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Section 3 Local Aid Distribution

Additional local aid information based on the Governor's FY2020 Budget for individual cities and towns is available at <https://www.mass.gov/lists/cherry-sheet-estimates>

SECTION 3.

Notwithstanding any general or special law to the contrary, for the fiscal year ending June 30, 2020 the distribution to cities and towns of the balance of the State Lottery and Gaming Fund, as paid from the General Fund in accordance with clause (c) of the second paragraph of section 35 of chapter 10 of the General Laws, and additional funds from the General Fund and the Gaming Local Aid Fund, shall be \$1,128,617,436 and shall be apportioned to cities and towns in accordance with this section.

Notwithstanding section 2 of chapter 70 of the General Laws or any other general or special law to the contrary for fiscal year 2020 the total amounts to be distributed and paid to each city, town, regional school district, and county operating an agricultural or vocational school from item 7061-0008 of section 2 shall be as set forth in the following lists. The specified amounts distributed from said item 7061-0008 of said section 2 shall be deemed in full satisfaction of the amounts due under chapter 70 of the General Laws.

For fiscal year 2020, minimum aid shall be \$20 per pupil and the effort reduction percentage shall be 100%. Transitional aid received in fiscal year 2019 relating to low income measurement shall be included in districts' base aid. Districts shall be eligible for the high needs concentration increment if they are in the ninth or tenth deciles for economically disadvantaged and if 20 per cent or more of the district's foundation headcount was designated as English learners in either of the two most recent fiscal years. Notwithstanding the provisions of section 3 of chapter 70 of the General Laws, foundation budget rates for fiscal year 2020 shall be set as identified in the tables below.

If there is a conflict between the language of this section and the distribution listed below, the distribution below shall control.

The department of elementary and secondary education shall not consider health care costs for retired teachers to be part of net school spending for any district in which such costs were not considered part of net school spending in fiscal year 1994, and for any district that has not accepted the provisions of section 260 of chapter 165 of the acts of 2014, provided that any district for whom such costs are not so considered shall have included as part of net school spending an amount equal to the increase in the foundation budget for the district associated with health care costs of retired school personnel.

No payments to cities, towns or counties maintaining an agricultural school under this section shall be made after November 30 of the fiscal year until the commissioner of revenue certifies acceptance of the prior fiscal year's annual financial reports submitted pursuant to section 43 of chapter 44 of the General Laws. Advance payments shall be made for some or all of periodic local reimbursement or assistance programs to any city, town, regional school district, or agricultural school that demonstrates an emergency cash shortfall, as certified by the commissioner of revenue and approved by the secretary of administration and finance, under guidelines established by the secretary.

FY 2020 Governor's Budget Recommendation

Base Rates

	Administration	Instructional Leadership	Classroom and Specialist Teachers	Other Teaching Services	Professional Development	Instructional Equipment & Tech	Guidance and Psychological	Pupil Services	Operations and Maintenance	Employee Benefits/Fixed Charges	Special Ed Tuition	Total, all categories
Pre-school	195.97	353.93	1,622.88	416.22	64.18	234.89	118.08	46.96	450.66	519.38	0.00	4,023.15
Kindergarten (half)	195.97	353.93	1,622.88	416.22	64.18	234.89	118.08	46.96	450.66	519.38	0.00	4,023.15
Kindergarten (full)	391.93	707.86	3,245.76	832.47	128.42	469.78	236.19	93.97	901.30	1,038.75	0.00	8,046.43
Elementary	391.93	707.86	3,245.72	832.47	128.44	469.78	236.19	140.93	901.30	1,038.78	0.00	8,093.40
Junior/Middle	391.93	707.86	2,856.25	599.25	139.24	469.78	314.38	230.21	977.13	1,069.79	0.00	7,755.82
High School	391.93	707.86	4,200.34	498.88	135.01	751.65	394.09	530.85	947.43	967.85	0.00	9,525.89
Early college/innovative pathways	435.32	786.23	4,709.02	554.11	149.96	937.35	394.09	589.62	1,052.33	967.85	0.00	10,575.88
Vocational	391.93	707.86	7,140.62	498.88	223.21	1,315.37	394.09	530.85	1,773.15	1,395.84	0.00	14,371.80
Special education in-school	2,704.98	0.00	8,925.75	8,333.85	430.57	375.82	0.00	0.00	3,021.59	3,374.83	0.00	27,167.39
Special education tuitioned-out	2,802.91	0.00	0.00	42.82	0.00	0.00	0.00	0.00	0.00	0.00	26,612.12	29,457.85

Incremental Rates

	Administration	Instructional Leadership	Classroom and Specialist Teachers	Other Teaching Services	Professional Development	Instructional Equipment & Tech	Guidance and Psychological	Pupil Services	Operations and Maintenance	Employee Benefits/Fixed Charges	Special Ed Tuition	Total, all categories
English learners PK-5	86.23	150.90	1,056.24	150.90	43.11	107.78	64.67	21.56	258.67	237.11	0.00	2,177.17
English learners 6-8	107.79	188.62	1,320.30	188.62	53.89	134.72	80.84	26.95	323.34	296.39	0.00	2,721.46
English learners high school	129.34	226.35	1,584.36	226.35	64.66	161.66	97.00	32.34	388.01	355.67	0.00	3,265.74
Economically disadvantaged 1	50.98	241.54	2,357.86	0.00	114.39	17.54	95.48	496.13	0.00	381.40	0.00	3,755.32
Economically disadvantaged 2	51.54	244.20	2,383.92	0.00	115.66	17.73	96.53	501.61	0.00	385.62	0.00	3,796.81
Economically disadvantaged 3	52.10	246.87	2,409.97	0.00	116.92	17.92	97.59	507.09	0.00	389.83	0.00	3,838.29
Economically disadvantaged 4	52.67	249.54	2,436.03	0.00	118.18	18.12	98.64	512.57	0.00	394.05	0.00	3,879.80
Economically disadvantaged 5	53.23	252.21	2,462.09	0.00	119.45	18.31	99.70	518.06	0.00	398.26	0.00	3,921.31
Economically disadvantaged 6	53.90	255.39	2,493.12	0.00	120.95	18.54	100.95	524.59	0.00	403.28	0.00	3,970.72
Economically disadvantaged 7	54.61	258.75	2,525.90	0.00	122.54	18.79	102.28	531.48	0.00	408.58	0.00	4,022.93
Economically disadvantaged 8	55.36	262.29	2,560.42	0.00	124.22	19.04	103.68	538.75	0.00	414.17	0.00	4,077.93
Economically disadvantaged 9	56.14	266.00	2,596.69	0.00	125.98	19.31	105.15	546.38	0.00	420.03	0.00	4,135.68
Economically disadvantaged 10	56.96	269.89	2,634.69	0.00	127.82	19.59	106.69	554.37	0.00	426.18	0.00	4,196.19
High needs concentration increment	0.00	0.00	0.00	0.00	0.00	0.00	12.78	13.16	0.00	0.00	0.00	25.94

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
ABINGTON	8,888,421	2,088,894
ACTON	0	1,485,383
ACUSHNET	6,348,772	1,610,035
ADAMS	0	2,485,998
AGAWAM	19,440,642	3,911,960
ALFORD	0	14,902
AMESBURY	9,169,767	2,065,799
AMHERST	6,110,883	8,939,803
ANDOVER	11,454,144	1,897,423
AQUINNAH	0	2,482
ARLINGTON	13,816,783	8,056,055
ASHBURNHAM	0	844,287
ASHBY	0	464,959
ASHFIELD	93,413	197,138
ASHLAND	7,790,533	1,435,983
ATHOL	0	2,811,281
ATTLEBORO	40,492,632	6,057,887
AUBURN	11,837,923	1,818,556
AVON	2,083,030	735,982
AYER	0	803,867
BARNSTABLE	11,627,404	2,233,598
BARRE	0	955,017
BECKET	76,563	96,433
BEDFORD	5,429,094	1,218,953
BELCHERTOWN	13,861,046	1,806,769
BELLINGHAM	8,619,565	1,801,819
BELMONT	9,304,779	2,397,629
BERKLEY	3,996,028	646,096
BERLIN	0	214,087
BERNARDSTON	0	308,844
BEVERLY	8,936,736	6,201,104
BILLERICA	19,300,194	6,183,385
BLACKSTONE	183,504	1,453,444
BLANDFORD	43,655	134,832
BOLTON	4,568	209,654
BOSTON	221,277,275	201,181,161
BOURNE	5,195,203	1,556,625
BOXBOROUGH	22,491	267,857
BOXFORD	1,740,853	516,201
BOYLSTON	83,406	363,726
BRAINTREE	18,130,491	6,076,372

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
BREWSTER	1,007,209	419,274
BRIDGEWATER	76,038	3,867,561
BRIMFIELD	1,244,552	414,004
BROCKTON	183,271,000	22,233,756
BROOKFIELD	1,568,493	524,296
BROOKLINE	14,929,417	6,741,760
BUCKLAND	13,040	325,143
BURLINGTON	6,840,360	2,780,883
CAMBRIDGE	16,621,474	22,812,246
CANTON	6,309,912	2,277,134
CARLISLE	999,572	232,942
CARVER	9,992,779	1,551,239
CHARLEMONT	105,638	185,614
CHARLTON	0	1,538,419
CHATHAM	0	159,810
CHELMSFORD	11,148,668	5,389,609
CHELSEA	80,245,233	8,721,149
CHESHIRE	0	652,321
CHESTER	55,349	191,177
CHESTERFIELD	133,114	146,607
CHICOPEE	67,432,732	12,227,779
CHILMARK	0	3,983
CLARKSBURG	1,798,115	386,290
CLINTON	13,186,850	2,499,684
COHASSET	2,743,352	546,320
COLRAIN	0	306,467
CONCORD	3,543,593	1,231,888
CONWAY	625,604	189,777
CUMMINGTON	73,684	88,584
DALTON	236,011	1,208,147
DANVERS	7,054,486	3,024,383
DARTMOUTH	9,912,591	2,676,827
DEDHAM	5,974,415	3,472,478
DEERFIELD	1,111,203	510,020
DENNIS	0	578,305
DEVENS	308,558	0
DIGHTON	0	821,082
DOUGLAS	8,747,315	774,922
DOVER	851,831	204,266
DRACUT	19,374,977	3,720,503
DUDLEY	14,372	1,897,257

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
DUNSTABLE	0	261,176
DUXBURY	5,317,677	941,254
EAST BRIDGEWATER	10,812,907	1,589,463
EAST BROOKFIELD	186,016	307,962
EAST LONGMEADOW	12,082,021	1,537,043
EASTHAM	363,271	158,202
EASTHAMPTON	8,012,362	2,984,699
EASTON	10,112,861	2,325,370
EDGARTOWN	841,641	70,733
EGREMONT	0	66,998
ERVING	469,335	71,370
ESSEX	0	259,986
EVERETT	73,723,639	7,336,124
FAIRHAVEN	7,917,997	2,394,507
FALL RIVER	127,930,660	25,304,963
FALMOUTH	6,689,902	1,472,161
FITCHBURG	55,316,084	9,061,922
FLORIDA	550,057	52,853
FOXBOROUGH	9,020,590	1,581,670
FRAMINGHAM	50,064,950	10,564,592
FRANKLIN	28,360,401	2,623,839
FREETOWN	457,865	1,008,321
GARDNER	20,486,987	4,499,744
GEORGETOWN	5,514,628	760,692
GILL	0	258,287
GLOUCESTER	6,667,798	4,241,003
GOSHEN	96,111	84,950
GOSNOLD	16,414	2,227
GRAFTON	11,077,615	1,660,319
GRANBY	4,657,770	937,587
GRANVILLE	0	170,249
GREAT BARRINGTON	0	805,877
GREENFIELD	13,353,838	3,371,242
GROTON	0	822,557
GROVELAND	65,200	772,960
HADLEY	1,255,964	481,936
HALIFAX	3,054,315	963,926
HAMILTON	0	713,432
HAMPDEN	0	730,571
HANCOCK	210,720	59,953
HANOVER	6,998,399	2,249,434

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
HANSON	43,115	1,359,810
HARDWICK	8,588	494,351
HARVARD	1,973,361	1,572,567
HARWICH	0	457,398
HATFIELD	842,786	331,332
HAVERHILL	57,246,300	10,436,481
HAWLEY	0	45,954
HEATH	0	88,845
HINGHAM	7,683,629	1,675,859
HINSDALE	104,683	236,433
HOLBROOK	7,199,492	1,566,803
HOLDEN	0	2,030,218
HOLLAND	931,958	214,328
HOLLISTON	7,888,055	1,644,407
HOLYOKE	75,494,311	10,784,446
HOPEDALE	6,078,020	692,424
HOPKINTON	6,913,196	834,159
HUBBARDSTON	0	478,330
HUDSON	11,993,866	2,117,490
HULL	3,865,186	2,250,382
HUNTINGTON	257,686	365,967
IPSWICH	3,315,640	1,704,546
KINGSTON	4,361,765	1,019,231
LAKEVILLE	85,873	868,848
LANCASTER	0	1,015,030
LANESBOROUGH	0	366,295
LAWRENCE	197,511,397	20,849,605
LEE	2,078,919	661,312
LEICESTER	9,786,947	1,843,736
LENOX	1,267,585	566,001
LEOMINSTER	46,083,870	6,077,376
LEVERETT	294,391	189,541
LEXINGTON	14,364,684	1,627,400
LEYDEN	0	87,430
LINCOLN	1,168,795	722,906
LITTLETON	4,023,788	754,817
LONGMEADOW	5,621,469	1,483,570
LOWELL	158,632,652	26,746,523
LUDLOW	13,770,553	3,243,895
LUNENBURG	7,739,118	1,122,928
LYNN	182,792,479	23,774,862

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
LYNNFIELD	4,382,641	1,104,377
MALDEN	49,991,862	13,322,297
MANCHESTER	0	236,147
MANSFIELD	18,923,669	2,368,619
MARBLEHEAD	5,900,139	1,209,205
MARION	855,844	239,599
MARLBOROUGH	28,294,690	5,780,446
MARSHFIELD	14,624,393	2,300,372
MASHPEE	4,623,696	390,683
MATTAPOISETT	835,125	430,377
MAYNARD	5,429,301	1,668,251
MEDFIELD	6,263,544	1,539,280
MEDFORD	12,097,126	12,880,443
MEDWAY	10,479,229	1,295,508
MELROSE	8,475,066	5,445,804
MENDON	35,836	433,944
MERRIMAC	41,857	893,448
METHUEN	46,730,530	5,773,605
MIDDLEBOROUGH	17,948,079	2,618,046
MIDDLEFIELD	13,200	56,450
MIDDLETON	1,659,451	581,010
MILFORD	26,847,209	3,243,398
MILLBURY	7,643,267	1,880,366
MILLIS	4,819,852	1,111,757
MILLVILLE	71,567	432,534
MILTON	8,971,185	3,411,993
MONROE	49,377	19,525
MONSON	7,531,715	1,386,152
MONTAGUE	0	1,521,832
MONTEREY	0	49,097
MONTGOMERY	21,042	92,154
MOUNT WASHINGTON	7,756	31,831
NAHANT	520,943	401,221
NANTUCKET	3,583,619	84,135
NATICK	10,091,929	4,046,428
NEEDHAM	10,428,607	1,853,722
NEW ASHFORD	179,597	21,569
NEW BEDFORD	155,895,040	24,427,447
NEW BRAINTREE	12,778	140,179
NEW MARLBOROUGH	0	62,188
NEW SALEM	0	110,176

