

HOUSE No. 5977

The Commonwealth of Massachusetts



EDWARD J. KING
GOVERNOR

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE DEPARTMENT
STATE HOUSE • BOSTON 02133

April 5, 1982

To the Honorable Senate and House of Representatives:

Today, I am submitting to your Honorable Bodies the attached legislation entitled, "AN ACT PROVIDING FOR THE DISTRIBUTION OF ADDITIONAL ASSISTANCE TO THE CITIES AND TOWNS IN THE FISCAL YEAR ENDING JUNE THIRTIETH, NINETEEN HUNDRED AND EIGHTY-THREE".

At the same time I am recommending that the local aid account, Item 0611-5510, be increased in fiscal 1983 from \$418,000,000 to \$437,000,000. Our fiscal 1982 revenue collections and spending controls continue to exceed our earlier, conservative estimates. These positive results will see fiscal 1982 close with a more favorable balance than earlier projected. That balance, combined with favorable consideration by your Honorable Bodies, of H. 5896, relative to abandoned property, allows us to make this recommended increase of \$19,000,000 for Additional Assistance to the Cities and Towns.

There are two main goals that must be achieved as we distribute local aid in fiscal 1983. First, we must provide special assistance to those communities who are mandated by Proposition 2½ to make further reductions in their property tax levy. Our second goal is to make some correction for those inequities inherent in last year's distribution.

The attached legislation has four key elements:

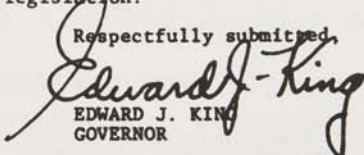
- (1) The amount of lottery formula aid (including both the lottery game distribution and the additional appropriation to the lottery formula) is held constant at pre-Proposition 2½ levels;

- (2) Cities and towns which must again cut the property tax levy in fiscal 1983 will receive state aid to replace two-thirds of their fiscal 1983 loss;
- (3) In allocating the increased aid of \$205 million distributed through the lottery formula in fiscal 1982, no community will be given an increase greater than 100% of their total two year loss under Proposition 2½; and
- (4) In allocating the increased aid of \$205 million distributed through the lottery formula in fiscal 1982, every community will be given an increase over fiscal 1981 equal to at least 30% of their total loss under Proposition 2½.

I believe the formula recommended here is fair and equitable, and I believe it meets the needs of our municipalities.

I respectfully request your prompt and favorable consideration of this legislation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Edward J. King". The signature is written in dark ink and is positioned above the printed name and title.

EDWARD J. KING
GOVERNOR

A. SOME OF THE AID INCREASES SINCE FISCAL YEAR 1981 THAT WERE NOT INCLUDED IN THE GOVERNOR'S REDISTRIBUTION PROPOSAL:

SCHOOL TRANSPORTATION	\$20.0 m
RESIDENTIAL SCHOOL COSTS	\$ 9.2 m
CHEMICAL COSTS	\$ 2.0 m
1982 INCREASE/LOTTERY GAME	\$ 4.2 m
	<u>\$35.4 m</u>

B. LOTTERY FORMULA DISTRIBUTION:

	PRE-2½ AID		FY 1983
	FY 1981	FY 1982	
LOTTERY GAME DISTRIBUTION	\$ 73.8 m	\$ 78.0 m	\$ 93.0 m
APPROPRIATED LOTTERY FORMULA AID	\$143.0 m	\$143.0 m + \$205.0 m	\$128.0 m
TOTAL LOTTERY FORMULA AID	\$216.8 m	\$221.0 m	\$221.0 m

C. FY 1983 ADDITIONAL AID DISTRIBUTION ACCOUNT 0611-5510

H.1 APPROPRIATION	\$418.0 m	
RECOMMENDED INCREASE	\$ 19.0 m	\$437.0 m
ALLOCATION TO LOTTERY FORMULA (see B)	\$128.0 m	
ALLOCATION TO ACHIEVE TWO-THIRDS RECOVERY OF FY 1983 LOSS	\$116.2 m	
REPEAT DISTRIBUTION OF FY 1982 NEW AID	\$205.0 m	
ALLOCATION TO ACHIEVE MINIMUM 30 PERCENT RECOVERY OF TOTAL LOSS	\$ 8.4 m	
CREDIT FOR CAPPING AID AT 100 PERCENT OF TOTAL LOSS	(\$ 20.6 m)	\$437.0 m

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Two.

