

SENATE No. 2954

The Commonwealth of Massachusetts

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

SENATE, September 18, 2024

Report of the committee of conference on the disagreeing votes of the two branches, with reference to the House amendments to the Senate Bill to provide for competitiveness and infrastructure investment in Massachusetts (Senate, No. 2554) (amended by the House by striking out all after the enacting clause and inserting in place thereof the text of House document numbered 4446 and by striking out the emergency preamble and inserting in place thereof the following emergency preamble: “*Whereas*, The deferred operation of this act would tend to defeat its purposes, which are to enhance the competitiveness of the commonwealth 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.”),-- reports, a “Bill to provide for competitiveness and infrastructure investment in Massachusetts.” (Senate, No. 2954).

For the Committee:

Michael J. Rodrigues
John J. Cronin
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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 purpose, which is 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, which shall be administered by the
13 secretary of administration and finance. The fund shall be credited with: (i) interest earned in
14 each fiscal year on the investment of money in the Commonwealth Stabilization Fund
15 established in section 2H, subject to subsection (b); (ii) appropriations or other money designated
16 to be credited to the fund; and (iii) interest earned on any amounts in the fund. Amounts credited
17 to the fund shall be expended without further appropriation. Any unexpended balance in the fund
18 at the end of a fiscal year shall not revert to the General Fund and shall remain available for
19 expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund
20 to be in deficit.

21 (b) Quarterly, the comptroller shall transfer to the fund any interest credited to the
22 Commonwealth Stabilization Fund during the previous quarter; 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 pursuant to section 12 of chapter 7A; or (ii) the balance
27 of the Commonwealth Stabilization Fund does not exceed 10 per cent of budgeted revenues for
28 the immediately preceding fiscal year, as stated in the most recent statutory basis financial
29 report; and provided further, that if the report for the immediately preceding fiscal year has not
30 yet been issued, the comptroller shall make an estimate of the Commonwealth Stabilization Fund
31 balance and budgeted revenues and other financing sources for the immediately preceding fiscal
32 year.

33 (c) Annually, not later than 5 business days after the issuance of the statutory basis
34 financial report required pursuant to section 12 of chapter 7A, the comptroller shall report to the
35 executive office for administration and finance, the clerks of the house of representatives and the
36 senate and the house and senate committees on ways and means on: (i) the balance of the
37 Commonwealth Stabilization Fund as of June 30 of the preceding fiscal year; and (ii) the interest
38 earned by the Commonwealth Stabilization Fund during the preceding fiscal year.

39 (d) The secretary of administration and finance may expend money from the fund,
40 without further appropriation, for: (i) repaying, prepaying, defeasing, retiring, tendering,
41 purchasing, reducing the principal or interest payable on or otherwise reducing any portion of the
42 commonwealth's indebtedness; (ii) reducing, repaying or retiring any portion of the
43 commonwealth's long-term liabilities, including, but not limited to, pension obligations, other
44 post-retirement benefits, capital leases, general or special obligation contract liabilities and
45 equivalent liabilities; and (iii) transferring any amounts in the fund to the Commonwealth
46 Stabilization Fund. The secretary of administration and finance shall provide notice to the clerks
47 of the house of representatives and the senate and the house and senate committees on ways and
48 means not less than 30 days prior to expending funds from the Commonwealth Federal Matching
49 and Debt Reduction Fund, including, but not limited to, the purpose and amount of each
50 expenditure.

51 (e) Twice per year, not later than December 31 and June 30, respectively, the secretary of
52 administration and finance shall provide reports to the clerks of the house of representatives and
53 the senate and the house and senate committees on ways and means on the activities of the
54 Commonwealth Federal Matching and Debt Reduction Fund for the prior period.

