

The 194th General Court of the Commonwealth of Massachusetts

2025-2026

Bill Summary

Bill No: H3937

Title: AN ACT CREATING A CLIMATE BANK IN MASSACHUSETTS

Sponsor: Representative Meschino

Committee: Financial Services

Hearing Date: November 18th, 2025

Reporting Date: January 17th, 2025

Similar Matters: S786

Prior History: H3774 2023-2024 (Study)

Current Law:

Chapter 23J Section 15: (a) There shall be established and placed within the center a separate fund to be known as the Clean Energy Investment Fund to be administered by the center. The fund shall be credited with: (i) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (ii) interest earned on such revenue; and (iii) funds from public and private sources and other gifts, grants and donations to support the clean energy industry. All amounts credited to the fund shall be used solely for activities and expenditures consistent with the public purposes of the fund as set forth in subsection (b), including the ordinary and necessary expenses of administration and operation associated with the fund. Amounts credited to the fund shall not be subject to further appropriation, and any money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

[Subsection (a) as amended by 2024, 238, Secs. 95 and 96 effective November 20, 2024. For text effective until November 20, 2024, see above.]

(a) There shall be established and placed within the center a separate fund to be known as the Climatetech Investment Fund to be administered by the center. The fund shall be credited with: (i) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (ii) interest earned on such revenue; and (iii) funds from public and private sources and other gifts, grants and donations to support the climatetech industry. All amounts credited to the fund shall be used solely for activities and expenditures consistent with the public purposes of the fund as set forth in subsection (b), including the ordinary and necessary expenses of administration and operation associated with the fund.

Amounts credited to the fund shall not be subject to further appropriation, and any money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

[Subsection (b) effective until November 20, 2024. For text effective November 20, 2024, see below.]

(b) The center may make expenditures from the fund solely for the purposes of:

(i) advancing clean energy research and technology by assisting commonwealth-based investors, entrepreneurs and institutions, inclusive of federally recognized and state acknowledged tribes within the commonwealth, involved in the clean energy industry;

(ii) deploying clean energy technologies to advance compliance with the statewide greenhouse gas emission limits and sublimits established pursuant to chapter 21N;

(iii) providing clean energy industry-related workforce development and technical training programs for public higher education and vocational-technical education institutions;

(iv) developing a regional strategy, inclusive of federally recognized and state acknowledged tribes within the commonwealth, for regional employment boards to support the development of the clean energy industry; provided, however, that the regional employment boards shall publish their findings as an addendum to their workforce development blueprints;

(v) supporting infrastructure including, but not limited to, port and canal infrastructure development related to supporting the clean energy industry in the commonwealth, including on tribal lands;

(vi) matching funds to secure future federal funding to support the clean energy industry and clean energy research in the commonwealth, including on tribal lands;

(vii) supporting research and development in the clean energy industry including, but not limited to, the interrelationship between clean energy infrastructure and existing natural habitats, ecosystems and dependent species;

(viii) supporting improved outcomes from the development of clean energy resources;

(ix) supporting the long-term coexistence and sustainability of the fishing and clean energy industries; and

(x) providing for the necessary and reasonable administrative and personnel costs of the center or of the executive office of energy and environmental affairs related to administering the fund.

[Subsection (b) as amended by 2024, 238, Secs. 96 through 98 effective November 20, 2024. For text effective until November 20, 2024, see above.]

(b) The center may make expenditures from the fund solely for the purposes of:

(i) advancing climatetech research and technology by assisting commonwealth-based investors, entrepreneurs and institutions, inclusive of federally recognized and state acknowledged tribes within the commonwealth, involved in the climatetech industry;

(ii) deploying climatetech technologies to advance compliance with the statewide greenhouse gas emission limits and sublimits established pursuant to chapter 21N;

(iii) providing climatetech industry-related workforce development and technical training programs for public higher education and vocational-technical education institutions;

(iv) developing a regional strategy, inclusive of federally recognized and state acknowledged tribes within the commonwealth, for regional employment boards to support the development of the climatetech industry; provided, however, that the regional employment boards shall publish their findings as an addendum to their workforce development blueprints;