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
NEWBURY	16,844	549,937
NEWBURYPORT	4,176,831	2,708,244
NEWTON	24,681,503	6,240,334
NORFOLK	3,452,225	1,018,329
NORTH ADAMS	13,795,263	4,711,039
NORTH ANDOVER	9,112,137	2,176,186
NORTH ATTLEBOROUGH	20,640,251	3,055,029
NORTH BROOKFIELD	4,284,748	846,135
NORTH READING	7,130,467	1,885,447
NORTHAMPTON	7,531,349	4,667,261
NORTHBOROUGH	3,978,090	1,184,473
NORTHBRIDGE	15,582,601	2,241,474
NORTHFIELD	0	383,656
NORTON	12,803,060	2,207,018
NORWELL	3,979,925	1,138,330
NORWOOD	7,775,490	4,939,252
OAK BLUFFS	954,796	77,227
OAKHAM	5,900	203,729
ORANGE	5,291,994	1,716,104
ORLEANS	423,387	182,399
OTIS	0	38,623
OXFORD	10,549,514	2,183,504
PALMER	10,901,470	2,129,586
PAXTON	5,026	574,617
PEABODY	20,483,201	7,665,240
PELHAM	234,711	169,030
PEMBROKE	13,579,752	1,785,006
PEPPERELL	0	1,584,876
PERU	89,842	121,272
PETERSHAM	434,823	121,736
PHILLIPSTON	0	195,876
PITTSFIELD	46,400,416	9,168,252
PLAINFIELD	27,674	53,274
PLAINVILLE	2,920,781	805,600
PLYMOUTH	26,289,097	4,160,905
PLYMPTON	738,370	251,921
PRINCETON	0	314,403
PROVINCETOWN	289,681	146,881
QUINCY	28,553,214	20,276,386
RANDOLPH	17,948,224	5,519,513
RAYNHAM	0	1,207,493

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
READING	10,794,409	3,442,525
REHOBOTH	0	1,106,916
REVERE	68,209,874	10,923,350
RICHMOND	363,449	114,885
ROCHESTER	2,035,338	451,008
ROCKLAND	13,820,455	2,807,181
ROCKPORT	1,495,336	464,650
ROWE	139,295	4,184
ROWLEY	25,266	573,452
ROYALSTON	0	190,907
RUSSELL	197,476	262,262
RUTLAND	0	982,309
SALEM	25,021,626	7,325,200
SALISBURY	14,372	670,947
SANDISFIELD	0	36,797
SANDWICH	7,125,068	1,196,864
SAUGUS	6,049,975	3,895,781
SAVOY	515,249	123,038
SCITUATE	5,815,813	2,136,185
SEEKONK	6,664,496	1,306,706
SHARON	7,414,387	1,486,493
SHEFFIELD	0	258,699
SHELBURNE	4,155	277,698
SHERBORN	689,643	230,013
SHIRLEY	0	1,393,208
SHREWSBURY	20,008,218	2,958,042
SHUTESBURY	629,216	180,075
SOMERSET	8,891,820	1,628,687
SOMERVILLE	20,434,288	26,755,389
SOUTH HADLEY	8,113,310	2,773,350
SOUTHAMPTON	2,546,706	676,620
SOUTHBOROUGH	2,974,341	464,448
SOUTHBRIDGE	22,472,229	3,735,783
SOUTHWICK	0	1,339,475
SPENCER	41,512	2,401,798
SPRINGFIELD	362,747,204	40,199,748
STERLING	0	736,188
STOCKBRIDGE	0	105,849
STONEHAM	5,222,884	3,946,510
STOUGHTON	16,041,435	3,400,457
STOW	0	447,024

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
STURBRIDGE	3,838,194	822,696
SUDBURY	4,963,868	1,486,462
SUNDERLAND	870,988	536,722
SUTTON	5,466,555	828,928
SWAMPSCOTT	4,271,597	1,374,511
SWANSEA	8,442,200	1,994,435
TAUNTON	63,128,006	8,931,365
TEMPLETON	0	1,480,770
TEWKSBURY	13,292,195	2,955,498
TISBURY	716,384	104,125
TOLLAND	0	19,627
TOPSFIELD	1,186,448	651,328
TOWNSEND	0	1,395,578
TRURO	401,874	31,947
TYNGSBOROUGH	7,393,054	1,026,218
TYRINGHAM	51,762	13,482
UPTON	39,628	565,358
UXBRIDGE	9,420,844	1,461,125
WAKEFIELD	6,665,552	3,577,383
WALES	992,943	250,815
WALPOLE	8,146,281	2,706,343
WALTHAM	14,347,943	10,197,155
WARE	10,421,326	1,833,298
WAREHAM	13,357,440	2,100,976
WARREN	0	960,737
WARWICK	0	135,051
WASHINGTON	7,610	100,298
WATERTOWN	5,673,025	7,083,057
WAYLAND	5,191,222	959,875
WEBSTER	13,371,722	2,629,189
WELLESLEY	9,241,165	1,375,608
WELLFLEET	201,059	62,068
WENDELL	0	185,063
WENHAM	0	454,857
WEST BOYLSTON	3,025,475	846,068
WEST BRIDGEWATER	4,040,521	694,397
WEST BROOKFIELD	327,609	517,210
WEST NEWBURY	0	314,642
WEST SPRINGFIELD	30,615,273	3,805,777
WEST STOCKBRIDGE	0	103,248
WEST TISBURY	0	197,240

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
WESTBOROUGH	8,026,994	1,230,539
WESTFIELD	36,914,632	6,684,896
WESTFORD	17,095,695	2,256,711
WESTHAMPTON	475,870	153,875
WESTMINSTER	0	695,141
WESTON	3,931,661	397,212
WESTPORT	4,544,532	1,291,919
WESTWOOD	5,482,152	774,708
WEYMOUTH	28,373,465	9,259,265
WHATELY	263,900	142,507
WHITMAN	80,187	2,571,344
WILBRAHAM	0	1,554,121
WILLIAMSBURG	658,677	321,490
WILLIAMSTOWN	0	1,013,834
WILMINGTON	11,436,750	2,640,489
WINCHENDON	11,477,410	1,786,474
WINCHESTER	9,300,930	1,571,148
WINDSOR	26,342	110,274
WINTHROP	7,175,002	4,476,634
WOBURN	9,362,503	6,357,286
WORCESTER	270,478,050	44,128,813
WORTHINGTON	245,751	133,384
WRENTHAM	3,784,073	990,025
YARMOUTH	0	1,340,728
Total Municipal Aid	4,370,128,089	1,128,617,436

	Chapter 70
Regional School District	
ACTON BOXBOROUGH	15,131,021
ADAMS CHESHIRE	10,341,843
AMHERST PELHAM	9,547,467
ASHBURNHAM WESTMINSTER	11,634,416
ASSABET VALLEY	5,914,132
ATHOL ROYALSTON	17,406,240
AYER SHIRLEY	8,284,061
BERKSHIRE HILLS	2,923,288
BERLIN BOYLSTON	2,130,184
BLACKSTONE MILLVILLE	10,967,799
BLACKSTONE VALLEY	8,252,274
BLUE HILLS	5,180,983
BRIDGEWATER RAYNHAM	21,975,569
BRISTOL COUNTY	3,213,073
BRISTOL PLYMOUTH	11,933,310
CAPE COD	2,178,397
CENTRAL BERKSHIRE	8,757,569
CHESTERFIELD GOSHEN	750,790
CONCORD CARLISLE	2,691,475
DENNIS YARMOUTH	7,595,723
DIGHTON REHOBOTH	12,927,966
DOVER SHERBORN	2,277,423
DUDLEY CHARLTON	24,451,573
ESSEX NORTH SHORE	4,675,102
FARMINGTON RIVER	492,810
FRANKLIN COUNTY	3,925,238
FREETOWN LAKEVILLE	11,074,173
FRONTIER	2,849,765
GATEWAY	5,650,099
GILL MONTAGUE	6,441,443
GREATER FALL RIVER	17,347,045
GREATER LAWRENCE	26,935,700
GREATER LOWELL	28,488,831
GREATER NEW BEDFORD	26,626,924
GROTON DUNSTABLE	10,896,483
HAMILTON WENHAM	3,694,186
HAMPDEN WILBRAHAM	11,890,704
HAMPSHIRE	3,264,963
HAWLEMONT	635,416
KING PHILIP	7,571,760
LINCOLN SUDBURY	3,121,068
MANCHESTER ESSEX	3,035,028

	Chapter 70
Regional School District	
MARTHAS VINEYARD	2,868,910
MASCONOMET	5,182,999
MENDON UPTON	12,426,746
MINUTEMAN	2,092,403
MOHAWK TRAIL	6,047,594
MONOMOY	3,648,903
MONTACHUSETT	15,279,154
MOUNT GREYLOCK	3,543,227
NARRAGANSETT	9,938,544
NASHOBA	7,218,771
NASHOBA VALLEY	3,710,894
NAUSET	3,514,989
NEW SALEM WENDELL	687,021
NORFOLK COUNTY	1,275,886
NORTH MIDDLESEX	20,361,653
NORTHAMPTON SMITH	911,985
NORTHBORO SOUTHBORO	3,153,214
NORTHEAST METROPOLITAN	10,458,068
NORTHERN BERKSHIRE	4,760,314
OLD COLONY	3,277,704
OLD ROCHESTER	3,032,314
PATHFINDER	5,985,600
PENTUCKET	13,158,492
PIONEER	4,163,701
QUABBIN	16,626,538
QUABOAG	9,146,450
RALPH C MAHAR	5,425,950
SHAWSHEEN VALLEY	6,457,461
SILVER LAKE	8,197,793
SOMERSET BERKLEY	5,702,922
SOUTH MIDDLESEX	5,298,081
SOUTH SHORE	4,425,217
SOUTHEASTERN	16,745,721
SOUTHERN BERKSHIRE	1,980,111
SOUTHERN WORCESTER	11,003,914
SOUTHWICK TOLLAND GRANVILLE	9,832,258
SPENCER EAST BROOKFIELD	13,679,714
TANTASQUA	9,208,538
TRI COUNTY	5,707,028
TRITON	8,754,561
UPISLAND	875,012
UPPER CAPE COD	3,254,918

FY 2020 Governor's Budget Recommendation

	Chapter 70	
Regional School District		
WACHUSETT	28,500,615	
WHITMAN HANSON	24,739,620	
WHITTIER	10,436,213	
<hr/>		
	Chapter 70	Unrestricted General Government Aid
TOTALS		
Total Regional Aid	737,781,035	
Total Municipal and Regional Aid	5,107,909,124	1,128,617,436

Section 4 - Collection of Sex Offender Registration Fee

SECTION 4. Section 178Q of chapter 6 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by adding the following paragraph:- The sex offender registry board shall, within 30 days of a sex offender's failure to comply with the requirement under this section to pay said sex offender registry fee or any portion thereof, report to the department of revenue and the registry of motor vehicles the offender's name, other necessary identifying information as determined by the commissioner of the department of revenue or the registrar of motor vehicles, and the unpaid amount of any sex offender registration fee owed. The department of revenue shall intercept payment of such unpaid fee from tax refunds due to such offender and provide the amount intercepted to the sex offender registry board in accordance with the provisions of chapter 62D. For the purposes of this intercept, the sex offender registry board shall be considered a "claimant agency" as defined in section 1 of chapter 62D, and such set-off shall be conducted before the set-off of a refund for unpaid federal nontax liabilities to a federal agency. The registry of motor vehicles shall not issue or renew a driver's license, or motor vehicle registration for any vehicle subsequently purchased, to any offender reported with an unpaid sex offender registration fee until it receives subsequent notification from the sex offender registry board that the reported offender's fee has been paid.

Summary:

This section requires the Sex Offender Registry Board to notify the Department of Revenue (DOR) and the Registry of Motor Vehicles (RMV) when a sex offender fails to pay the annual registration fee and further requires DOR to intercept refunds and RMV to refuse to issue or renew licenses or registrations until the fee is paid.

Section 5 - EOHHS Commissioner Terms

SECTION 5. Section 16 of chapter 6A of the General Laws, as amended by section 4 of chapter 154 of the acts of 2018, is hereby further amended by adding the following sentence:- Notwithstanding any general or special law to the contrary, all commissioners appointed by the secretary of health and human services shall serve at the pleasure of the secretary and may be removed by the secretary at any time, subject to the approval of the governor.

Summary:

This section aligns the terms of all Commissioners appointed by the Secretary of the Executive Office of Health and Human Services.

Section 6 - MassHealth Drug Pricing 1

SECTION 6. Chapter 6D of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting after section 8 the following section:-

Section 8A. (a) The commission shall require a manufacturer of a prescribed drug specified in subsection (b) to disclose to the commission within a reasonable time any records that describe or relate to the manufacturer's pricing of that drug.

(b) A manufacturer of the following prescribed drugs must comply with the requirements set forth in this section: a drug for which the executive office of health and human services was unable to successfully conclude supplemental rebate negotiations with the manufacturer of the drug under subsection (a) of

section 12A of chapter 118E, and for which the commission has received notice from the secretary of health and human services under subsection (c) of said section 12A of said chapter 118E.

(c) Records disclosed by a manufacturer under subsection (a) shall not be public records under section 7 of chapter 4 and under chapter 66 and shall remain confidential; provided, however, that the commission may produce reports summarizing any findings related to records received under this section to the extent allowable under applicable state and federal laws.

(d) If, after review of any records furnished to the commission under subsection (a), the commission determines that the drug manufacturer's pricing of the drug is potentially unreasonable or excessive in relation to the executive office's final determined value of the drug under subsection (b) of section 12A of chapter 118E or other appropriate metric, the commission shall, with 30 days advance notice to the drug manufacturer and the public, hold a public hearing at which the drug manufacturer shall be required to appear and testify to provide further information related to the pricing of the prescribed drug and the manufacturer's justification for the pricing. In addition to the drug manufacturer, the commission may identify as witnesses other relevant parties, including patients, providers, provider organizations, payers and others. Witnesses shall provide testimony under oath and subject to examination by the commission, the secretary of health and human services, and the attorney general or their respective designees, at the public hearing in a manner and form to be determined by the commission.

(e) Within 60 days from the date of a public hearing under subsection (d), the commission shall issue a report concerning the reasonableness of the manufacturer's pricing of the drug. In the event the commission concludes that the drug manufacturer's pricing of the drug is unreasonable or excessive in relation to the executive office's final determined value of the drug under subsection (b) of section 12A of chapter 118E or other appropriate metric, the commission may refer the drug manufacturer to the office of attorney general for appropriate action under chapter 93A, or any other applicable provision of the General Laws.

(f) In the event the drug manufacturer does not timely comply with the commission's request for records under subsection (a) or appearance at a public hearing under subsection (c), or otherwise knowingly obstructs the commission's ability to issue the report described in subsection (e), including by providing incomplete, false, or misleading information, the commission may impose appropriate sanctions against the drug manufacturer, including reasonable monetary penalties not to exceed \$500,000, and may refer the drug manufacturer to the office of attorney general for appropriate action under chapter 93A, or any other applicable provision of the general laws. The commission shall seek to promote compliance with this section and shall only impose a civil penalty on the drug manufacturer as a last resort.

(g) The commission shall, in consultation with the executive office of health and human services, adopt any written policies, procedures or regulations the commission determines necessary to implement this section.

Summary:

This section gives the Health Policy Commission the authority to hold public hearings and to require drug manufacturers to disclose information and documents related to the pricing of high-cost prescription drugs. It would also allow the Commission to impose appropriate sanctions for noncompliance.

Section 7 - DALA Appeal Fees

SECTION 7. The fifth paragraph of section 4H of chapter 7 of the General Laws, as so appearing, is hereby amended by adding the following 2 sentences:- The division shall establish a fee structure for all appeals, except for (i) appeals brought through the bureau of special education appeals, pursuant to section 4H of chapter 7 and section 2A of chapter 71B; (ii) appeals from decisions by the commissioner of veterans' services, pursuant to section 2 of chapter 115; and (iii) appeals from the contributory retirement appeal board, pursuant to section 16 of chapter 32. The fee structure may include a waiver for financial hardship, as determined by the division.

