any such bonds, the transfer of such bonds and the
545 income from such bonds, including profit on the sale of such bonds, shall at all times be exempt
546 from taxation by and within the commonwealth. The provisions of this section relating to bonds
547 shall also be applicable to the issuance of notes insofar as such provisions may be appropriate for
548 such notes.

549 (5) In order to increase the marketability of any such bonds or notes issued by the
550 commonwealth and in consideration of the acceptance of payment for any such bonds or notes,

551 the commonwealth covenants with the purchasers and all subsequent holders and transferees of
552 any such bonds or notes that while any such bond or note shall remain outstanding, and so long
553 as the principal of or interest on any such bond or note shall remain unpaid: (i) no pledged funds
554 shall be diverted from the Green Infrastructure Fund; (ii) in any fiscal year of the commonwealth
555 and until an appropriation has been made which is sufficient to pay the principal, including
556 sinking fund payments, of and interest on all such bonds and notes of the commonwealth and to
557 provide for or maintain any reserves, additional security, insurance or other forms of credit
558 enhancement required or provided for in any trust agreement securing any such bonds or notes,
559 no pledged funds shall be applied to any other use; and (iii) so long as such revenues are
560 necessary, as determined by the state treasurer under any applicable trust agreement or credit
561 enhancement agreement, for the purposes for which they have been pledged, and
562 notwithstanding any general or special law to the contrary, the rates of the fees collected under
563 sections 33 and 34 of chapter 90 and of the excises imposed in chapters 64A, 64E and 64F shall
564 not be reduced below the amount in effect at the time of issuance of any such bond or note.

565 (b) (1) All special or general obligation revenue bonds issued under subsection (a) shall
566 be designated on their face, Massachusetts Green Recovery Bond, and shall be issued for a
567 maximum term of years, not exceeding 30 years, upon the recommendation of the governor;
568 provided, however, that all such bonds shall be payable not later than June 30, 2062.

569 (2) All interest and payments on account of special obligations established under
570 authority of subsection (a) shall be payable first from the Green Infrastructure Fund under
571 section 13A of chapter 25A, and thereafter as a general obligation of the commonwealth. Such
572 bonds shall not be included in the computation of outstanding bonds for purposes of the limit
573 imposed by the second paragraph of section 60A of said chapter 29 and the debt service with

574 respect to such bonds shall not be included in the computation of the limit imposed by section
575 60B of said chapter 29.

576 (3) In deciding whether to request the issuance of particular bonds as special obligations,
577 the governor shall take into account: (i) generally prevailing financial market conditions; (ii) the
578 impact of each approach on the overall capital financing plans and needs of the commonwealth;
579 (iii) any ratings assigned to outstanding bonds of the commonwealth and any ratings expected to
580 be assigned by any nationally-recognized credit rating agency to the bonds proposed to be
581 issued; and (iv) any applicable provisions of a trust agreement or credit enhancement agreement
582 entered into under said section 20 of said chapter 29.

583 (d) (1) To meet additional expenditures necessary in carrying out section 13A of chapter
584 25A or chapter 25D, the state treasurer, either upon request of the governor or either house of the
585 general court, and upon a vote of the yeas and nays of a majority of each house of the the general
586 court present and voting on such authorization, shall issue and sell bonds of the commonwealth
587 in an amount to be specified but not exceeding in the aggregate 500,000,000 dollars within a
588 given fiscal year.

589 (2) All bonds issued by the commonwealth under this subsection shall be designated on
590 their face, Massachusetts Green Investment Bond, and shall be issued for a maximum term of
591 years, not exceeding 30 years, as the governor may recommend to the general court under
592 section 3 of Article LXII of the Amendments to the Constitution.

593 (3) All such bonds shall be payable not later than June 30, 2080. Bonds and interest
594 thereon issued under this section shall be general obligations of the commonwealth. All requests
595 made under this subsection shall be made prior to August 1, 2050.

596 SECTION 8. (a) The regulations required under clause (ii) and clause (iii) of subsection
597 (a) of section 7 of chapter 21N of the General Laws shall be promulgated and in effect not later
598 than July 1, 2023.

599 (b) The regulations required under clause (iv) of subsection (a) of section 7 of chapter
600 21N of the General Laws shall be promulgated and in effect not later than July 1, 2025.