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MTF Brief

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Senate Final Economic Development & Surplus Legislation

The Senate engrossed a \$5.1 billion spending, economic development, and tax relief package last week, increasing the fiscal impact of the bill by \$271.3 million during floor debate. This Brief summarizes the new spending, tax, and policy provisions added through amendment. The bill will now be reconciled through a conference committee before it can move to Governor Baker’s desk.

Summary of Fiscal Impact

	Governor	House	SWM	Senate Floor	Senate
Surplus & ARPA spending	\$3,953.9	\$2,339.9	\$2,403.1	\$89.3	\$2,492.4
Taxpayer rebates	\$0.0	\$510.0	\$510.0	\$0.0	\$510.0
Direct spending	\$3,954	\$2,850	\$2,913	\$89	\$3,002
Capital authorizations	\$1,255.8	\$1,430.3	\$1,386.8	\$182.0	\$1,568.8
Tax changes	\$741.0	\$569.5	\$522.0	\$0.0	\$522.0
Total	\$5,950.7	\$4,849.7	\$4,821.9	\$271.3	\$5,093.2

\$ in millions

Operating Spending

The Senate added \$89.3 million in line-item spending during debate, more than 80 percent of which (\$77.2 million) was earmarked for spending on local projects. As with last December’s COVID Recovery legislation, earmarks varied greatly in size and scope, ranging from as large as \$8 million for improvements to a transit station in Middlesex County to as small as \$10,000 for a number of smaller projects.

Operating Spending Added

	Number of earmarks	Amount
Earmark spending	271	\$77.2
Programmatic spending		\$12.1
Total		\$89.3

In addition, the Senate added \$12.1 million in spending for grants and pilot programs not included in the SWM bill. These include:

- \$5 for non-profit security grants; this is in addition to \$3 million appropriated for this program in the FY 2023 budget conference report;
- \$2.5 million for grants to improve enhance public higher education nurse training programs;
- \$2.5 million to improve recruitment and training of public school computer science teachers;
- \$1 million to fund a K-12 early college pilot program that will allow students to achieve an associate’s degree an industry recognized credential within six years of starting high school;
- \$1 million for a pilot program to mitigate cliff-effects for low-income families no longer eligible for public benefits; and
- \$100K to pay for costs associated with a commission to study the state seal and motto.

The Senate also adopted \$5 million for several programs related to ongoing harm reduction efforts.

Capital Authorizations

The Senate added 111 capital project earmarks, which increased capital authorizations by \$182 million. Capital earmarks are supported by state bonding, which must be authorized by the executive branch. This means that inclusion in a bond bill makes a project eligible for funding, but is no guarantee that the project will actually occur.

Tax changes

The Senate adopted an amendment to make their estate tax change effective September 1st of 2022. Aside from that, they did not adopt any substantive floor amendments to SWM’s tax provisions.

Policy changes

The Senate added 47 policy sections through 32 amendments. Notable policy amendments include:

- ***Health care coverage for new state employees (amendment 560)*** – allows any state employer to offer new state employees’ health insurance coverage on the first day of employment. Currently, coverage for new employees is often delayed for 90 days. The Senate adopted a similar provision in their FY 2023 budget.
- ***Happy hour (amendment 395)*** – allows municipalities to authorize reduced drink prices at certain times of the day.
- ***Child care as a campaign expense (amendment 474)*** – adds “provision of child-care services” as an eligible expenses for campaign funds.
- ***Cell phone right to repair (amendment 471)*** – requires cell phone manufactures to provide third party vendors with data, diagnostic information and other tools to make cell phone repairs.

- ***COVID standing order (amendment 581)*** – adjusts language in the original SWM bill to ensure that any physician authorizing the standing order have a background in COVID-19 treatment and to ensure that the state standing order be consistent with recent federal action.
- ***MassHealth estate recovery (amendment 366)*** – limits MassHealth’s ability to make recoveries against estates and exempts the CommonHealth program from recoveries. Currently, MassHealth has broad ability to recoup costs for nursing home and other treatment against the value of estates.
- ***In-law apartment zoning (amendment 160)*** – prohibits municipalities from limiting the ability of homeowners, who meet lot size and other criteria, from building an in-law apartment (accessory dwelling unit) of not more than 900 square feet.