AN ACT PROVIDING FOR THE DISTRIBUTION OF ADDITIONAL ASSISTANCE TO THE CITIES AND TOWNS IN THE FISCAL YEAR ENDING JUNE THIRTIETH, NINETEEN HUNDRED AND EIGHTY-THREE.

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. In the fiscal year ending June thirtieth, nineteen
2 hundred and eighty-three, additional assistance to the cities and
3 towns shall be distributed as follows:

4 (a) One hundred and twenty-eight million dollars shall be dis-
5 tributed to the cities and towns in accordance with the provisions
6 of section eighteen C of chapter fifty-eight of the General Laws;
7 provided, however, that notwithstanding the provisions of any
8 special or general law to the contrary, the commissioner of revenue
9 shall use the same population and equalized valuation for each city
10 and town in making this distribution as were used in making the
11 distribution in accordance with section eighteen C of chapter
12 fifty-eight of the General Laws in the fiscal year ending June
13 thirtieth, nineteen hundred and eighty-one.

14 (b) Each city and town shall receive two-thirds of its fiscal
15 nineteen hundred and eighty-three revenue loss. For the purposes
16 of such distribution, the fiscal nineteen hundred and eighty-three
17 revenue loss shall be the amount by which the tax levy for fiscal
18 nineteen and eighty-three is required by chapter five hundred and
19 eighty of the acts of nineteen hundred and eighty as amended by
20 chapter seven hundred and eighty-two of the acts of nineteen
21 hundred and eighty-one, to be reduced below the tax levy for the
22 fiscal year nineteen hundred and eighty-two, as determined by the
23 commissioner of revenue as of February fifteenth, nineteen
24 hundred and eighty-two; provided that in any said city or town in
25 which the revenue loss as determined by said commissioner upon
26 the establishment of the final tax rate for the city or town is
27 different than the loss as determined by said commissioner on
28 February fifteenth, nineteen hundred and eighty-two, the distribu-

29 tion to said city or town in accordance with this line item shall be
30 recomputed on the basis of the loss as determined at the time the
31 final tax rate is established.

32 (c) Each city and town shall receive the difference between the
33 amount said city or town received by the distribution of item
34 0611-5500, as appearing in section two of chapter three hundred
35 and fifty-one of the acts of nineteen hundred and eighty-one, as
36 amended by chapter six hundred and thirty-one of the acts of
37 nineteen hundred and eighty-one, and the amount said city or town
38 received by the distribution of item 0611-5500, as appearing in
39 section two of chapter three hundred and twenty-nine of the acts of
40 nineteen hundred and eighty; provided, that notwithstanding the
41 provisions of any general or special law to the contrary, no such
42 city or town shall receive from this distribution more than one
43 hundred percent of the revenue losses mandated by chapter five
44 hundred and eighty of the acts of nineteen hundred and eighty, and
45 every city or town receiving from the distributions made in accord-
46 ance with this subparagraph and subparagraph (b) less than thirty
47 percent of the revenue losses mandated by said chapter five
48 hundred and eighty shall receive in addition the difference between
49 the sum of said distributions, and an amount thirty percent of said
50 revenue losses. For the purposes of this subparagraph, the revenue
51 losses mandated by said chapter five hundred and eighty shall
52 mean the total of (a) the amount by which the tax levy for the fiscal
53 year nineteen hundred and eighty-three is required by said chapter
54 five hundred and eighty to be reduced below the tax levy for the
55 fiscal year nineteen hundred and eighty-one and (b) the loss in
56 estimated receipts from the motor vehicle excise in fiscal year
57 nineteen hundred and eighty-two resulting from the decrease in the
58 rate of excise required by section nine of said chapter five hundred
59 and eighty. Said revenue losses shall be as determined by the
60 commissioner of revenue as of February fifteenth, nineteen
61 hundred and eighty-two, provided, that in any said city or town in
62 which the revenue loss as determined by said commissioner upon
63 establishment of the final tax rate for the city or town is different
64 than the loss as determined by said commissioner on February
65 fifteenth, nineteen hundred and eighty-two, the distribution to said

66 city or town in accordance with this subparagraph shall be recom-
67 puted on the basis of the loss as determined at the time the final tax
68 rate is established.

1 SECTION 2. This state treasurer, upon certification of the
2 commissioner of revenue, shall distribute to the cities and town the
3 appropriate amounts in accordance with the provisions of this act.