Summary:

This section enables the Division of Administrative Law Appeals to set a schedule of fees for appeals, with the exception of retirement board appeals, veterans' appeals and special education appeals. The schedule may include a waiver for financial hardship, and would be approved by the Secretary of Administration and Finance.

Section 8 - Supplier Diversity Definitions 1

SECTION 8. Section 58 of said chapter 7, as so appearing, is hereby amended by striking out the definition of "Disadvantaged business enterprise".

Summary:

This section removes from the Supplier Diversity Office's section of the General Laws the definition of a "Disadvantaged Business Enterprise," for which certification is now provided by MassDOT.

Section 9 - Supplier Diversity Definitions 2

SECTION 9. Said section 58 of said chapter 7, as so appearing, is hereby further amended by striking out the definition of "Unified certification program".

Summary:

This section removes from the Supplier Diversity Office's section of the General Laws the definition of the "Unified Certification Program," which is now administered by MassDOT.

Section 10 - Transfer of Unified Certification Program Trust Fund

SECTION 10. Section 60 of said chapter 7 is hereby repealed.

Summary:

This section removes from the Supplier Diversity Office's section of the General Laws the requirement that the Supplier Diversity Office administer the Unified Certification Program, which is now administered by MassDOT.

Section 11 - State Leasing 1

SECTION 11. Section 35 of chapter 7C of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out, in lines 11 and 12, the words, "a term not exceeding 10 years," and inserting in place thereof the following words:- an initial term not exceeding 10 years with two 5-year extensions.

Summary:

This section, together with the subsequent section, provides the Division of Capital Asset Management and Maintenance (DCAMM) with one additional option to renew a state lease for five years, which if exercised would result in a maximum lease term of twenty years.

Section 12 - State Leasing 2

SECTION 12. Section 35A of said chapter 7C, as so appearing, is hereby amended by striking out subsection (b).

Summary:

This section, together with the preceding section, provides DCAMM with one additional option to renew a state lease for five years, which if exercised would result in a maximum lease term of twenty years.

Section 13 - Excise on Vapor Products and E-cigarettes 1

SECTION 13. Section 30B of chapter 10 of the General Laws, as so appearing, is hereby amended by inserting after the word "cigar", in line 2, the following words:- or vapor product.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 14 - Excise on Vapor Products and E-cigarettes 2

SECTION 14. Said section 30B of said chapter 10, as so appearing, is hereby further amended by inserting after the word "cigar", in line 3, the following words:- , vapor product.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 15 - Chapter 10 Funds

SECTION 15. Said chapter 10 of the General Laws is hereby amended by inserting after section 35LLL, as inserted by section 4 of chapter 273 of the acts of 2018, the following 3 sections:-

Section 35MMM. There shall be established and set up on the books of the commonwealth a Public School Regionalization Fund, which shall be administered by the department of elementary and secondary education. The fund shall be credited with:

- (i) any appropriations, bond proceeds or other monies authorized or transferred by the general court and specifically designated to be credited to the fund;
- (ii) gifts, grants and other private contributions designated to be credited to the fund;
- (iii) all other amounts credited or transferred to the fund from any other fund or source; and
- (iv) interest or investment earnings on any such monies.

Amounts credited to the fund may be expended by the commissioner of elementary and secondary education, without further appropriation, for grants and contracts pursuant to section 16D of chapter 71.

The unexpended balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund to become deficient at any point.

Section 35NNN. There shall be established and set up on the books of the commonwealth a Public School Turnaround Fund, which shall be administered by the department of elementary and secondary education. The fund shall be credited with:

- (i) any appropriations, bond proceeds or other monies authorized or transferred by the general court and specifically designated to be credited to the fund;
- (ii) gifts, grants and other private contributions designated to be credited to the fund;
- (iii) all other amounts credited or transferred to the fund from any other fund or source; and
- (iv) interest or investment earnings on any such monies.

Amounts credited to the fund may be expended by the commissioner of elementary and secondary education, without further appropriation, for grants and contracts pursuant to section 8 of chapter 70.

The unexpended balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund to become deficient at any point.

Section 35OOO. There shall be established and set up on the books of the commonwealth a Childhood Lead Poisoning Prevention Trust Fund. The fund shall be administered by the commissioner of public health. The fund shall be credited with all revenue collected from the surcharge imposed by section 22 of chapter 482 of the acts of 1993, as amended by section 154 of chapter 184 of the Acts of 2002 and by revenue transferred from the lead paint education and training trust account. The fund shall be used for the operation of the childhood lead poisoning prevention program, including but not limited to production and dissemination of educational materials pertaining to lead paint poisoning prevention and treatment issues, as required by sections 192B and 197A of chapter 111, and for training of lead paint inspectors as well as homeowner training for those aspects of lead paint abatement or containment which the department of public health, through regulations, authorizes homeowners to perform themselves. Amounts credited to the fund shall not be subject to further appropriation and money remaining in the fund at the close of a fiscal year shall not revert to the General Fund and shall be available for expenditure in subsequent fiscal years.

Summary:

This section establishes a Public School Regionalization Fund and a Public School Turnaround Fund as part of the Governor's School Finance Reform proposal. The section also establishes a trust fund for the Childhood Lead Poisoning Prevention Program.

Section 16 - Excise on Vapor Products and E-cigarettes 3

SECTION 16. Section 6 of chapter 14 of the General Laws, as so appearing, is hereby amended by inserting after the word "cigar", in lines 93 and 94, each time it appears, the following words:- or vapor product.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 17 - HR Consolidation 1

SECTION 17. Section 2 of chapter 21A of the General Laws is hereby amended by adding the following 2 sentences:- The secretary shall, notwithstanding any general or special law to the contrary, identify and consolidate administrative activities and functions common to the separate offices, departments and divisions within the office and may designate such functions "core administrative functions" in order to improve administrative efficiency and preserve fiscal resources. Common functions that shall be designated core administrative functions shall include, but shall not be limited to, human resources, including payroll processing, and information technology. All employees performing functions so designated shall be employed directly by the secretary, and the office shall function as a single state agency for purposes of carrying out the functions so designated.

Summary:

This section, with HR Consolidation 2, enables the Executive Office of Energy and Environmental Affairs to provide centralized information technology, HR and payroll services to the agencies within EEA.

Section 18 - RGGI I

SECTION 18. Paragraph (1) of subsection (c) of section 22 of chapter 21A of the General Laws, as so appearing, is hereby amended by striking out clause (iv), and inserting in place thereof the following clause:- (iv) to promote energy efficiency, conservation, demand response, greenhouse gas mitigation and climate change adaptation in a manner that considers the costs and benefits of such programs; and.

Summary:

This section amends the statute governing MA's participation in the Regional Greenhouse Gas Initiative ("RGGI") program to expand the purposes for which RGGI revenues can be spent, to include "greenhouse gas mitigation and climate change adaptation."

Section 19 - Gaming Revenue 1

SECTION 19. Clause (2) of section 59 of chapter 23K of the General Laws, as amended by section 24 of chapter 154 of the acts of 2018, is hereby further amended by striking out subclause (j) and inserting in place thereof the following subclause:-

(j) 15 per cent to the Commonwealth Transportation Fund established pursuant to section 2ZZZ of chapter 29;.

Summary:

This section alters the current statutory framework for Category 1 gaming revenue in order to dedicate 15% of Category 1 gaming revenue to the Commonwealth Transportation Fund as opposed to the Transportation Infrastructure and Development Fund that currently exists in the gaming statute.

Section 20 - RGGI II

SECTION 20. Subsection (a) of section 19 of chapter 25 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out, in lines 13 to 19, the words "cap and trade pollution control programs, including, but not limited to, and subject to section 22 of chapter 21A, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, as defined in subsection (a) of section 22 of chapter 21A, and the NOx Allowance Trading Program; and (3)".

Summary:

This section eliminates an existing restriction regarding the allocation of RGGI Trust Fund revenues in order to maximize their use on programs to further greenhouse gas mitigation and climate change adaptation.

Section 21 - Authorization to Insure Commonwealth Property

SECTION 21. Section 30 of chapter 29 of the General Laws, as so appearing, is hereby amended by adding the following sentence:-

Notwithstanding the foregoing sentence, the executive office for administration and finance may, in consultation with the Massachusetts emergency management agency, approve a state agency request for permission to insure a property of the commonwealth that has been damaged if the costs of repair for the property are eligible under a presidentially declared disaster and the state agency would otherwise be ineligible for federal reimbursement unless insurance is obtained and maintained.

Summary:

This section creates a limited exception to the blanket prohibition in state finance law that "no officer or board shall insure property of the commonwealth without special authority of law." This exception would allow A&F, in consultation with MEMA, to approve a state agency request to procure insurance on damaged property if the costs are eligible under a presidential disaster declaration, and if not having insurance would preclude federal reimbursement.

Section 22 - Sick Leave Buyback 1

SECTION 22. Section 31A of said chapter 29, as so appearing, is hereby amended by adding the following 2 subsections:-

(e) No employee of the commonwealth shall accrue more than 1,000 hours of unused sick leave credits.

(f) No employee of a public institution of higher education listed in section 5 of chapter 15A shall accrue more than 1,000 hours of unused sick leave credits.

Summary:

This section along with three others limits the accrual of unused sick time to 1,000 hours for executive branch and public higher education employees. It also freezes the accrual of sick time for any employee who has already accrued more than 1,000 hours.

Section 23 - GIC Balance Billing Protections

SECTION 23. Section 20 of chapter 32A of the General Laws, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words, "as an indemnity plan."

Summary:

This section expands the balance billing protections currently available to members of Group Insurance Commission indemnity plans to all of the plans offered through the Group Insurance Commission. This change would prevent providers from billing GIC members the balance of costs for which they are not reimbursed by the health plan.

Section 24 - Excise on Vapor Products and E-cigarettes 4

SECTION 24. Section 16 of chapter 62C of the General Laws, as so appearing, is hereby amended by inserting after the word "cigars", in lines 35 and 40, each time it appears, the following words:- , vapor products.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products. This section requires retailers of vapor products to file a return on the same days as a cigar retailer.

Section 25 - Sales Tax Modernization 1

SECTION 25. Said section 16 of said chapter 62C, as so appearing, is hereby amended by striking out the word "twenty", in lines 74 and 82, and inserting in place thereof, each time it appears, the following figure:- 30.

Summary:

This section allows the Department of Revenue to require that vendors file returns for the sales and use tax, the local option meals excise, and the room occupancy tax within 30 days after the relevant filing period.

Section 26 - Sales Tax Modernization 2

SECTION 26. Said chapter 62C is hereby amended by inserting after section 16A the following section:-

Section 16B. With respect to returns required to be filed under subsections (g) and (h) of section 16, the commissioner, notwithstanding the due date of the return or payment date as set forth in said section 16, or any other provision of law, may promulgate regulations requiring a preliminary remittance of tax collected on account of each tax period prior to the due date of the applicable return, provided that such regulations shall apply only to operators whose cumulative liability in the previous 12 month period with respect to returns filed under subsection (g) is more than \$100,000, or to vendors whose cumulative liability in the previous 12 month period with respect to returns filed under subsection (h) is more than \$100,000.

The commissioner may by regulation provide the manner and conditions under which such preliminary remittances shall be made, including the determination of the particular groups of vendors from whom preliminary remittances are required.

If any person required by this section or by regulation of the commissioner to make such a preliminary remittance fails to make such payment on or before the date prescribed therefor, there shall be imposed upon such person a penalty of 5 per cent of the amount of the underpayment, unless it is shown that such failure is due to reasonable cause and not to willful neglect. For purposes of this paragraph, the term "underpayment" means the excess of the amount of the preliminary remittance required to be so made over the amount, if any, paid on or before the date prescribed therefor.

Summary:

This section permits the Commissioner of Revenue to require vendors to remit an initial payment of the sales and use tax, the local option meals excise, and room occupancy tax, but exempts vendors who collected \$100,000 or less of those taxes in the previous year from such a requirement.

Section 27 - Sales Tax Integrity

SECTION 27. Said chapter 62C is hereby further amended by inserting after section 35E the following section:-

Section 35F.

(a) The following words as used in this section shall, unless the context otherwise requires, have the following meaning:

(1) "Automated sales suppression device" or "zapper", a software program, carried on a memory stick or removable compact disc, accessed through an Internet link, or accessed through any other means, that falsifies the electronic records of electronic cash registers and other point-of-sale systems, including, but not limited to, transaction data and transaction reports.

(2) "Phantom-ware", a hidden, preinstalled, or installed at a later time programming option embedded in the operating system of an electronic cash register or hardwired into the electronic cash register that can be used to create a virtual second till or may eliminate or manipulate transaction records that may or may not be preserved in digital formats to represent the true or manipulated record of transactions in the electronic cash register.

(b) Any person who sells, offers for sale, purchases, installs, transfers, maintains or repairs, or possesses in the commonwealth any automated sales suppression device or zapper or phantom-ware, shall, in addition to any other penalty provided by this chapter, be subject to a civil penalty of not more than \$10,000 for the first offense, or \$25,000 in the case of a seller, and not more than \$25,000 for each subsequent offense, or \$50,000 in the case of a seller. Such penalty shall be paid upon notice by the commissioner and shall be assessed and collected in the same manner as a tax.

Summary:

This section imposes civil penalties on those who sell or install "zapper" software, which is software that falsifies the electronic records of electronic cash registers and other point-of-sale systems.

Section 28 - Excise on Vapor Products and E-cigarettes 5

SECTION 28. Section 67 of said chapter 62C, as so appearing, is hereby amended by inserting after the word "cigar", in lines 7, 8, 23, 33, 35, 49, 65 and 68, each time it appears, the following words:- or vapor product.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 29 - Excise on Vapor Products and E-cigarettes 6

SECTION 29. Section 68 of said chapter 62C, as so appearing, is hereby amended by inserting after the word "cigar", in line 45, the following words:- or vapor product.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 30 - Gross Receipts Tax on Opioid Manufacturers 1

SECTION 30. The General Laws are hereby amended by inserting after chapter 63B the following chapter:-

Chapter 63C. Excise on manufacture and sale of certain opioids for distribution in the commonwealth

Section 1. "Commissioner", the commissioner of revenue.

"Gross receipts", receipts from sales made by a person to a purchaser that is not a related party. In the case of sales to a related party or parties for subsequent resale to an unrelated buyer, the gross receipts are the amount paid for the product by the first unrelated buyer.

"Opioid", any product included in the pharmacological class category of full opioid agonist, opioid agonist or partial opioid agonist in the National Drug Code (NDC) Directory NDC Product File, except for products approved by the U.S. Food and Drug Administration for the treatment of opioid use disorder.

"Person", any natural person or legal entity.

"Related parties", an entity that belongs to the same affiliated group as the person under section 1504 of the Internal Revenue Code, as amended and in effect for the taxable year, or if the entity and the person are otherwise commonly owned and controlled.

Section 2. Any person who manufactures opioids and sells such products, directly or through another person, for distribution in the commonwealth shall pay an excise of 15 per cent of its gross receipts from such sales; provided, however, that gross receipts subject to the excise under this section shall be limited to the sales of opioids that are ultimately dispensed in the commonwealth pursuant to a valid prescription issued under section 18 of chapter 94C.

Section 3. The excise under section 2 shall apply only to persons who maintain a place of business in the commonwealth or whose total sales of all products, directly or through another person, for distribution in the commonwealth are more than \$25,000 in the calendar quarter to which the excise under section 2 otherwise would apply, or in the case of the 6 months ending December 31, 2019, more than \$50,000 for such 6 month period.

Section 4. (a) Any person subject to the excise under section 2 shall file a return with the commissioner and shall pay such excise by the fifteenth day of the third month following the end of each calendar quarter. Such return shall set out the person's total sales subject to excise in the immediately preceding calendar quarter and shall provide such other information as the commissioner may require.

