

# SENATE NO. 2150

## **AN ACT** ESTABLISHING THE LOCAL AID STABILIZATION FUND

*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. Chapter 29 of the General Laws is hereby amended by inserting after section 2NNN the  
2 following section:-  
3 Section 2000. There shall be established and be set up on the books of the commonwealth a separate  
4 fund to be known as the Local Aid Stabilization Fund, into which \$200,000,000 per year will be  
5 deposited from end-of-the-year surplus funds annually until the fund is fully vested. No amounts shall  
6 be withdrawn from this fund until there is reported negative revenue growth; as certified by the  
7 commissioner of revenue in detailed reports to the secretary of administration and finance, and the  
8 house and senate committees on ways and means, that would directly affect the General Fund and its  
9 ability to fund local aid. This fund shall be used exclusively to maintain pre-existing local aid  
10 appropriations in times of fiscal crisis. Specifically this fund shall support state school aid under  
11 chapter 70, lottery aid, additional assistance, payments in lieu of taxes for state-owned lands under  
12 section 17 of chapter 58, and regional school transportation in times of negative revenue growth.  
13 The state treasurer shall be the custodian of this fund and shall receive, deposit and invest all moneys  
14 transmitted to the fund under this section and shall credit the fund with all interest and earnings on the  
15 fund. Said fund shall be considered “fully vested” when the treasurer certifies to the comptroller, the

- 16 fiscal affairs division, and the house and senate committees on ways and means that the fund has
- 17 accrued \$2,000,000,000 of principal.

