

AN ACT TO PROVIDE FOR COMPETITIVENESS AND INFRASTRUCTURE
INVESTMENT IN MASSACHUSETTS

Whereas, The deferred operation of this act would tend to defeat its purposes, which are 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:

SECTION 1. Section 2H of chapter 29 of the General Laws, as most recently amended by section 1 of chapter 50 of the acts of 2023, is hereby amended by striking out the first sentence and replacing it with the following sentence:-

There shall be established and set up on the books of the commonwealth a separate fund to be known as the Commonwealth Stabilization Fund, consisting of amounts transferred to the fund in accordance with sections 5C and 5G of this chapter, amounts credited under this section, and any appropriations or other amounts transferred to the fund.

SECTION 2. Said chapter 29 is hereby further amended by inserting after section 2ZZZZZ the following section:-

Section 2AAAAAA. (a) There shall be established and set up on the books of the commonwealth a separate, non-budgeted special revenue fund known as the Commonwealth PAYGO Capital Investment and Debt Reduction Fund. The secretary of administration and finance shall administer the fund. There shall be credited to the fund: (i) the interest earned on the investment of money in the Stabilization Fund established by section 2H in each fiscal year; (ii) any appropriations or other money designated to be credited to the fund; and (iii) interest earned on any amounts deposited in the fund. Amounts credited to the fund shall be expended without further appropriation. The unexpended balance in the fund at the end of a fiscal year shall remain available for expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund to be in deficit at any point.

(b) Quarterly, the Comptroller shall transfer interest credited to the Stabilization Fund during the previous quarter to the fund.

(c) Annually, not later than five business days after the issuance of the Statutory Basis Financial report required by section 12 of chapter 7A, the state comptroller shall report to the executive office for administration and finance and the house and senate committees on ways and means the balance of the Stabilization Fund as of June 30 of the preceding fiscal year as well as the interest earned by the Stabilization Fund during the preceding fiscal year.

(d) In each fiscal year during which the balance of the Stabilization Fund for the most recently ended fiscal year has increased over the balance of the Stabilization Fund at the close of the immediately preceding fiscal year as certified by the Comptroller in the Statutory Basis Financial report required by section 12 of Chapter 7A, and the balance of the Stabilization Fund exceeds 10 per cent of budgeted revenues for all budgeted funds for the preceding fiscal year the secretary may expend money from the PAYGO Capital Investment and Debt Reduction Fund, without further appropriation, for any of the following purposes: (i) for capital projects

authorized by the general court; (ii) to repay, prepay, defease, retire, tender, purchase, reduce the principal or interest payable on or otherwise reduce any portion of the commonwealth's indebtedness; (iii) to reduce, repay or retire any portion of the commonwealth's long term liabilities including, but not limited to, pension obligations, other post-retirement benefits, capital leases, general or special obligation contract liabilities and equivalent liabilities; and (iv) to transfer any amounts in the fund to the Stabilization Fund.

(e) Annually, not later than December 31, the secretary shall provide a report to the clerks of the senate and house of representatives and the senate and house committees on ways and means on the activities of the Commonwealth PAYGO Capital Investment and Debt Reduction Fund in the preceding fiscal year ending June 30.

SECTION 3. Notwithstanding any general or special law to the contrary, not later than December 31, 2026, the secretary of administration and finance shall report to the clerks of the senate and house of representatives and the senate and house committees on ways and means on: (a) expenditures from the Commonwealth PAYGO Capital Investment and Debt Reduction Fund established by section 2AAAAAA of chapter 29 of the General Laws for matching funds for federal programs, including, but not limited to, projects and programs included in the Infrastructure and Investment in Jobs Act of 2021, also known as the Bipartisan Infrastructure Law, Public Law No. 117-58, the CHIPS Act of 2022, Public Law No. 117-167, and the Inflation Reduction Act of 2022, Public Law No. 117-169, including expenditures for grants, loans, and other financial assistance to cities, towns, tribes, regional organizations whose membership is exclusively composed of municipal governments, regional planning agencies, community development corporations, and other development authorities or agencies; and (b) amounts obligated for federal programs, including projects and programs included in the Infrastructure and Investment in Jobs Act of 2021, also known as the Bipartisan Infrastructure Law, Public Law No. 117-58, the CHIPS Act of 2022, Public Law No. 117-167, and the Inflation Reduction Act of 2022, Public Law No. 117-169, including expenditures for grants, loans, and other financial assistance to cities, towns, tribes, regional organizations whose membership is exclusively composed of municipal governments, regional planning agencies, community development corporations, and other development authorities or agencies related to such federal programs.

SECTION 4. Notwithstanding section 2AAAAAA of chapter 29 of the General Laws, the secretary of administration and finance may expend up to \$750,000,000 from the Commonwealth PAYGO Capital Investment and Debt Reduction Fund established in said section 2AAAAAA of said chapter 29 to provide funding for matching funds for federal programs, including projects and programs included in the Infrastructure and Investment in Jobs Act of 2021, also known as the Bipartisan Infrastructure Law, Public Law No. 117-58, the CHIPS Act of 2022, Public Law No. 117-167, and the Inflation Reduction Act of 2022, Public Law No. 117-169; provided, that up to \$50,000,000 may be used to support efforts to establish a local infrastructure bank to fund capital expenditures that promote municipal, tribal and regional project readiness and enhance the competitiveness of federal funding applications under guidelines adopted by the executive office for administration and finance; provided, further that said funds may also be used for a competitive program of grants, loans, and other financial assistance to cities, towns, tribes, regional organizations whose membership is exclusively composed of municipal governments, regional planning agencies, community development corporations, and other development authorities or agencies, to provide funding for matching funds for federal programs, including projects and programs included in the Infrastructure and Investment in Jobs Act of 2021, also known as the Bipartisan Infrastructure Law, Public Law

No. 117-58, and the Inflation Reduction Act of 2022, Public Law No. 117-169; provided, further that up to \$12,000,000 may be used to provide grants for planning and studies, preparation of plans and specifications, and technical assistance to support cities, towns, tribes, regional organizations whose membership is exclusively composed of municipal governments, regional planning agencies, community development corporations, and other development authorities or agencies, under guidelines adopted by the executive office for administration and finance; provided further, that on and after December 1, 2026, the secretary shall not obligate any additional funds under this section.