(b) Each person subject to the excise under section 2 shall provide to the commissioner annually, on or before June 1st, a report detailing all opioids sold, directly or through another person, for distribution in the commonwealth in the prior calendar year. Such report shall include:

(i) the person's name, address, phone number, federal Drug Enforcement Administration (DEA) registration number and controlled substance registration number issued by the department;

(ii) the name and NDC of the opioid;

(iii) the unit of measure and quantity of the opioid;

(iv) the name, address and DEA registration number of the first unrelated buyer of the opioid;

(v) the date of the sale of the opioid;

(vi) whether the opioid was ultimately dispensed in the commonwealth pursuant to a valid prescription issued under section 18 of chapter 94C;

(vii) the gross receipt total, in dollars, of all opioids sold;

(viii) the gross receipt total, in dollars, and quantity by NDC of all opioids ultimately dispensed in the commonwealth pursuant to a valid prescription issued under section 18 of chapter 94C; and

(ix) any other elements required by the commissioner.

Section 5. The excise imposed under this chapter shall be in addition to, and not a substitute for or credit against any other tax or excise imposed under the General Laws.

Section 6. The commissioner may disclose information contained in returns and reports filed under this chapter to the department of public health for purposes of verifying that the appropriate amount of a filer's sales subject to excise are properly declared and that all reporting is otherwise correct. Return and report information so disclosed shall remain confidential and shall not be public record.

Section 7. To the extent that a person subject to excise under section 2 fails to pay amounts due under this chapter, a related party of such person that directly or indirectly distributes the opioid of such person in the commonwealth shall be jointly and severally liable for the excise due.

Section 8. The commissioner may promulgate regulations or issue other guidance for the implementation of this chapter.

Summary:

These sections impose a gross receipts tax of 15% on the revenues of opioid manufacturers from the sale of their opioid products. Revenues associated with drugs used for medication assisted treatment and those used in inpatient settings are exempted from the tax.

Section 31 - Excise on Vapor Products and E-cigarettes 7

SECTION 31. Section 1 of chapter 64C of the General Laws, as amended by section 1 of chapter 157 of the acts of 2018, is hereby further amended by inserting after the word "cigarette", in line 7, the following words:- , vapor products, as defined in section 7B,.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 32 - Smokeless Tobacco Stamping

SECTION 32. Said section 1 of said chapter 64C, as so amended, is hereby further amended by striking out the last sentence.

Summary:

This section requires the Department of Revenue to issue regulations for the stamping of smokeless tobacco.

Section 33 - Excise on Vapor Products and E-cigarettes 8

SECTION 33. Said chapter 64C of the General Laws, as so appearing, is hereby amended by striking out section 7B and inserting in place thereof the following section:-

Section 7B. (a) As used in this section the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Cigar", any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco; provided, however, that cigar shall not include any roll of tobacco that is a cigarette as defined in section 1.

"Cigar or vapor product distributor", (i) any person who imports, or causes to be imported, into the commonwealth cigars, smoking tobacco or vapor products for sale or who manufactures cigars, smoking tobacco or vapor products in the commonwealth, and (ii) any person within or without the commonwealth who is authorized by the commissioner to make returns and pay the excise on cigars, smoking tobacco or vapor products sold, shipped or delivered by him to any person in the commonwealth.

"Cigar or vapor product retailer", any person who sells or furnishes cigars, smoking tobacco or vapor products to consumers for individual use; provided, however, said cigars, smoking tobacco or vapor products shall not be used for the purpose of resale.

"Electronic cigarette", any electronic device, whether for one-time use or reusable, that can be used to deliver nicotine or other substances to the person inhaling from the device, including electronic cigars, electronic cigarillos, electronic pipes, electronic nicotine delivery vaping pens, hookah pens or other similar devices that rely on vaporization or aerosolization; provided, however, that "electronic cigarette" includes any component, part or accessory of a device that is used during the operation of the device, even if sold separately; provided further, however, that "electronic cigarette" shall not include a product that has been approved by the United States Food and Drug Administration for the sale of or use as a tobacco cessation product and is marketed and sold exclusively for the approved purpose.

"Person", a natural person, corporation, association, partnership or other legal entity.

"Smoking tobacco", roll-your-own tobacco and pipe tobacco and other kinds and forms of tobacco suitable for smoking.

"Taxed cigars, smoking tobacco or vapor products", cigars, smoking tobacco or vapor products upon which the excise has been paid in full by the date on which payment is due, and with respect to which the return has been completed, signed and filed with the commissioner by the date on which the return is due, in accordance with this section and with section 16 of chapter 62C.

"Untaxed cigars, smoking tobacco or vapor products", cigars, smoking tobacco or vapor products upon which the excise has not been paid in full by the date on which payment is due, or with respect to which the return has not been completed, signed and filed with the commissioner by the date on which the return is due, in accordance with this section and with section 16 of chapter 62C.

"Vapor product", any noncombustible liquid or gel containing nicotine that is manufactured into a finished product for use in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic nicotine delivery vaping pen, hookah pen or other similar device that relies on vaporization or aerosolization; provided, however, that "vapor product" shall not include a product that has been approved by the United States Food and Drug Administration for the sale of or use as a tobacco cessation product and is marketed and sold exclusively for the approved purpose.

"Wholesale price", (i) in the case of a manufacturer of cigars, smoking tobacco or vapor products, the price set for such products or, if no price has been set, the wholesale value of these products; (ii) in the case of a cigar or vapor products distributor who is not a manufacturer of cigars, smoking tobacco or vapor products, the price at which the cigar or vapor product distributor purchased these products; or (iii) in the case of a cigar or vapor product retailer or a consumer, the price at which he purchased these products.

(b) An excise shall be imposed on all cigars, smoking tobacco and vapor products held in the commonwealth at the rate of 40 per cent of the wholesale price of such products. This excise shall be imposed on cigar or vapor product distributors at the time cigars, smoking tobacco or vapor products are manufactured, purchased, imported, received or acquired in the commonwealth. This excise shall not be imposed on any cigars, tobacco products or vapor products that (i) are exported from the commonwealth; or (ii) are not subject to taxation by the commonwealth pursuant to any law of the United States.

(c) Every cigar or vapor product retailer shall be liable for the collection of the excise on all cigars, smoking tobacco or vapor products in his possession at any time, upon which the excise has not been paid by a cigar or vapor product distributor, and the failure of any cigar or vapor product retailer to produce or exhibit to the commissioner or his authorized representative, upon demand, an invoice by a cigar or vapor product distributor for any cigars, smoking tobacco or vapor products in his possession, shall be presumptive evidence that the excise thereon has not been paid and that such cigar or vapor product retailer is liable for the collection of the excise thereon.

(d) The amount of the excise advanced and paid by a cigar or vapor product distributor or cigar or vapor product retailer, as provided in this section, shall be added to and collected as part of, the sales price of the cigars, smoking tobacco or vapor products.

(e)(1) A cigar or vapor product distributor shall be liable for the payment of the excise on cigars, smoking tobacco or vapor product that he imports or causes to be imported into the commonwealth or that he manufactures in the commonwealth, and every cigar or vapor product distributor authorized by the commissioner to make returns and pay the excise on cigars, smoking tobacco or vapor products sold, shipped or delivered by him to any person in the commonwealth shall be liable for the collection and payment of the excise on all cigars, smoking tobacco and vapor products sold, shipped or delivered.

(2) Every person who does not acquire untaxed cigars, smoking tobacco or vapor products, but acquires taxed cigars, smoking tobacco or vapor products for sale at retail, shall not be licensed as a cigar or vapor product distributor under this section, but shall be required, during the period that such person is a retailer of taxed cigars, smoking tobacco or vapor products, to be licensed as a cigar or vapor product retailer.

(f) A person outside the commonwealth who ships or transports cigars, smoking tobacco or vapor products to cigar or vapor product retailers in the commonwealth, to be sold by those cigar or vapor product retailers, shall apply for a license as a nonresident cigar or vapor product distributor and, if the commissioner issues such a license to him, he shall thereafter be subject to all the provisions of this section and be entitled to act as a cigar or vapor product distributor, provided he files proof with his application that he has appointed the state secretary as his agent for service of process relating to any matter or issue arising under this section. Such a nonresident person shall also agree to submit his books, accounts and records for examination in the commonwealth during reasonable business hours by the commissioner or his authorized representative.

(g) Every resident of the commonwealth shall be liable for the collection of the excise on all cigars, smoking tobacco or vapor products in his possession at any time, upon which the excise has not been paid by a cigar or vapor product distributor or cigar or vapor product retailer, and the failure of any such consumer to produce or exhibit to the commissioner or his authorized representative, upon demand, an invoice or sales receipt by a cigar or vapor product distributor or cigar or vapor product retailer for any cigars, smoking tobacco or vapor products in his possession, shall be presumptive evidence that the excise thereon has not been paid and that such consumer is liable for the collection of the excise thereon.

(h) No person shall act as a cigar or vapor product distributor or cigar or vapor product retailer in the commonwealth unless licensed to do so in accordance with section 67 of chapter 62C. If a cigar or vapor product distributor or cigar or vapor product retailer acts in more than 1 of said capacities at any 1 place of business, he shall procure a license for every capacity in which he acts, unless, upon application to the commissioner, the commissioner determines otherwise. Each license so issued or a duplicate copy thereof shall be prominently displayed on the premises covered by the license.

(i) Except as this section expressly provides to the contrary, the provisions of this chapter and of chapter 62C relative to the assessment, collection, payment, abatement, verification and administration of taxes, including penalties, shall so far as pertinent, apply to the excise tax imposed by this section.

(j) For the purposes of section 5, cigars, smoking tobacco and vapor products shall be tobacco products, cigar or vapor product distributors shall be wholesalers and cigar or vapor product retailers shall be retailers.

(k) For the purposes of section 8, untaxed cigars, smoking tobacco or vapor products found in the commonwealth shall be cigarettes, which have not been returned and are not returnable under section 16 of chapter 62C or section 6 as the context requires.

(l)(1) Any person who sells, offers for sale or possesses with intent to sell any cigars, smoking tobacco or vapor products or otherwise acts as a cigar or vapor product distributor or cigar or vapor product retailer without being licensed so to do, shall, in addition to any other penalty provided by this chapter or chapter 62C, be subject to a civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for each subsequent offense. Any person who knowingly purchases or possesses any cigars, smoking tobacco or vapor products not manufactured, purchased or imported by a licensed cigar or vapor product distributor or licensed cigar or vapor product retailer shall, in addition to any other penalty provided by this chapter or chapter 62C, be subject to a civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for each subsequent offense.

No person, either as principal or agent, shall sell or solicit orders for cigars, smoking tobacco or vapor products to be shipped, mailed or otherwise sent or brought into the commonwealth to any person not a licensed cigar or vapor product distributor or licensed cigar or vapor product retailer, unless the same is to be sold to or through a licensed cigar or vapor product distributor or licensed cigar or vapor product retailer. Any person who knowingly violates this provision shall, in addition to any other penalty provided by this chapter or chapter 62C, be subject to a civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for each subsequent offense.

It shall be presumed that the cigars, smoking tobacco or vapor products are subject to the excise until the contrary is established and the burden of proof that they are not shall be upon the person on whose premises the cigars, smoking tobacco or vapor products were found.

(2) Any person who knowingly has in his possession a shipping case or other container of cigars, smoking tobacco or vapor products not bearing the name and address of the person receiving the cigars, smoking tobacco or vapor products from a manufacturer or such other markings as the commissioner may prescribe and any person knowingly in possession of such a shipping case or other container of cigars, smoking tobacco or vapor products from which this name and address has been erased or defaced shall, in addition to any other penalty provided by this chapter or chapter 62C, be subject to a civil penalty of not more than \$5,000 for the first offense or not more than \$25,000 for each subsequent offense.

(3) Any person who files any false return, affidavit, or statement, or who violates any provision of this section for which no other penalty has been provided shall, in addition to any other penalty provided by this chapter or chapter 62C, be subject to a civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for each subsequent offense.

(4) Whenever the commissioner or a police officer discovers, in the possession of any person not being a licensed cigar or vapor product distributor or one authorized by the commissioner, any untaxed cigars, smoking tobacco or vapor products, he may seize and take possession of those cigars, smoking tobacco or vapor products, together with any vending machine or other receptacle, which shall include, without limitation, a motor vehicle, boat or airplane, in which they are contained or in which they are transported. Such cigars, smoking tobacco, vapor products, vending machine or other receptacle seized by a police officer shall be turned over to the commissioner and shall be forfeited to the commonwealth. The commissioner shall destroy such cigars, smoking tobacco or vapor products and shall destroy or otherwise dispose of such vending machine or other receptacle. The commissioner may, within a reasonable time after the seizure, by a public notice at least 5 days before the day of sale, sell the vending machine or other receptacle at public sale and deposit the proceeds in the General Fund.

(5) The state police and all local police authorities may, and at the request of the commissioner or his duly authorized agent shall, enforce this section. Each violation of this section shall be a separate offense.

(m)(1) Marijuana products, as defined in chapter 94G, shall not be subject to the excise under this section.

(2) Where a vapor product is packaged with an electronic cigarette or other product, the excise under this section shall apply to the total wholesale price.

(n)The commissioner may promulgate regulations to implement this section.

Summary:

This section extends the current 40% excise imposed on cigars and smoking tobacco to vapor products, and applies the current regulatory regime for other tobacco products to vapor products.

Section 34 - Sales Tax Treatment of Marketplace Vendors 1

SECTION 34. Chapter 64H of the General Laws, as so appearing, is hereby amended by striking out section 1 and inserting in place thereof the following section:-

"Business", any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit or advantage, either direct or indirect.

"Commissioner", the commissioner of revenue.

"Engaged in business", commencing, conducting or continuing in business, as well as liquidating a business when the liquidator thereof holds himself out to the public as conducting such a business.

"Engaged in business in the commonwealth", (i) having a business location within the commonwealth; (ii) regularly or systematically soliciting orders for the sale of services to be performed within the commonwealth or for the sale of tangible personal property for delivery to destinations in the commonwealth; (iii) otherwise exploiting the retail sales market within the commonwealth through any means whatsoever, including, but not limited to, (a) salesmen, solicitors or representatives within the commonwealth, (b) catalogs or other solicitation materials sent through the mails or otherwise, (c) billboards, advertising or solicitations in newspapers, magazines, radio or television broadcasts, (d) computer networks or in any other communications medium, including through the means of an Internet website, software or cookies distributed or otherwise placed on customers' computers or other communications devices, or a downloaded app; (iv) regularly engaged in the delivery of property or the performance of services within the commonwealth; or (v) otherwise availing oneself of the substantial privilege of carrying on business within the commonwealth, including through virtual or economic contacts. A person shall be considered to have a business location within the commonwealth only if such person (i) owns or leases real property within the commonwealth; (ii) has one or more employees located within the commonwealth; (iii) regularly maintains a stock of tangible personal property within the commonwealth for sale in the ordinary course of business; or (iv) regularly leases out tangible personal property for use within the commonwealth. For the purposes of this paragraph, property on consignment in the hands of a consignee and offered for sale by the consignee on his own account shall not be considered as stock maintained by the consignor; a person having a business location within the commonwealth solely by reason of regularly leasing out tangible personal property shall be considered to have a business location within the commonwealth only with respect to such leased property; and an employee shall be considered to be located within the commonwealth if (a) his service is performed entirely within the commonwealth or (b) his service is performed both within and without the commonwealth but in the performance of his services he regularly commences his activities at, and returns to, a place within the commonwealth. "Within the commonwealth" means within the exterior limits of the commonwealth of Massachusetts, and includes all territory within said limits owned by, or leased or ceded to, the United States of America. This provision shall be construed to the fullest extent of the U.S. Constitution unless otherwise limited by state law.

"Gross receipts", the total sales price received by a vendor as a consideration for retail sales.

"Home service provider", the facilities-based carrier or reseller with which the retail customer contracts for the provision of mobile telecommunications service.