55 SECTION 3. Notwithstanding any general or special law to the contrary, not later than
56 December 31 and June 30, respectively, until December 2026, the secretary of administration
57 and finance shall report to the clerks of the house of representatives and the senate and the house
58 and senate committees on ways and means on expenditures from the Commonwealth Federal
59 Matching and Debt Reduction Fund for matching funds for federal programs, including, but not
60 limited to, projects and programs included in the Infrastructure Investment and Jobs Act of 2021,
61 also known as the Bipartisan Infrastructure Law, Public Law No. 117-58, the Creating Helpful
62 Incentives to Produce Semiconductors Act of 2022, Public Law No. 117-167, and the Inflation
63 Reduction Act of 2022, Public Law No. 117-169, including expenditures for grants, loans and
64 other financial assistance to cities, towns, tribes, regional organizations whose membership is
65 exclusively composed of municipal governments, regional planning agencies, community
66 development corporations and other development authorities or agencies related to such federal
67 programs.

68 SECTION 4. Notwithstanding section 2EEEEEE of chapter 29 of the General Laws or
69 any other general or special law to the contrary, the secretary of administration and finance may
70 expend not more than \$750,000,000 from the Commonwealth Federal Matching and Debt
71 Reduction Fund established in said section 2EEEEEE of said chapter 29 to provide funding for
72 matching funds for federal programs, including projects and programs included in the
73 Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law,
74 Public Law No. 117-58, the Creating Helpful Incentives to Produce Semiconductors Act of 2022,
75 Public Law No. 117-167, and the Inflation Reduction Act of 2022, Public Law No. 117-169;
76 provided, that not more than \$50,000,000 may be expended for matching funds for federal
77 programs in the form of grants, loans and other financial assistance; provided further, that not

78 more than \$12,000,000 may be expended for planning and studies, preparation of plans and
79 specifications and technical assistance to support cities, towns, tribes, regional organizations
80 whose membership is exclusively composed of municipal governments, regional planning
81 agencies, community development corporations and other development authorities or agencies,
82 pursuant to guidelines adopted by the executive office for administration and finance; and
83 provided further, that on and after December 1, 2026, the secretary shall not obligate any
84 additional funds pursuant to this section.

85 SECTION 5. There shall be a task force to review and make recommendations relative
86 to: (i) the appropriate long-term level of funding for the Commonwealth Stabilization Fund
87 established in section 2H of chapter 29 of the General Laws; (ii) the appropriate level and means
88 of funding for long-term financial liabilities of the commonwealth; and (iii) amendments to the
89 mechanisms that provide funding for the Commonwealth Stabilization Fund and other long-term
90 financial liabilities, including the provisions of section 5G of said chapter 29. The task force
91 shall review: (i) the statutory threshold for excess capital gains collections established in said
92 section 5G of said chapter 29 in consideration of historical and estimated future capital gains
93 collections; (ii) the disbursement percentages required under said section 5G of said chapter 29;
94 (iii) best practices related to the funding of long-term financial liabilities among states; (iv) best
95 practices related to the funding and size of stabilization funds among states; (v) the impacts of
96 relevant fiscal policies on the commonwealth's credit ratings; and (vi) any other relevant fiscal
97 factors to ensure the most prudent use of state revenues. The task force shall consider said
98 disbursement percentages in consideration of the relative size or funding level of the
99 Commonwealth Stabilization Fund, the State Retiree Benefits Trust Fund established in section
100 24 of chapter 32A of the General Laws, the Commonwealth's Pension Liability Fund established

101 in subsection (e) of subdivision 8 of section 22 of chapter 32 of the General Laws and other long-
102 term financial liabilities of the commonwealth. The task force shall consist of the secretary of
103 administration and finance, who shall serve as chair; the state treasurer or a designee; the
104 comptroller or a designee; the commissioner of revenue or a designee; 1 individual appointed by
105 the governor who shall be an expert in public finance and who shall be a resident of the
106 commonwealth; and 1 individual appointed by the state treasurer who shall be an expert in state
107 public finance. The task force shall report on its analysis and issue recommendations to the
108 clerks of the senate and house of representatives not later than June 1, 2025.

109 SECTION 6. Notwithstanding section 2EEEEEE of chapter 29 of the General Laws or
110 any other general or special law to the contrary, the comptroller shall transfer to the
111 Commonwealth Federal Matching and Debt Reduction Fund, established in said section
112 2EEEEEE of said chapter 29, any interest credited to the Commonwealth Stabilization Fund
113 during the 4 quarters of the fiscal year ending June 30, 2024.