

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral and Andres X. Vargas

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 to establish a commission to study the distribution of unrestricted local aid.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>1/14/2025</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>1/14/2025</i>

HOUSE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2115 OF 2023-2024.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act to establish a commission to study the distribution of unrestricted local aid.

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 General Laws, as appearing in the 2022 Official Edition, are hereby
2 amended by inserting after chapter 40Y the following chapter:

3 Chapter 40Z. Commission to study the distribution of unrestricted general government
4 aid.

5 Section 1. There shall be a commission to study the distribution of general local aid in the
6 commonwealth, including unrestricted general government aid, lottery aid as promulgated in
7 section 18C of chapter 58 of the General Laws and additional assistance aid to municipalities.
8 The study shall not include foundation aid as defined in section 2 of chapter 70 of the General
9 Laws.

10 Section 2. The commission shall examine the current formula used to distribute
11 unrestricted general government aid to municipalities, evaluate the effectiveness and equity of
12 said formula and make recommendations to establish a more equitable distribution of
13 unrestricted general government aid to municipalities in the commonwealth. The commission
14 shall review all aspects of general local aid including, but not limited to (a) the current allocation
15 of local aid to municipalities; (b) the reflectiveness of municipalities' needs in the proportional
16 distribution of the unrestricted general government aid formula; (c) any equity disparities that
17 exist between municipalities across the commonwealth related to local aid distribution; (d) the
18 ability to account for a municipality's change in population or tax base in a general local aid
19 funding formula; (e) the potential to calculate municipal costs based on a municipality's need for
20 municipal services and a municipality's ability to raise local revenue, less a municipality's local
21 revenues; and (f) any alternative formulas that may create a more equitable distribution of
22 general local aid.

23 Section 3. The commission shall consist of: the secretary of administration and finance,
24 or a designee; the commissioner of the department of revenue, or a designee; 1 member
25 appointed by the state treasurer; 2 members of the senate, 1 of whom shall represent a gateway
26 municipality as defined in section 3A of chapter 23A of the General Laws and shall serve as co-
27 chair; 2 members of the house of representatives, 1 of whom shall represent a gateway
28 municipality as defined in said section 3A of said chapter 23A and shall serve as co-chair; 5
29 members appointed by the governor, 1 of whom shall be nominated by the Massachusetts
30 Municipal Association, Inc., 1 of whom shall be nominated by the Federal Reserve Bank of
31 Boston, 1 of whom shall be nominated by the Massachusetts Budget and Policy Center, Inc., 1 of
32 whom shall be nominated by the Massachusetts Taxpayers Foundation, Inc., and 1 of whom shall

33 be nominated by the Edward J. Collins, Jr. Center for Public Management at the University of
34 Massachusetts at Boston.

35 Section 4. The commission shall file a report of its findings and recommendations,
36 including any new or revised local aid formulas, with the clerks of the senate and house of
37 representatives, the chairs of the senate and house committees on ways and means, and the
38 senate and house chairs of the joint committee on municipalities and regional government not
39 later than one year after the passage of this act.

40 SECTION 2. Section 1 shall take effect upon passage.

41