"Marketplace", a physical or electronic forum, including a shop, a store, a booth, a television or radio broadcast, an Internet web site, a catalogue, or a dedicated sales software application, where the tangible personal property or services of a marketplace seller is offered for sale, regardless of whether, in the case of tangible personal property, such property is physically located in the commonwealth.

"Marketplace facilitator", a person that contracts with one or more marketplace sellers to facilitate for a consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's tangible personal property or services through a marketplace operated by the person, and engages: (a) directly or indirectly, through one or more related persons, in any of the following: (i) transmitting or otherwise communicating the offer or acceptance between the buyer and the seller; (ii) owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together; (iii) providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or (iv) software development or research and development activities related to any of the activities described in subsection (b), if such activities are directly related to a physical or electronic marketplace operated by the person or a related person; and (b) in any of the following activities with respect to the seller's products: (i) payment processing services; (ii) fulfillment or storage

services; (iii) listing products for sale; (iv) setting prices; (v) branding sales as those of the marketplace facilitator; (vi) order taking; (vii) advertising or promotion; or (viii) providing customer service or accepting or assisting with returns or exchanges; provided, however, that a marketplace facilitator may also be a marketplace seller. The commissioner may issue regulations or other guidance to further explain the definition of a marketplace facilitator, which guidance may in some circumstances limit the application of the term as it might otherwise apply.

"Marketplace seller", a person that makes retail sales through a marketplace operated by a marketplace facilitator; provided, however, that a marketplace seller may also be a marketplace facilitator.

"Mobile telecommunications service", commercial mobile radio service, as defined in section 20.3 of title 47 of the Code of Federal Regulations as in effect on June 1, 1999.

"Motion picture", a feature-length film, a video, a digital media project, a television series defined as a season not to exceed 27 episodes, or a commercial made in the commonwealth, in whole or in part, for theatrical or television viewing or as a television pilot. The term "motion picture" shall not include a production featuring news, current events, weather and financial market reports, talk show, game show, sporting events, awards show or other gala event, a production whose sole purpose is fundraising, a long-form production that primarily markets a product or service, or a production containing obscene material or performances.

"Motion picture production company", a company including any subsidiaries engaged in the business of producing motion pictures, videos, television series, or commercials intended for a theatrical release or for television viewing. The term "motion picture production company" shall not mean or include any company which is more than 25 per cent owned, affiliated, or controlled, by any company or person which is in default on a loan made by the commonwealth or a loan guaranteed by the commonwealth.

"Person", an individual, partnership, trust or association, with or without transferable shares, joint-stock company, corporation, society, club, organization, institution, estate, receiver, trustee, assignee, or referee, and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals acting as a unit.

"Place of primary use", the street address representative of where the customer's use of the mobile telecommunications service primarily occurs, which shall be the residential street address or the primary business address of the customer and which shall be within the licensed service area of the home service provider. The place shall be determined in accordance with 4 U.S.C. sections 121 and 122.

"Prepaid calling arrangement", the right to exclusively purchase telecommunications services, that shall be paid for in advance and enables the origination of the calls using an access number or authorization code, whether manually or electronically dialed.

"Purchaser", a person who purchases tangible personal property or services the receipts from the retail sale of which are taxable under this chapter and includes a buyer, vendee, lessee, licensee, or grantee.

"Remote marketplace facilitator", a market facilitator that is "engaged in business in the commonwealth" only pursuant to subsections (iii)(b)-(d) and (v) of such definition.

"Remote retailer", a retailer, including a marketplace seller or marketplace facilitator, that is "engaged in business in the commonwealth" only pursuant to subsections (iii)(b)-(d) and (v) of such definition.

"Retailer", includes (i) every person, including a marketplace seller, engaged in the business of making sales at retail; (ii) every person engaged in the making of retail sales at auction of tangible personal property whether owned by such person or others; (iii) every marketplace facilitator engaged in facilitating retail sales of tangible personal property or services, irrespective of whether such tangible personal property is owned by the facilitator or a marketplace seller and irrespective of whether such services are performed by the facilitator or a marketplace seller; (iv) every person, including a marketplace seller or marketplace facilitator, engaged in the business of making sales for storage, use or other consumption, or in the business of making sales at auction of tangible personal property whether owned by such person or others for storage, use or other consumption; (v) every salesman, representative, peddler or canvasser who, in the opinion of the commissioner, it is necessary to regard for the efficient administration of this chapter as the agent of the dealer, distributor, supervisor or employer under whom he operates or from whom he obtains the tangible personal property sold by him, in which case the commissioner may treat and regard such agent as the retailer jointly responsible with his principal, employer or supervisor for the collection and payment of the tax imposed by this

chapter; and (vi) the commonwealth, or any political subdivision thereof, or their respective agencies when such entity is engaged in making sales at retail of a kind ordinarily made by private persons. "Retail establishment", any premises in which the business of selling services or tangible personal property is conducted, or, in or from which any retail sales are made.

"Sale" and "selling" include (i) any transfer of title or possession, or both, exchange, barter, lease, rental, conditional or otherwise, of tangible personal property or the performance of services for a consideration, in any manner or by any means whatsoever; (ii) the producing, fabricating, processing, printing or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing or imprinting; (iii) the furnishing and distributing of tangible personal property or services for a consideration by social clubs and fraternal organizations to their members or others; (iv) a transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price; (v) a transfer for a consideration of the title or possession of tangible personal property which has been produced, fabricated or printed to the special order of the customer, or of any publication; (vi) the furnishing of information by printed, mimeographed or multigraphed matter, or by duplicating written or printed matter in any other manner, including the services of collecting, compiling or analyzing information of any kind or nature and furnishing reports thereof to other persons, but excluding the furnishing of information which is personal or individual in nature and which is not or may not be substantially incorporated in reports furnished to other persons, and excluding the services of advertising or other agents, or other persons acting in a representative capacity, and information services used by newspapers, radio broadcasters and television broadcasters in the collection and dissemination of news and excluding the furnishing of information by photocopy or other similar means by not for profit libraries which are recognized as exempt from taxation under section 501(C)(3) of the Federal Internal Revenue Code; (vii) the performance of services for a consideration, excluding (a) services performed by an employee for his employer whether compensated by salary, commission, or otherwise, (b) services performed by a general partner for his partnership and compensated by the receipt of distributive shares of income or loss from the partnership; and (c) the performance of services for which the provider is compensated by means of an honorarium, or fee paid to any person or entity registered under 15 USC 80b-3 or 15 USC 78q-1 for services the performance of which require such registration, for services related thereto or for trust, custody, and related cash management and securities services of a trust company as defined in chapter 172; (viii) a sale within the meaning of subsections (i)-(vi) facilitated by a marketplace facilitator.

"Sale at retail" or "retail sale", a sale of services or tangible personal property or both for any purpose other than resale in the regular course of business. When tangible personal property is physically delivered by an owner, a former owner thereof, a factor, or an agent or representative of the owner, former owner or factor, to the ultimate purchaser residing in or doing business in the commonwealth, or to any person for redelivery to the purchaser, pursuant to a retail sale made by a vendor not engaged in business in the commonwealth, the person making or effectuating the delivery shall be considered the vendor of that property, the transaction shall be a retail sale in the commonwealth by the person and that person, if engaged in business in the commonwealth, shall include the retail selling price in its gross receipts, regardless of any contrary statutory or contractual terms concerning the passage of title or risk of loss which may be expressly or impliedly applicable to any contract or other agreement or arrangement for the sale, transportation, shipment or delivery of that property. That vendor shall include the retail selling price of the property in his gross receipts. The term "sale at retail" or "retail sale" shall not include (a) sales of tickets for admissions to places of amusement and sports; (b) sales of transportation services; (c) professional, insurance, or personal service transactions which involve no sale or which involve sales as inconsequential elements for which no separate charges are made; or (d) any sale in which the only transaction in the commonwealth is the mere execution of the contract of sale and in which the tangible personal property sold is not in the commonwealth at the time of such execution; provided, however, that nothing contained in this definition shall be construed to be an exemption from the tax imposed under chapter 64I. In the case of interstate telecommunication services other than mobile telecommunications services, the sale of such services shall be deemed a sale within the commonwealth if the telecommunication is either originated or received at a location in the commonwealth and the services are either paid for in the commonwealth or charged to a service address located in the commonwealth. In the case of interstate and intrastate mobile

telecommunications services, the sale of such services shall be deemed to be provided by the customer's home service provider and shall be considered a sale within the commonwealth if the customer's place of primary use is located in the commonwealth. To prevent actual multi-state taxation of any sale of interstate telecommunication service subject to taxation under this chapter, any taxpayer, upon proof that the taxpayer has paid a tax in another state on such sale, shall be allowed a credit against the tax imposed by this chapter to the extent of the amount of such tax properly due and paid in such other state. However, such credit shall not exceed the tax imposed by this chapter. In the case of the sale or recharge of prepaid calling arrangements, the sale or recharge of such arrangements shall be deemed to be within the commonwealth if the transfer for consideration physically takes place at a retail establishment in the commonwealth. In the absence of such physical transfer for consideration at a retail establishment, the sale or recharge shall be deemed a retail sale within the commonwealth if the customer's shipping address is in the commonwealth or, if there is no item shipped, if the customer's billing address or the location associated with the customer's mobile telephone number, as applicable, is in the commonwealth. For purposes of collection of the tax imposed by this chapter on such sales, such sale shall be deemed to occur on the date that the bill is first issued by the vendor in the regular course of its business; provided, however, in the case of prepaid calling arrangements, the sale shall be deemed to occur on the date of the transfer for consideration. For purposes of reporting the sale or recharge of prepaid calling arrangements, the sale or recharge of the arrangements shall be considered a taxable sale of tangible personal property unless the vendor is otherwise required to report sales of telecommunications services.

"Sales price", the total amount paid by a purchaser to a vendor as consideration for a retail sale, valued in money or otherwise. In determining the sales price, the following shall apply: (a) no deduction shall be taken on account of (i) the cost of property sold; (ii) the cost of materials used, labor or service cost, interest charges, losses or other expenses; (iii) the cost of transportation of the property prior to its sale at retail; (b) there shall be included (i) any amount paid for any services that are a part of the sale; and (ii) any amount for which credit is given to the purchaser by the vendor; and (c) there shall be excluded (i) cash discounts allowed and taken on sales; (ii) the amount charged for property returned by purchasers to vendors upon rescission of contracts of sale when the entire amounts charged therefor, less the vendors' established handling fees, if any, for such return of property, are refunded either in cash or credit, and when the property is returned within 90 days from the date of sale, and the entire sales tax paid is returned to the purchaser; provided, however, that where a motor vehicle is returned pursuant to a rescission of contract such motor vehicle must be returned within 180 days of the date of sale; (iii) the amount charged for labor or services rendered in installing or applying the property sold; (iv) the amount of reimbursement of tax paid by the purchaser to the vendor under this chapter; (v) transportation charges separately stated, if the transportation occurs after the sale of the property is made; (vi) the amount of the manufacturers' excise tax levied upon motor vehicles under section 4061(a) of the Internal Revenue Code of 1954 of the United States, as amended; and (vii) a "service charge" or "tip" that is distributed by a vendor to service employees, wait staff employees or service bartenders as provided in section 152A of chapter 149.

"Services", a commodity consisting of activities engaged in by a person for another person for a consideration; provided, however, that the term "services" shall not include activities performed by a person who is not in a regular trade or business offering such person's services to the public, and shall not include services rendered to a member of an affiliated group, as defined by section 1504 of the Internal Revenue Code, by another member of the same affiliated group that does not sell to the public the type of service provided to its affiliate; and provided further, that the term services shall be limited to telecommunications services; and provided further, that nothing herein shall exempt from tax sales of tangible personal property subject to tax under this chapter.

"Tangible personal property", personal property of any nature consisting of any produce, goods, wares, merchandise and commodities whatsoever, brought into, produced, manufactured or being within the commonwealth, but shall not include rights and credits, insurance policies, bills of exchange, stocks and bonds and similar evidences of indebtedness or ownership. For purposes of this chapter, "tangible personal property" shall include gas, electricity and steam. A transfer of standardized computer software, including but not limited to electronic, telephonic, or similar transfer, shall also be considered a transfer of tangible personal property. The commissioner may, by regulation, provide rules for apportioning tax in those instances in which software is transferred for use in more than one state.

"Tax", the excise tax imposed by this chapter.

"Taxpayer", any person required to make returns or pay the tax imposed by this chapter.

"Telecommunications services", any transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiberoptics, laser, microwave, radio, satellite or similar facilities but not including cable television. Telecommunications services shall be deemed to be services for purposes of this chapter and chapter 64I.

"Use of a service", enjoyment of the benefit of a service.

Summary:

These sections require online marketplace facilitators to collect and remit Massachusetts sales and use tax on behalf of vendors who sell their goods on the marketplace, provided the marketplace's sales to the Commonwealth exceed a threshold set by the Commissioner of the Department of Revenue.

These sections also subject remote sellers to the registration, collection, and remittance requirements of the sales and use tax if the remote seller's sales to the Commonwealth exceed a threshold set by the Commissioner.

Section 35 - Excise on Vapor Products and E-cigarettes 9

SECTION 35. Section 3A of said chapter 64H, as so appearing, is hereby amended by inserting after the word "cigars", in line 4, the following words:- , vapor products.

Summary:

These sections apply the current regulatory regime for other tobacco products to vapor products.

Section 36 - Sales Tax Treatment of Marketplace Vendors 2

SECTION 36. Said chapter 64H, as so appearing, is hereby amended by adding the following section:-

Section 34. (a) A remote retailer shall be subject to the registration, collection and remittance requirements of chapters 62C, 64H and 64I as a vendor if its sales within Massachusetts in the prior taxable year or the current taxable year exceed a threshold set by the commissioner in regulation, hereinafter called the Massachusetts sales threshold; provided, however, that the Massachusetts sales threshold shall not be less than \$100,000.

(b) In the case of a remote marketplace facilitator, the determination of Massachusetts sales shall include both the facilitator's direct sales and those sales facilitated on behalf of marketplace sellers. A remote marketplace facilitator that exceeds the Massachusetts sales threshold set by the commissioner must report all taxable sales made through such marketplace and collect and remit tax on all such sales, whether such sales are direct sales made on behalf of the marketplace facilitator or sales facilitated for a marketplace seller. Where the marketplace facilitator reports, collects and remits tax on behalf of a marketplace seller that is a remote retailer, such marketplace seller shall not be liable to report these sales and the sales shall not count towards such seller's Massachusetts sales threshold.

(c) The commissioner shall issue regulations and other guidance to further explain the sales and use tax rules that pertain to remote retailers. Such guidance shall include rules that further explain the requirements of said chapters 62C, 64H and 64I and as they pertain to marketplace sellers and marketplace facilitators, including rules that explain the rights and responsibilities of such sellers and facilitators with respect to one another. Such guidance may also include rules to aggregate the sales of related remote retailers with respect to the Massachusetts sales threshold.

Summary:

These sections require online marketplace facilitators to collect and remit Massachusetts sales and use tax on behalf of vendors who sell their goods on the marketplace, provided the marketplace's sales to the Commonwealth exceed a threshold set by the Commissioner of the Department of Revenue.

These sections also subject remote sellers to the registration, collection, and remittance requirements of the sales and use tax if the remote seller's sales to the Commonwealth exceed a threshold set by the Commissioner.

Section 37 - Sales Tax Treatment of Marketplace Vendors 3

SECTION 37. Section 1 of chapter 64I of the General Laws is hereby amended by striking out the first paragraph and inserting in place thereof the following:-

Section 1. As used in this chapter the following words shall have the following meanings:

The words "business", "commissioner", "engaged in business", "engaged in business in the commonwealth", "gross receipts", "marketplace", "marketplace facilitator", "marketplace seller", "person", "remote marketplace vendor", "remote retailer", "retailer", "retail establishment", "sale", "selling", "sale at retail" and "retail sale", "sales price", "services", "tangible personal property", "tax", "taxpayer", "telecommunications services", and "vendor", shall have the same meanings as in section 1 of chapter 64H.