(v) supporting infrastructure including, but not limited to, port and canal infrastructure development related to supporting the climatetech industry in the commonwealth, including on tribal lands;

(vi) matching funds to secure future federal funding to support the climatetech industry and clean climatetech research in the commonwealth, including on tribal lands;

(vii) supporting research and development in the climatetech industry including, but not limited to, the interrelationship between climatetech infrastructure and existing natural habitats, ecosystems and dependent species;

(viii) supporting improved outcomes from the development of climatetech resources;

(ix) supporting the long-term coexistence and sustainability of the fishing and climatetech industries;

(x) promoting jobs, economic and workforce development through capital grants to companies and governmental entities for the purpose of supporting and stimulating research and development, innovation, manufacturing, commercialization and deployment of climatetech technologies in the commonwealth; and

(xi) providing for the necessary and reasonable administrative and personnel costs of the center or of the executive office of energy and environmental affairs related to administering the fund.

[Subsection (c) effective until November 20, 2024. For text effective November 20, 2024, see below.]

(c) In furtherance of the public purposes set forth in subsection (b), the center may expend monies from the fund to: (i) make grants, contracts, loans, equity investments, energy production credits, bill credits or rebates available to customers; (ii) provide financial or debt service obligation assistance; or (iii) take any other action, in such forms, under such terms and conditions and under such selection procedures as the center deems appropriate and otherwise in a manner consistent with good business practices; provided, that the center shall conduct, when

practicable, competitive procurements; provided further, that the center shall endeavor to leverage the full range of resources, expertise and participation of other state and federal agencies and instrumentalities in the design and implementation of programs conducted pursuant to this section; and provided further, that the board shall determine and incorporate into the minutes of its proceedings a finding that any such action is calculated to advance the public purpose and public interests set forth in this section. Qualified investment transactions undertaken by the center pursuant to this section shall not be subject to chapter 175 and shall not constitute a debt or pledge of the faith and credit of the commonwealth, the center or any subdivision of the commonwealth and shall be payable solely from the Clean Energy Investment Fund. The fund's activity shall be included in the annual report required by the second paragraph of section 5.

[Subsection (c) as amended by 2024, 238, Sec. 95 effective November 20, 2024. For text effective until November 20, 2024, see above.]

(c) In furtherance of the public purposes set forth in subsection (b), the center may expend monies from the fund to: (i) make grants, contracts, loans, equity investments, energy production credits, bill credits or rebates available to customers; (ii) provide financial or debt service obligation assistance; or (iii) take any other action, in such forms, under such terms and conditions and under such selection procedures as the center deems appropriate and otherwise in a manner consistent with good business practices; provided, that the center shall conduct, when practicable, competitive procurements; provided further, that the center shall endeavor to leverage the full range of resources, expertise and participation of other state and federal agencies and instrumentalities in the design and implementation of programs conducted pursuant to this section; and provided further, that the board shall determine and incorporate into the minutes of its proceedings a finding that any such action is calculated to advance the public purpose and public interests set forth in this section. Qualified investment transactions undertaken by the center pursuant to this section shall not be subject to chapter 175 and shall not constitute a debt or pledge of the faith and credit of the commonwealth, the center or any subdivision of the commonwealth and shall be payable solely from the Climatetech Investment Fund. The fund's activity shall be included in the annual report required by the second paragraph of section 5.

Summary:

This bill establishes the Massachusetts Climate Bank, an independent public authority that finances clean energy and climate resilience projects across the state. The bank's mission is to reduce greenhouse gas emissions, promote clean energy innovation, and support job creation as the Commonwealth transitions away from fossil fuels. It will be governed by an 11-member Massachusetts Climate Finance Board, chaired by the Climate Chief and including state officials and appointed experts. The bank will provide loans, grants, and investments, with at least 20% of funds directed to rural and coastal communities. It will receive no less than \$100 million annually for five years and may issue up to \$750 million in bonds to support its work.