

By Mr. Cahir of Bourne, petition of Thomas S. Cahir and other members of the General Court relative to the distribution of local aid. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT RELATIVE TO LOCAL AID.

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. Section eighteen A of Chapter fifty-eight of the
2 General Laws is hereby repealed.

1 SECTION 2. Section 18C of Chapter 58 of the General Laws
2 is hereby repealed and replaced with the following new section:

3 Section 18C. For fiscal year 1992, the State Treasurer shall,
4 subject to appropriation and upon certification of the
5 Commissioner, distribute the entirety of the Local Aid Fund
6 established pursuant to M.G.L. c. 29 Sec. 2D, including but not
7 limited to forty (40%) percent of the sales tax, forty (40%) percent
8 of the income tax, and forty (40%) percent of the corporate income
9 tax as well as the balance of the State Lottery Fund, in accordance
10 with the provisions of this section. The distribution will be made
11 in four equal payments. Said payments shall be made on or before
12 September thirtieth, December thirty-first, March thirty-first and
13 June thirtieth.

14 1. The amount distributed under this section to any city or town
15 shall not be less than one hundred percent of the total actually
16 received by said city or town under M.G.L. c.58, Sec. 18A, and
17 M.G.L. c.58, Sec. 18C, and M.G.L. c.10, Sec. 35 for fiscal year
18 1989.

19 2. In the event that the amount credited to the Local Aid Fund
20 and appropriated to cities and towns for fiscal year 1992 is greater
21 than the amount credited to the Local Aid Fund and appropriated

22 to cities and towns for fiscal year 1989, then, fifty (50%) percent
23 of the excess shall be distributed to the cities and towns, with each
24 city and town receiving an amount equal to fifty (50%) percent
25 of such excess multiplied by a fraction, the numerator of which
26 shall be the number of persons who reside in such city or town,
27 the demonimator of which shall be the number of persons who
28 reside in the Commonwealth. Fifty (50%) percent of such excess
29 shall be distributed to the cities and towns with each city and town
30 receiving an amount determined in accordance with the same
31 formula used in determining the distribution to cities and towns
32 for fiscal year 1989 updated to reflect the current demographics,
33 fiscal conditions and population of each locality.

34 For purposes of this section, the following words shall have the
35 following meanings:

36 (a) "Persons who reside in the Commonwealth", the total
37 population of the Commonwealth as enumerated in the most
38 recent official state census conducted by the state secretary or in
39 the most recent official state census conducted by the state
40 secretary or in the most recent official federal census, adjusted by
41 the commisisoner to conform as nearly as possible to the same
42 definitions as used in such state census.

43 (b) "Persons who reside in such city or town", the population
44 of the city or town as enumerated in the most recent official state
45 census conducted by the state secretary or in the most recent
46 official federal census, adjusted by the commissioner to conform
47 as nearly as possible to the same definitions as used in such state
48 census.

1 SECTION 3. Chapter 58 of the General Laws is hereby
2 amended by adding the following section:

3 Section 18C. Commencing with fiscal year 1993, and continuing
4 thereafter, the State Treasurer shall, subject to appropriation and
5 upon certification of the Commissioner, annually distribute the
6 Local Aid Fund established pursuant to M.G.L. c.29 Sec. 2D,
7 including but not limited to forty (40%) percent of the sales tax,
8 forty (40%) percent of the income tax and forty (40%) percent of
9 the corporate income tax as well as the balance of the State Lottery
10 Fund, in accordance with the provisions of this section. The

11 distribution will be made in four equal payments. Said payments
12 shall be made annually, in each fiscal year, on or before September
13 thirtieth, December thirty-first, March thirty-first and June
14 thirtieth.

15 (1) The amount distributed under this section to any city or
16 town shall not be less than one hundred percent of the sum of
17 the total amounts actually received by said city or town under
18 M.G.L. c.58, Sec. 18A and M.G.L. c.58, Sec. 18C and M.G.L.
19 c.10, Sec. 35, for the preceding fiscal year, unless the amount
20 credited to the Local Aid Fund in the current fiscal year is less
21 than the amount credited to the Local Aid Fund, as certified by
22 the Commissioner in the preceding fiscal year.

23 (2) In the event that the amount credited to the Local Aid Fund
24 and appropriated to cities and towns in any fiscal year is greater
25 than the amount credited to the Local Aid Fund and appropriated
26 to cities and towns in the preceding fiscal year, the excess shall
27 be distributed to each city and town as determined by the
28 Secretary of Administration and Finance with the advice and
29 consent of the Local Government Advisory Committee operating
30 pursuant to G.L. c.3, Sec. 62.

31 The distribution shall be made such that each city and town
32 in the Commonwealth shall receive some portion of these excess
33 funds and such that no city or town shall receive less than such
34 city or town received in the previous fiscal year.

35 (3) In the event that the amount credited to the Local Aid Fund
36 and appropriated in any fiscal year to cities and towns is less than
37 the amount credited to the Local Aid Fund and appropriated to
38 cities and towns in the preceding fiscal year, then such deficiency
39 shall be applied against each city and town, such that the
40 distribution to each city and town in the current fiscal year shall
41 equal the distribution in the previous fiscal year, multiplied by
42 a fraction the numerator of which is the total amount available
43 for distribution in the current year and the denominator of which
44 is the total amount distributed in the previous fiscal year.

45 This section shall take effect as of January 1, 1991.

1 SECTION 4. The Treasurer shall publish by July 15 of each
2 year a statement indicating: (1) the total amount of revenue

3 created to the Local Aid Fund; (2) the amount of revenue from
4 the Local Aid Fund appropriated to the cities and towns; and,
5 (3) the amount of revenue from the Local Aid Fund to be
6 distributed to each city and town from that Fund and the dates
7 that the quarterly payments will be made.

1 SECTION 5. In fiscal year 1991 and in each succeeding fiscal
2 year, the Auditor of the Commonwealth shall publish an audit
3 of the Local Aid Fund, showing: (1) the total amount of revenue
4 derived from the income tax, sales tax, and corporate income tax
5 as well as the balance of the state lottery fund after the payment
6 of prizes and expenses of operation; (2) the amount of revenue
7 that was actually credited to the Local Aid Fund; (3) the amount
8 of revenue from the Local Aid Fund that was appropriated to the
9 cities and towns; and, (4) the amount of revenue that was actually
10 distributed from the Local Aid Fund to each city and town. The
11 audit shall include the actual disposition of all revenue credited
12 to the Local Aid Fund.

1 SECTION 6. If any quarterly distribution as is required by this
2 statute is not made, any city or town, singly or collectively, may
3 bring an action in the nature of mandamus in the Superior Court
4 against the Commonwealth to require the distribution to be made
5 in accordance with this statute. The court may advance such
6 action to the top of its docket for speedy resolution of these claims.
7 Any city or town not receiving a timely distribution of funds and
8 required by this statute shall be entitled to a late payment fee to
9 be paid by the Commonwealth equal to twenty-five (25%) percent
10 of the city's or towns' quarterly distribution entitlement as
11 determined by the statement published by the Treasurer and
12 Receiver-General pursuant to Section 4 of this statute.

1 SECTION 7. No later than March 1 of fiscal year 1991 and
2 no later than March 1 in each succeeding year, the Secretary of
3 Administration and Finance shall issue to each city and town a
4 report of estimated receipts to be received from the Local Aid
5 Fund to be used by each city and town in preparing its budget
6 and calculating its tax rate.