Summary:

These sections require online marketplace facilitators to collect and remit Massachusetts sales and use tax on behalf of vendors who sell their goods on the marketplace, provided the marketplace's sales to the Commonwealth exceed a threshold set by the Commissioner of the Department of Revenue.

These sections also subject remote sellers to the registration, collection, and remittance requirements of the sales and use tax if the remote seller's sales to the Commonwealth exceed a threshold set by the Commissioner.

Section 38 - Sales Tax Treatment of Marketplace Vendors 4

SECTION 38. Section 4 of said chapter 64I is hereby amended by inserting after the word "vendor", in line 1, the following words:- , including a remote retailer,.

Summary:

These sections require online marketplace facilitators to collect and remit Massachusetts sales and use tax on behalf of vendors who sell their goods on the marketplace, provided the marketplace's sales to the Commonwealth exceed a threshold set by the Commissioner of the Department of Revenue.

These sections also subject remote sellers to the registration, collection, and remittance requirements of the sales and use tax if the remote seller's sales to the Commonwealth exceed a threshold set by the Commissioner.

Section 39 - Sales Tax Treatment of Marketplace Vendors 5

SECTION 39. Section 9 of said chapter 64I is hereby amended by inserting after the word "vendor", in line 1, following words:- including a remote retailer.

Summary:

These sections require online marketplace facilitators to collect and remit Massachusetts sales and use tax on behalf of vendors who sell their goods on the marketplace, provided the marketplace's sales to the Commonwealth exceed a threshold set by the Commissioner of the Department of Revenue. These sections also subject remote sellers to the registration, collection, and remittance requirements of the sales and use tax if the remote seller's sales to the Commonwealth exceed a threshold set by the Commissioner.

Section 40 - Excise on Vapor Products and E-cigarettes 10

SECTION 40. The General Laws are hereby amended by inserting after chapter 64N the following chapter:-

Chapter 64O.

TAXATION OF ELECTRONIC CIGARETTES

Section 1. As used in this chapter the following words shall have the following meanings:-

The words "engaged in business in the commonwealth", "person", "retail sale", "retailer", "sale", and "sales price", shall have the same meaning as in section 1 of chapter 64H.

"Commissioner", the commissioner of revenue.

"Electronic cigarette", any electronic device, whether for one-time use or reusable, that can be used to deliver nicotine or other substances to the person inhaling from the device, including electronic cigars, electronic cigarillos, electronic pipes, electronic nicotine delivery vaping pens, hookah pens or other similar devices that rely on vaporization or aerosolization; provided, however, that "electronic cigarette" includes any component, part or accessory of a device that is used during the operation of the device, even if sold separately; provided further, however, that "electronic cigarette" shall not include a product that has been approved by the United States Food and Drug Administration for the sale of or use as a tobacco cessation product and is marketed and sold exclusively for the approved purpose.

"Electronic cigarette retailer", any person who sells or furnishes electronic cigarettes at retail to consumers.

Section 2. An excise tax is hereby imposed upon the retail sale of electronic cigarettes by an electronic cigarette retailer at a rate of 13.75 per cent of the total sales price received by the electronic cigarette retailer as a consideration for the sale. The excise under this chapter shall be levied in addition to state tax imposed upon the sale of property or services as provided in section 2 of chapter 64H.

Section 3.

(a) Any electronic cigarette retailer engaged in business in the commonwealth shall register with the commissioner and shall file returns and pay the excise under section 2 to the commissioner at the time provided for filing a return required by section 16 of chapter 62C.

- (b) The excise in section 2 shall be collected by the electronic cigarette retailer from the purchaser at the time of the sale, in a manner similar to the tax imposed under section 2 of chapter 64H.
- (c) In the event that an electronic cigarette retailer fails to collect the tax from the retail purchaser, the purchaser of any electronic cigarette shall be jointly liable with the electronic cigarette retailer for the excise imposed under section 2, determined with respect to the sales price of electronic cigarettes purchased by such consumer from such retailer, provided that the purchaser receives the electronic cigarettes in the commonwealth or purchases the electronic cigarettes for use in the commonwealth. The purchaser shall pay such tax due to the commissioner in the manner of the tax imposed under section 2 of chapter 64I.

Section 4.

- (a) The excise imposed under this chapter shall not apply to sales made solely for resale, provided that the transaction qualifies as a sale for resale under section 8 of chapter 64H, and provided further that the purchaser provides the electronic cigarette retailer with a resale certificate as described in said section 8 of chapter 64H.
- (b) The excise imposed under this chapter shall not apply to sales made under the prescription of a physician.

Section 5. The commissioner may promulgate regulations or issue other guidance for the implementation of this chapter.

Summary:

This section imposes a 13.75% retail tax on electronic cigarettes.

Section 41 - Civil Motor Vehicle Citations 1

SECTION 41. Section 3 of chapter 90C of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out the first paragraph of clause (A)(4) and inserting in place thereof the following paragraph:-

A violator may contest responsibility for the infraction by making a signed request for a noncriminal hearing on the citation and mailing such citation, together with a \$25 court filing fee, to the registrar at the address indicated on the citation within 20 days of the citation. Notwithstanding any general or special law to the contrary, the registrar, in cooperation with the state comptroller, upon receipt of the \$25 court filing fee, shall cause the court filing fee to be transferred to the trial court department; provided, however, that the registrar may periodically retain an amount necessary to pay refunds of said fees for dispositions that result in findings of not responsible; and provided further that the registrar may retain an amount not greater than \$200,000 annually for personnel costs associated with the processing of those filing fees.

Summary:

This section and the subsequent section will facilitate the refund of the court filing fee that is paid when a motorist contests responsibility for a civil motor vehicle infraction, if the motorist is ultimately found not responsible after a clerk magistrate's hearing.

Section 42 - Civil Motor Vehicle Citations 2

SECTION 42. Said section 3 of said chapter 90C, as so appearing, is hereby further amended by inserting after the word "responsible", in line 85, the following words:- which shall be communicated to the registrar.

Summary:

This section and the previous section will facilitate the refund of the court filing fee that is paid when a motorist contests responsibility for a civil motor vehicle infraction, if the motorist is ultimately found not responsible after a clerk magistrate's hearing.

Section 43 - Laboratory Analysis of Cocaine

SECTION 43. Section 31 of chapter 94C of the General Laws, as most recently amended by chapter 69 of the acts of 2018, is hereby further amended by striking out clause (4) of paragraph (a) of Class B and inserting in place thereof the following clause:- (4) Coca leaves, and the salts, optical and geometric isomers and salts of isomers, excluding coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed; of cocaine, ecgonine, pseudococaine, allococaine and pseudoallococaine, their derivatives, their salts, isomers and salts of their isomers; or any compound, mixture, or preparation which contains any quantity of any of the substances referred to in this paragraph.

Summary:

Current law defines cocaine as coming from a plant, requiring the State Police lab to conduct a separate test to confirm that each sample of cocaine it analyzes is not synthetically produced. This section brings our statutory definition of cocaine in line with that of the majority of states, eliminating the need for that separate test and realizing associated cost, time and resource savings at the lab.

Section 44 - Sheriff Forfeiture Trust Funds

SECTION 44. Subsection (d) of section 47 of said chapter 94C, as appearing in the 2016 Official Edition, is hereby amended by striking out the third paragraph and inserting in place thereof the following paragraph:-

There shall be established within the office of the state treasurer separate special law enforcement trust funds for each sheriff, district attorney and for the attorney general. All such monies and proceeds received by any sheriff, prosecuting district attorney or attorney general shall be deposited in such a trust fund and shall then be expended without further appropriation to defray the costs of protracted investigations, to provide additional technical equipment or expertise, to provide matching funds to obtain federal grants, or such other law enforcement purposes as the sheriff, district attorney or attorney general deems appropriate. The sheriff, district attorney or attorney general may expend up to 10 per cent of the monies and proceeds for drug rehabilitation, drug education and other anti-drug or neighborhood crime watch programs which further law enforcement purposes. Any program seeking to be an eligible recipient of said funds shall file an annual audit report with the local sheriff, district attorney and attorney general. Such report shall include, but not be limited to, a listing of the assets, liabilities, itemized expenditures, and board of directors of such program. Within 90 days of the close of the fiscal year, each sheriff, district attorney and the attorney general shall file an annual report with the house and senate committees on ways and means on the use of the monies in the trust fund for the purposes of drug rehabilitation, drug education, and other anti-drug or neighborhood crime watch programs.

Summary:

This section would add sheriffs to the current statutory structure that allows the Attorney General and district attorneys to establish forfeiture accounts.

Section 45 - Voluntary Contributions to the Vaccine Purchase Trust Fund

SECTION 45. Subsection (b) of section 24N of chapter 111 of the General Laws, as so appearing, is hereby amended by inserting after the words, "subsection (d)", in line 33, the following words:- , any voluntary contributions to the fund from third party payers or third party administrators, as those terms are defined in section 1 of chapter 12C,.

Summary:

This section amends the Vaccine Purchase Trust Fund, administered by the Department of Public Health, so as to allow voluntary contributions to the trust fund from third party payers and third party administrators.

Section 46 - Senior Care Options Enrollment

SECTION 46. Subsection (b) of section 9D of chapter 118E of the General Laws, as so appearing, is hereby amended by inserting after the first sentence the following sentence:- For purposes of this section, an individual is deemed to reach the age of 65 on the first day of the month in which the individual's 65th birthday occurs.

Summary:

This section enables Senior Care Option members to enroll on the first day of the month in which they turn 65.

Section 47 - Senior Care Options Disenrollment

SECTION 47. Subsection (c) of said section 9D of said chapter 118E, as so appearing, is hereby amended by striking out the third sentence and inserting in place thereof the following sentence:- To the extent consistent with federal law and regulations, the division shall ensure that all enrollees in a SCO have the right to disenroll from the program in any month upon submitting a notice of disenrollment to the division or contracted entity.

Summary:

This section aligns disenrollment from a MassHealth Senior Care Option plan with recently promulgated revisions to the federal Medicare Advantage regulations.

Section 48 - MassHealth Drug Pricing 2

SECTION 48. Chapter 118E of the General Laws is hereby amended by inserting after section 12 the following section:-

Section 12A. (a) Notwithstanding any general or special law to the contrary and subject to required federal approvals, the executive office of health and human services may directly negotiate supplemental rebate agreements with manufacturers of prescribed drugs without regard to any otherwise applicable requirements set forth in 801 CMR 21.00 or any successor regulation, provided that such agreements maximize value to the commonwealth. Such agreements may be based on the value, efficacy, or outcomes of the drug.

(b) In the event a manufacturer of prescribed drugs and the executive office are unable to successfully conclude negotiations for a supplemental rebate agreement pursuant to subsection (a) and the drug that is the subject of the negotiations is projected to exceed a post-rebate cost per utilizer of \$25,000 per year or a post-rebate aggregate annual cost to MassHealth of \$10,000,000, the executive office may publicly post a proposed value for the drug on the website of the executive office and in a manner consistent with its obligations under federal law, and shall afford interested persons an opportunity to present data, views or arguments for a period of not less than 21 days, and, at the option of the secretary, hold a public hearing as to the proposed value of the drug. In establishing the proposed value of a drug, the executive office may consider factors including clinical efficacy and outcomes, public health value, prices paid by other developed nations, analyses by independent third parties and other appropriate measures of value. After consideration of the public comments or testimony received, the executive office shall make any necessary updates to the proposed value of the drug and post the final determined value of the drug on the website of the executive office and in a manner consistent with its obligations under federal law. The executive office may engage the manufacturer of the drug in further negotiations under subsection (a) at any point during this process, and shall, at minimum, solicit further negotiations with the drug manufacturer after posting the final determined value of the drug.

(c) In the event a manufacturer of prescribed drugs and the executive office are unable to successfully conclude negotiations for a supplemental rebate agreement pursuant to subsection (a) after the process set forth in subsection (b), the secretary may refer the drug manufacturer to the health policy commission for review under section 8A of chapter 6D.

(d) The executive office shall adopt any written policies, procedures or regulations that the secretary determines necessary to implement this section.

Summary:

This section allows MassHealth to negotiate supplemental rebate agreements directly with drug manufacturers, including value-based agreements, regardless of state procurement rules. It also provides MassHealth additional tools to encourage manufacturers to engage in good faith negotiations for supplemental rebate agreements, including a public process to determine the value of a drug and referral to the Health Policy Commission to determine if the manufacturer has priced the drug excessively.

Section 49 - Expanded Medicare Saving Programs 1

SECTION 49. Said chapter 118E is hereby further amended by inserting after section 25 the following section:-

Section 25A.

(a) The division shall, for individuals 65 years of age or older, disregard income in an amount equivalent to 30 per cent of the federal poverty level and disregard assets in an amount equivalent to the federal resource limit for the Medicare Saving Programs, each as adjusted annually, in determining eligibility for the Qualified Medicare Beneficiary, Specified Low-Income Medicare Beneficiary and Qualified Individual programs, described in 42 U.S.C. section 1396a(a)(10)(E) and also known as the Medicare Saving or Medicare Buy-In Programs. Enrollment in the Qualified Individual program shall be capped if the federal allotment for the program is exhausted.

(b) Prior to implementing subsection (a), the division shall obtain all required federal approvals, including amending its state plan, and shall promulgate regulations.

Summary:

This section expands eligibility for Medicare buy-in programs, which allow certain qualifying individuals to buy into Medicare even if they would not otherwise qualify.

Section 50 - Nursing Facility Assessment 1

SECTION 50. Subsection (a) of section 63 of said chapter 118E, as so appearing, is hereby amended by adding after the definition of "assessment" the following definition:-

"Licensee", any person holding a license to operate a nursing home. In the case of a licensee which is not a natural person, licensee shall also mean any shareholder owning 5 per cent or more, any officer and any director of any corporate licensee; any limited partner owning 5 per cent or more and any general partner of a partnership licensee; any trustee of any trust licensee; any sole proprietor of any licensee which is a sole proprietorship; any mortgagee in possession and any executor or administrator of any licensee which is an estate.

Summary:

This section adds the definition of Licensee, as defined by the Department of Public Health in regulation, to the nursing facility assessment statute.

Section 51 - Nursing Facility Assessment 2

SECTION 51. Subsection (f) of said section 63 of said chapter 118E, as so appearing, is hereby amended by adding the following words:- , or impose a limitation on new admissions for any nursing home that fails to remit delinquent fees, as directed by the executive office. The secretary of the executive office may also enforce this section by offsetting payments from the office of Medicaid on the claims of the nursing home, those of a nursing home with a common licensee, or those of any successor in interest to the nursing home, in the amount of the delinquent fees owed, including any interest and penalties, and to transfer such funds into the General Fund; by imposing, after demand, a lien in an amount not to exceed the amount of the delinquent fees owed, including any interest and penalties, in favor of the commonwealth upon any and all property of the nursing home or its licensee; or by such other appropriate mechanism as the executive office may establish by regulation under subsection (g).

Summary:

This section allows the Department of Public Health to enforce compliance with the nursing facility assessment by imposing a freeze on new admissions to a facility rather than revocation of licensure. This section also allows the Executive Office of Health and Human Services to enforce compliance with the assessment by means similar to those available to enforce compliance with other provider assessments.

Section 52 - Sunday Hunting

SECTION 52. Section 57 of chapter 131 of the General Laws, as so appearing, is hereby amended by adding the following sentence:- This section shall not prohibit the director, with the approval of the fisheries and wildlife board, from authorizing the hunting of deer by bow and arrow on any Sunday, and shall not render unlawful the possession or carrying of a bow and arrow for the purpose of hunting deer, as authorized by the director with the approval of the fisheries and wildlife board.

Summary:

This section would authorize the Director of Fish and Game, with the approval of the fisheries and wildlife board, to allow the hunting of deer by bow and arrow on Sundays.

