

Massachusetts House of Representatives Bill Summary

Bill #: H.2304 / S.1468

Title: An Act relative to a regional school assessment reserve fund

Sponsor: Rep. Kathleen LaNatra, Sen. Jacob Oliveira

Committee: Municipalities and Regional Government

Hearing Date: June 24, 2025

Prior History: H.2076 OTP (2023-2024)

Current Law: Chapter 40 of the General Laws regulates the powers and duties of cities and towns. Section 13E provides, in cities and towns that accept this section, for the establishment of school district reserve funds to pay for unanticipated or unbudgeted costs for special education, out-of-district tuition or transportation. This section also applies to regional school districts that accept the language.

Summary: This legislation would amend Chapter 40 by inserting a new section (13F) to allow for the creation of regional school assessment reserve funds in any municipality which accepts the section by majority vote of the city or town's legislative body.

The municipality would be allowed to establish the special reserve fund and appropriate or transfer money to be used in future fiscal years to help pay the regional assessment cost if the assessment increases by more than 3.5 percent over the previous year's assessment.

The total amount which may be kept in the reserve fund could not exceed more than 10 percent of the city or town's annual regional assessment. Distribution of funds would require a majority vote of the municipality's legislative body (city council, town council, town meeting, etc.) and then only in years when the assessment has increased by more than 3.5 percent. The money would be used to lower the increase to 2.5 percent.

The legislation also authorizes the municipal treasurer to invest the monies held in the reserve fund as provided for in Section 54 of Chapter 44, and states that any interest earned will become part of the reserve fund.