

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Rosenberg, Stan (SEN)

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 passage of the accompanying bill:

An Act establishing the local aid stabilization fund.

PETITION OF:

NAME:

Rosenberg, Stan (SEN)

DISTRICT/ADDRESS:

Hampshire and Franklin

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S02150 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

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
2 the 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 be
6 withdrawn from this fund until there is reported negative revenue growth; as certified by the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 house
8 and senate committees on ways and means, that would directly affect the General Fund and its ability to
9 fund local aid. This fund shall be used exclusively to maintain pre-existing local aid appropriations in
10 times of fiscal crisis. Specifically this fund shall support state school aid under chapter 70, lottery aid,
11 additional assistance, payments in lieu of taxes for state-owned lands under section 17 of chapter 58, and
12 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 fiscal
16 affairs division, and the house and senate committees on ways and means that the fund has accrued
17 \$2,000,000,000 of principal.