Section 53 - CPCS Hour Caps

SECTION 53. Section 11 of chapter 211D of the General Laws, as so appearing, is hereby amended by striking out subsections (c) and (d) and inserting in place thereof the following subsection:-

(c) Notwithstanding the billable hour limitation in subsection (b), the chief counsel of the committee may waive the annual cap on billable hours for private counsel appointed or assigned to indigent cases if the chief counsel finds that: (i) there is limited availability of qualified counsel in that practice area; (ii) there is limited availability of qualified counsel in a geographic area; or (iii) increasing the limit would improve efficiency and quality of service; provided, however, that counsel appointed or assigned to such cases within the private counsel division may bill up to but not more than 2,000 billable hours. It shall be the responsibility of private counsel to manage their billable hours.

Summary:

This section repeals the existing "intermediate" cap that precludes private counsel from accepting new cases once they have reached an intermediate limit of 1,350 hours. In addition, it expands the authority of the Chief Counsel of CPCS to waive the billable hours caps for overall billing (currently, that cap is 1,650 hours) from only child and family law cases and care and protection cases to all sorts of cases in all courts. The overall hours cap after a waiver would be 2,000 hours instead of the current 1,800 hours.

Section 54 - TAFDC Reforms 1

SECTION 54. Section 110 of chapter 5 of the acts of 1995, as most recently amended by sections 53 and 55 of chapter 154 of the acts of 2018, is hereby further amended by striking out subsections (a) through (e) and inserting in place thereof the following subsections:-

(a) For purposes of this act the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Assistance", cash grants, special needs assistance, and other benefits funded jointly by the commonwealth and the federal government which are available from the program.

"Commissioner", the commissioner of the department.

"Department", the department of transitional assistance known previously as the department of public welfare established by chapter 18 of the General Laws.

"Dependent child", "dependent children", "child" or "children", the children of recipients eligible to receive assistance from the program.

"Family", the household unit consisting of dependent children and a recipient or recipients determined eligible for assistance from said program.

"Program", the program of aid to families with dependent children established by chapter 118 of the General Laws and as modified by this act.

"Recipient", parents receiving or otherwise eligible to receive assistance from said program who are responsible for the care of dependent children.

(b) A family shall be eligible for assistance provided its maximum allowable countable resources do not exceed \$5,000 and upon meeting all other eligibility criteria; provided, however, that the value of 1 vehicle will not count toward the family's countable resources; and provided further, that an assistance unit shall be allowed the value and balance of a college savings plan established and maintained pursuant to, or consistent with, section 529 of the Internal Revenue Code.

The department shall exclude from a family's countable resources any earned income of dependent children of the family who are working part-time while attending school full time. The department shall promulgate regulations in accordance with this section, including, but not limited to, updated 106 CMR 204.210(D)(2).

(c) The department shall treat adult social security income as countable income for purposes of determining eligibility and benefit levels for the program.

(d) An earnings disregard of earned income shall be provided to both exempt and nonexempt families, such that a recipient shall be eligible to have 100 per cent of the remaining gross earned income, before dependent care deductions, disregarded for 6 consecutive months immediately following the start of initial employment or the date on which the recipient began receiving transitional aid to families with dependent children, whichever is later; provided, however, that total income shall not exceed 200 per cent of the federal poverty level for the household size. Such recipient shall also be eligible to have 50 per cent of the remaining gross income, after work-related expenses but before dependent care deductions, disregarded following the initial 6-month period of earnings disregard.

(e) Recipients meeting the following eligibility criteria shall be exempt from the provisions of subsections (d), (f), (h) and (j) until such time as their eligibility status has been determined by the department to have changed and they no longer conform to the criteria that define the following exempt categories of assistance:

(1) recipients who are disabled, as defined by the federal Social Security Act, 42 U.S.C.A. §423(d) or, in the commissioner's discretion, a recipient who has been determined by the commonwealth's disability evaluation service to have a disability that meets or equals medical standards established by the department or substantially reduces the recipient's ability to support the recipient's children taking into account the individual's age, education and work experience; provided that in families with 2 parents, both parents are disabled; provided further, that to the extent permitted by federal law, the word "disabled" shall not include recipients who are dependent on alcohol or drugs or whose disability is

based in whole or in part on previous dependency. A recipient who requests an exemption under this clause shall, as a condition of continued eligibility for transitional aid to families with dependent children, apply for supplemental security income (SSI) and, if requested by the department, appeal a denial of SSI benefits. Recipients who do not comply with the department's request to apply for SSI or appeal a decision shall not be granted a work exemption under this clause;

(2) recipients who must care for a disabled child or spouse. A recipient who requests an exemption under this clause shall apply for SSI benefits on behalf of the disabled child or spouse;

(3) recipients in their thirty-third week or later of pregnancy, recipients in their third trimester of pregnancy who have submitted documentation signed by a primary care provider, as defined in section 1 of chapter 111 of the General Laws, or an obstetrician, gynecologist, nurse-midwife or family practitioner registered and certified under chapter 112 of the General Laws, that the recipient has a medical condition that prevents the recipient from working, or recipients with a child under the age of 2 years;

(4) recipients under the age of 20 years attending high school full time subject to the provisions of subsection (i); or

(5) caretakers of children in their care to whom they have no legal obligation; provided, however, that the department shall provide a cash payment for only the children.

Summary:

This section eliminates the "family cap", which currently provides that a Transitional Aid to Families with Dependent Children ("TAFDC") grant is not increased if a child is born or conceived while the family receives such public assistance. It would also allow an applicant for TAFDC to disregard the value of a single vehicle for the purposes of the applicant's eligibility determination. Finally, it would require that the Social Security Income of adults be counted for purposes of determining eligibility for TAFDC, consistent with the treatment of other income like Veterans' income or Retirement, Survivors, and Disability Insurance income.

Section 55 - TAFDC Reforms 2

SECTION 55. Subsection (j) of said section 110 of said chapter 5 of the acts of 1995, as most recently amended by section 27 of chapter 158 of the acts of 2014, is hereby further amended by striking out the words "of record" each time they appear.

Summary:

This section, in conformity with the preceding section, eliminates references to the "child of record."

Section 56 - Gaming Revenue 2

SECTION 56. Section 95 of chapter 194 of the acts of 2011 is hereby repealed.

Summary:

This section repeals a provision of the 2011 Expanded Gaming Act that requires, beginning in fiscal year 2020, the transfer of a portion of gaming revenue from the Gaming Local Aid Fund to the Local Aid Stabilization Fund through a formula that continues to increase the amount in subsequent fiscal years.

Section 57 - Trial Court Transferability

SECTION 57. Notwithstanding clause (xiii) of the third paragraph of section 9A of chapter 211B of the General Laws or any other general or special law to the contrary, the court administrator may, from the effective date of this act to April 30, 2020, inclusive, transfer funds from any item of appropriation within the trial court; provided, however, that the court administrator shall not transfer more than 5 per cent of funds from items 0339-1001 and 0339-1003 to any other item of appropriation within the trial court. The transfers shall be made in accordance with schedules submitted to the house and senate committees on ways and means. The schedules shall include: (i) the amount of money transferred from any item of appropriation to any other item of appropriation; (ii) the reason for the necessity of the transfer; and (iii) the date on which the transfer shall be completed. A transfer under this section shall not occur until 10 days after the revised funding schedules have been submitted in writing to the house and senate committees on ways and means.

Summary:

This section authorizes the trial court to transfer appropriations within its divisions, as long as such transfers are executed by April 30, 2020. It would also limit transfers from the appropriations for probation and community corrections to 5% of those appropriations. The section requires ten days advance notice to the House and Senate Committees on Ways and Means before a transfer under this section can be executed.

Section 58 - Deleading in Schools

SECTION 58. Notwithstanding any general or special law to the contrary, monies deposited pursuant to chapter 273 of the acts of 2018 and section 62 of this act into the Water Pollution Abatement Revolving Fund, established in section 2L of chapter 29 of the General Laws, may be used for public school deleading projects, including grants.

Summary:

This section enables the funds transferred to the Water Pollution Abatement Revolving Fund as a result of the Sales Tax Modernization initiative to be used for school deleading.

Section 59 - FY 2019 Consolidated Net Surplus

SECTION 59. Notwithstanding any general or special law to the contrary, prior to transferring the consolidated net surplus in the budgetary funds to the Commonwealth Stabilization Fund pursuant to section 5C of chapter 29 of the General Laws, the comptroller shall dispose of the consolidated net surplus in the budgetary funds for fiscal year 2019 as follows: (i) transfer $\frac{1}{2}$ of the surplus, not to exceed \$10,000,000, to the Massachusetts Life Sciences Investment Fund established in section 6 of chapter 23I of the General Laws; and (ii) transfer $\frac{1}{2}$ of the surplus, not to exceed \$10,000,000, to the Massachusetts Community Preservation Trust Fund established in section 9 of chapter 44B of the General Laws.

Summary:

This section requires a transfer of up to \$10 million from any consolidated net surplus in fiscal year 2019 to the Community Preservation Trust Fund, and up to \$10 million to the Massachusetts Life Sciences Center, before the remaining funds are deposited into the Stabilization Fund.

Section 60 - FY 2020 Stabilization Fund Deposit

SECTION 60. (a) For fiscal year 2020, to the extent funds are available, the comptroller may:

(1) Transfer \$224,500,000, or such larger amount as may be required, to the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws, in the manner described in section 5G of said section 29; and

(2) Transfer \$11,200,000 of the amount transferred to the State Retiree Benefits Trust Fund, and transfer \$11,200,000 of the amount transferred to the Commonwealth's Pension Liability Fund, each as specified in the third paragraph of said section 5G of said chapter 29;

(3) The total deposit to the Commonwealth Stabilization Fund under this subsection (a) is expected to be \$202,100,000.

(b) In addition, the following activities and events are expected to result in the amounts set forth below being deposited in the Commonwealth Stabilization Fund:

(1) \$28,500,000 from sales tax modernization pursuant to sections 25, 26 and 62;

(2) \$21,500,000 from gaming revenues, as provided in clause (f) of paragraph (2) of section 59 of chapter 23K of the General Laws; and

(3) \$44,600,000 from other sources.

(c) The total deposit made as a result of the actions described in subsections (a) and (b) of this section is expected to be \$296,700,000.

Summary:

This section describes the anticipated effect of transfers to the Stabilization Fund under Section 5G of Chapter 29 of the General Laws and that the other transfers required in that section (5% of the total transfer to OPEB, 5% of the total transfer to pension liability) will then be made from that transfer. It also describes the anticipated impact of the transfers and events that are anticipated in this legislation.

Section 61 - Gaming Revenue 3

SECTION 61. Notwithstanding any general or special law to the contrary, in fiscal year 2020, the comptroller shall transfer the unexpended balance of the Local Aid Stabilization Fund established in section 2CCCC of chapter 29 of the General Laws to the Gaming Local Aid Fund established in section 63 of chapter 23K of the General Laws.

Summary:

This section transfers an outstanding balance from the Local Aid Stabilization Fund established in the 2011 Expanded Gaming Act to the Gaming Local Aid Fund.

Section 62 - Investing in Education Trust Fund

SECTION 62. (a) Notwithstanding any general or special law to the contrary, there shall be established and set up on the books of the commonwealth an Investing in Education Trust Fund, for which the secretary of administration and finance shall serve as trustee. The fund shall be credited with certain revenues collected in fiscal year 2020, as defined in subsection (b). Revenues credited to the fund shall not include the dedicated sales tax revenue amounts, as defined in sections 35T and 35BB of chapter 10 of the General Laws. If revenues credited to the fund equal \$200,000,000 or more in fiscal year 2020, the secretary of administration and finance shall transfer, without further appropriation, monies in the fund as follows:

- (1) \$100,000,000 to the College Affordability and Success Trust Fund, established in subsection (d);
- (2) \$50,000,000 to the Public School Improvement Trust Fund, established in subsection (e);
- (3) \$30,000,000 to the School Safety Trust Fund, established in subsection (f);
- (4) \$20,000,000 to the Water Pollution Abatement Revolving Fund, established in section 2L of chapter 29 of the General Laws, for public school deleading projects; and
- (5) the balance to the Commonwealth Stabilization Fund, established in section 2H of said chapter 29 of the General Laws.

If the revenues credited to the fund are less than \$200,000,000, the secretary of administration and finance shall transfer, without further appropriation, monies in the fund as follows:

- (1) 50 per cent to the College Affordability and Success Trust Fund, established in subsection (d);
- (2) 25 per cent to the Public School Improvement Trust Fund, established in subsection (e);
- (3) 15 per cent to the School Safety Trust Fund, established in subsection (f); and
- (4) 10 per cent to the Water Pollution Abatement Revolving Fund, established in said section 2L of said chapter 29 of the General Laws, for public school deleading projects.

(b) The revenues credited to the fund in fiscal year 2020 shall consist of the amount by which revenues collected under chapters 64G, 64H, 64I and 64L of the General Laws exceed the benchmarks established for those tax sources for the month of June by the department of revenue. The department of revenue's determination of this amount shall be conclusive.

(c) The fund created in subsection (a) shall expire as of June 30, 2020. Any balance remaining in the fund as of that date shall be transferred to the General Fund.

(d) There shall be established and set up on the books of the commonwealth a College Affordability and Success Trust Fund. The fund shall consist of monies transferred under subsection (a) and all monies credited or transferred to the fund from any other fund or source. Amounts credited to the fund shall be substantially committed over a 3 year period by the secretary of the executive office of education, without further appropriation, as follows:

- (1) 25 per cent for the commonwealth commitment program, administered by the department of higher education;
- (2) 15 per cent for the development and implementation of early college programs, administered by the department of higher education and the department of elementary and secondary education;

(3) 25 per cent for a matching grant program for scholarships to students who are participating in college success programs at public and private 4-year higher education institutions in the commonwealth; provided, however, that such programs meet criteria established by the department of higher education; and provided, further, that such grants may not supplant other forms of financial aid, as defined by the department of higher education;

(4) 25 per cent for a matching grant program, administered by the department of higher education, to fund paid internships and cooperatives for students in 2-year and 4-year public higher education institutions in the commonwealth; and

(5) 10 per cent for pilot programs that demonstrate innovative financial aid strategies for improving higher education affordability and success, including, but not limited to, income share agreements, initiatives focused on disconnected youth and adult learners, and competency-based programs developed in partnership with employers.

In committing funds from the College Affordability and Success Trust Fund, the secretary of the executive office of education shall prioritize public colleges and universities in the commonwealth that develop long-term plans for reducing student charges and ensuring financial sustainability for their institutions, aligned with their approved strategic plans.

The secretary of the executive office of education shall submit an annual report detailing expenditures from the trust and related activities to the secretary of administration and finance, the chairs of the house and senate committees on ways and means, the chairs of the joint committee on higher education and the chairs of the joint committee on education.

Up to 1 per cent of the funding transferred to this trust may be used to support the costs of administering the programs identified above.

The unexpended balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years.

(e) There shall be established and set up on the books of the commonwealth a Public School Improvement Trust Fund. The fund shall consist of monies transferred under subsection (a) and all monies credited or transferred to the fund from any other fund or source. Amounts credited to the fund shall be expended, without further appropriation, by the secretary of the executive office of education to support effective and sustainable improvement initiatives in public schools designated as in need of assistance pursuant to the school accountability system established by the board of elementary and secondary education

The fund shall be administered by the department of elementary and secondary education.

The secretary of the executive office of education shall submit an annual report detailing expenditures from the trust and related activities to the secretary of administration and finance, the chairs of the house and senate committees on ways and means and the chairs of the joint committee on education

Up to 1 per cent of the funding transferred to this trust may be used to support the costs of administering the trust to support improvement initiatives.

(f) There shall be established and set up on the books of the commonwealth a School Safety Trust Fund. The fund shall consist of monies transferred under subsection (a) and all monies credited or transferred to the fund from any other fund or source. Amounts credited to the fund shall be expended, without further appropriation, by the secretary of the executive office of education, in consultation with the secretary of the executive office of public safety and security and the secretary of the executive office of health and human services. Any expenditures from this fund shall be for initiatives to assist public schools in enhancing safety and security measures, including, but not limited to, multi-year

matching grants to school districts, charter schools, and higher education institutions for school security and communications upgrades, training and best practice guidance for school resource officers, school officials, educators, health professionals and first responders, and the design and implementation of statewide resources and infrastructure for improving school safety.

Any unexpended balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years.

The secretary of the executive office of education shall submit an annual report detailing expenditures from the trust and related activities to the secretary of administration and finance, the chairs of the house and senate committees on ways and means, the chairs of the joint committee on higher education, the chairs of the joint committee on education and the chairs of the joint committee on public safety and homeland security.

Up to 2 per cent of the funding transferred to this trust may be used to support the costs of administering the trust to support safety and security initiatives.

(g) The funds established under subsections (d), (e) and (f) shall expire as of June 30, 2028. Any balance remaining in these funds as of that date shall be transferred to the General Fund.

Summary:

This section creates the trust fund structure to invest the one-time proceeds of the Sales Tax Modernization initiative to higher education scholarships, school deleading, school safety, public school improvement and the stabilization funds.

Section 63 - Other Post-Employment Benefits Liability

SECTION 63. (a) Notwithstanding any general or special law to the contrary, the unexpended balances in items 0699-0015 and 0699-9100 of section 2 shall be deposited into the State Retiree Benefits Trust Fund established in section 24 of chapter 32A of the General Laws before the certification of the fiscal year 2019 consolidated net surplus under section 5C of chapter 29 of the General Laws. The amount deposited shall be an amount equal to 10 per cent of all payments received by the commonwealth in fiscal year 2020 under the master settlement agreement in Commonwealth of Massachusetts v. Philip Morris, Inc. et al., Middlesex Superior Court, No. 95-7378; provided, however, that if in fiscal year 2019 the unexpended balances of said items 0699-0015 and 0699-9100 of said section 2 are less than 10 per cent of all payments received by the commonwealth in fiscal year 2020 under the master settlement agreement payments, an amount equal to the difference shall be transferred to the State Retiree Benefits Trust Fund from payments received by the commonwealth under the master settlement agreement.

(b) Notwithstanding any general or special law to the contrary, the payment percentage set forth in section 152 of chapter 68 of the acts of 2011 shall not apply in fiscal year 2020.

Summary:

This section authorizes the use of debt service reversions to pay for OPEB funding. If debt service reversions are insufficient to cover the required funding, tobacco settlement proceeds would be used to make up that deficiency.

Section 64 - Pension Cost of Living Adjustment

SECTION 64. Notwithstanding any general or special law to the contrary, the amounts transferred pursuant to subdivision (1) of section 22C of chapter 32 of the General Laws shall be made available for the Commonwealth's Pension Liability Fund established in section 22 of said chapter 32. The amounts transferred pursuant to said subdivision (1) of said section 22C of said chapter 32 shall meet the commonwealth's obligations pursuant to said section 22C of said chapter 32, including retirement benefits payable by the state employees' retirement system and the state teachers' retirement system, for the costs associated with a 3 per cent cost-of-living adjustment pursuant to section 102 of said chapter 32, for the reimbursement of local retirement systems for previously authorized cost-of-living adjustments pursuant to said section 102 of said chapter 32 and for the costs of increased survivor benefits pursuant to chapter 389 of the acts of 1984. The state board of retirement and each city, town, county and district shall verify these costs, subject to rules that shall be adopted by the state treasurer. The state treasurer may make payments upon a transfer of funds to reimburse certain cities and towns for pensions of retired teachers, including any other obligation that the commonwealth has assumed on behalf of a retirement system other than the state employees' retirement system or state teachers' retirement system, including the commonwealth's share of the amounts to be transferred pursuant to section 22B of said chapter 32. The payments under this section shall be made only pursuant to distribution of money from the Commonwealth's Pension Liability Fund and any distribution, and the payments for which distributions are required, shall be detailed in a written report filed quarterly by the secretary of administration and finance with the chairs of the senate and house committees on ways and means and the senate and house chairs of the joint committee on public service in advance of the distribution. Distributions shall not be made in advance of the date on which a payment is actually to be made. If the amount transferred pursuant to said subdivision (1) of said section 22C of said chapter 32 exceeds the amount necessary to adequately fund the annual pension obligations, the excess amount shall be credited to the Pension Reserves Investment Trust Fund established in subdivision (8) of said section 22 of said chapter 32 to reduce the unfunded pension liability of the commonwealth.

Summary:

This annual section explains how the Commonwealth is fulfilling its various obligations to the state retirement system, including the obligation to fund a 3% cost-of-living adjustment on the first \$13,000 of a retiree's annual retirement allowance.

Section 65 - Sick Leave Buyback 2

SECTION 65. Notwithstanding any general or special law to the contrary, section 22 shall take effect for any employee of the commonwealth and any employee at public institutions of higher education listed in section 5 of chapter 15A of the General Laws who has accrued not more than 1,000 hours of unused sick leave credits, on the effective date of this act. Any such employee who has accrued more than 1,000 hours of unused sick leave credits as of the effective date of this act shall not accrue credits in excess of those credits, but may accrue credits to replenish any sick time that is used after the effective date of this act, up to the maximum of 1,000 hours set forth above.

Summary:

This section along with three others limits the accrual of unused sick time to 1,000 hours for executive branch and public higher education employees. It also freezes the accrual of sick time for any employee who has already accrued more than 1,000 hours.

Section 66 - Sick Leave Buyback 3

SECTION 66. Notwithstanding any general or special law to the contrary, the personnel administrator shall promulgate revised rules under the second paragraph of section 28 of chapter 7 of the General Laws to incorporate the changes enacted in subsection (e) of section 31A of chapter 29 of the General Laws and section 65 of this act, which revisions shall take effect as soon as practicable after the effective date of this act.

Summary:

This section along with three others limits the accrual of unused sick time to 1,000 hours for executive branch and public higher education employees. It also freezes the accrual of sick time for any employee who has already accrued more than 1,000 hours.

Section 67 - Sick Leave Buyback 4

SECTION 67. Notwithstanding any general or special law to the contrary, the department of higher education and the University of Massachusetts shall revise the necessary rules and policies in order to incorporate the changes enacted in subsection (f) of section 31A of chapter 29 of the General Laws and section 65 of this act, which revisions shall take effect as soon as practicable after the effective date of this act.

Summary:

This section along with three others limits the accrual of unused sick time to 1,000 hours for executive branch and public higher education employees. It also freezes the accrual of sick time for any employee who has already accrued more than 1,000 hours.

Section 68 - Gross Receipts Tax on Opioid Manufacturers 2

SECTION 68. Notwithstanding subsection (a) of section 4 of chapter 63C of the General Laws, for the 6 months ending on December 31, 2019, a person subject to excise under section 2 of said chapter 63C shall file a return by the fifteenth day of March, 2020, and shall pay any amount due by that date. The return shall set out the person's total sales subject to excise between July 1, 2019, and December 31, 2019, inclusive, and shall provide such other information as the commissioner may require.

Summary:

This section describes how the gross receipts tax on opioid manufacturers will be implemented during the first six months of fiscal year 2020.

Section 69 - Sales Tax Registration for Remote Sellers

SECTION 69. (a) Notwithstanding any general or special law to the contrary, the commissioner of revenue is authorized to initiate a program of registration and prospective sales and use tax collection from vendors not previously registered whose sales to Massachusetts customers are less than \$500,000 in the prior 12 month period, as determined by the commissioner. Under such program, the commissioner may designate a period ending on or before December 31, 2019, during which vendors that register for collection of sales and use tax under chapters 64H and 64I of the General Laws and that commence filing and payment over of such taxes in good faith will not be held liable for collection or payment of tax under such chapters, or associated interest or penalties, for periods prior to registration.

(b) The program shall not apply to: (i) any vendor that had physical presence in the commonwealth in the 36 calendar months immediately preceding the effective date of this act; provided that any vendor not otherwise ineligible under this subsection who had such presence only through (a) tangible property maintained in the commonwealth during such prior months by unrelated third party fulfillment providers, or (b) contacts with the commonwealth during such prior months related to remote internet sales made to Massachusetts customers, may participate in the program; (ii) any vendor whose total retail sales to Massachusetts customers through all sales channels in the prior twelve month period, whether or not otherwise taxable under chapter 64H or 64I of the General Laws, reached or exceeded \$500,000; (iii) any vendor that was previously registered for sales and use tax collection in Massachusetts; (iv) any vendor that has collected sales or use taxes from Massachusetts customers and has not paid such amounts over to the commissioner; or (v) any case where the commissioner determines that the vendor has engaged in fraud or willful avoidance of tax.

(c) Except as specified in this section, the commissioner is authorized to determine the scope of the prospective registration program and all associated administrative requirements for eligibility. The commissioner may authorize prospective registration and filing for personal income tax and corporate excise for qualifying vendors in the sales and use tax program, provided that any such personal income tax or corporate excise liability derives solely from the sales to which the sales and use tax registration program applies.

(d) Nothing in this section shall remove the obligation of a purchaser of tangible personal property or services taxable under chapter 64I of the General Laws to pay over such taxes to the commissioner in any taxable period.

(e) Any taxpayer who delivers or discloses a false or fraudulent application, document, return or other statement to the department of revenue in connection with application under this section shall not be eligible for the program and shall be subject to the greater of: (i) the applicable penalties under chapter 62C of the General Laws; or (ii) a penalty not to exceed \$10,000 which shall be calculated and assessed according to rules determined by the commissioner and may be subject to de minimis or other exceptions that the commissioner may consider appropriate. This penalty shall be subject to said chapter 62C and shall be added to and become part of the tax due.

Summary:

This section authorizes the Department of Revenue to create a registration program for remote seller vendors who had less than \$500,000 in Massachusetts sales in the previous twelve months, but who nevertheless have a physical presence in the state by virtue of their inventory being held within Massachusetts.

Section 70 - Sales Tax Treatment of Marketplace Vendors 6

SECTION 70. Nothing in sections 34, 36, 37, 38 and 39 shall override pre-existing law or affect tax liability that accrued prior to the effective date of the act.

Summary:

This section provides that the Sales Tax Treatment of Marketplace Vendors sections do not override pre-existing law or affect tax liability that accrued prior to the effective date of the act.

Section 71 - HR Consolidation 2

SECTION 71. (a) Notwithstanding any general or special law to the contrary, the executive office for administration and finance and the executive office of energy and environmental affairs shall facilitate the orderly transfer of the employees, proceedings, rules and regulations, property, and legal obligations of the functions of state government designated as "core administrative functions" under section 2 of chapter 21A of the General Laws from the transferor agency to the transferee agency, defined as follows: (1) the department of environmental protection, as the transferor agency, to the executive office of energy and environmental affairs, as the transferee agency; (2) the department of public utilities, as the transferor agency, to the executive office of energy and environmental affairs, as the transferee agency; (3) the department of conservation and recreation, as the transferor agency, to the executive office of energy and environmental affairs, as the transferee agency; (4) the department of agricultural resources, as the transferor agency, to the executive office of energy and environmental affairs, as the transferee agency; (5) the department of energy resources, as the transferor agency, to the executive office of energy and environmental affairs, as the transferee agency; and (6) the department of fish and game, as the transferor agency, to the executive office of energy and environmental affairs, as the transferee agency.

(b) The employees of each transferor agency performing the functions designated as "core administrative functions" under section 2 of chapter 21A of the General Laws, including those who immediately before the effective date of this act hold permanent appointment in positions classified under chapter 31 of the General Laws or have tenure in their positions as provided by section 9A of chapter 30 of the General Laws or do not hold such tenure, or hold confidential positions, are hereby transferred to the respective transferee agency, without interruption of service, without impairment of seniority, retirement or other rights of the employee, and without reduction in compensation or salary grade, notwithstanding any change in title or duties resulting from such reorganization, and without loss of accrued rights to holidays, sick leave, vacation and benefits. The reorganization shall not impair the civil service status of any such reassigned employee who immediately before the effective date of this act either holds a permanent appointment in a position classified under chapter 31 of the General Laws or has tenure in a position by reason of section 9A of chapter 30 of the General Laws.

Notwithstanding any general or special law to the contrary, all such employees shall continue to retain their right to collectively bargain pursuant to chapter 150E of the General Laws and shall be considered employees for the purposes of said chapter 150E.

Nothing in this section shall be construed to confer upon any employee any right not held immediately before the date of said transfer, or to prohibit any reduction of salary grade, transfer, reassignment, suspension, discharge, layoff or abolition of position not prohibited before such date.

(c) All petitions, requests, investigations and other proceedings appropriately and duly brought before each transferor agency or duly begun by each transferor agency and pending before it before the effective date of this act, both as relating to the functions designated as "core administrative functions" under section 2 of chapter 21A of the General Laws, shall continue unabated and remain in force, but shall be assumed and completed by the executive office of energy and environmental affairs.

(d) All orders, rules and regulations duly made and all approvals duly granted by each transferor agency as relating to the functions designated as "core administrative functions" under section 2 of chapter 21A of the General Laws, which are in force immediately before the effective date of this act, shall continue in force and shall thereafter be enforced, until superseded, revised, rescinded or canceled, in accordance with law, by the executive office of energy and environmental affairs.

(e) All books, papers, records, documents, equipment, buildings, facilities, cash and other property, both personal and real, including all such property held in trust, as relating to the functions designated as "core administrative functions" under section 2 of chapter 21A of the General Laws, which immediately before the effective date of this act are in the custody of each transferor agency shall be transferred to the executive office of energy and environmental affairs.

(f) All duly existing contracts, leases and obligations of each transferor agency as relating to the functions designated as "core administrative functions" under section 2 of chapter 21A of the General Laws shall continue in effect but shall be assumed by the respective transferee agency. No existing right or remedy of any character shall be lost, impaired or affected by this act.

Summary:

This section, with HR Consolidation 1, enables the Executive Office of Energy and Environmental Affairs to provide centralized information technology, HR and payroll services to the agencies within EEA.

Section 72 - Expanded Medicare Saving Programs 2

SECTION 72. Notwithstanding any general or special law to the contrary, the secretary of administration and finance, in consultation with the secretary of the executive office of health and human services may transfer funds from the prescription advantage program in line item 9110-1455 and from the Health Safety Net Trust Fund to fund the expansion described in section 25A of chapter 118E of the General Laws, to the extent that the secretary of the executive office of health and human services certifies in writing that such expansion will result in a savings to those programs.

Summary:

This section authorizes the transfer of funds from Health Safety Net Trust Fund and Prescription Advantage programs to fund the expanded Medicare Savings Program.

Section 73 - Health Safety Net Administration

SECTION 73. Notwithstanding any general or special law to the contrary, payments from the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws may be made either as safety net care payments under the commonwealth's waiver pursuant to section 1115 of the federal Social Security Act, 42 U.S.C. 1315, or as an adjustment to service rate payments under Title XIX and XXI of the Social Security Act or a combination of both. Other federally permissible funding mechanisms available for certain hospitals, as defined by regulations of the executive office of health and human services, may be used to reimburse up to \$70,000,000 of uncompensated care pursuant to sections 66 and 69 of said chapter 118E using sources distinct from the funding made available to the Health Safety Net Trust Fund.

Summary:

This section allows Health Safety Net payments to be made as 1115 waiver or state plan payments, and authorizes up to \$70 million of uncompensated care to be paid from sources other than the Health Safety Net Trust Fund.

Section 74 - Initial Gross Payments to Qualifying Acute Care Hospitals

SECTION 74. Notwithstanding any general or special law to the contrary, not later than October 1, 2019 and without further appropriation, the comptroller shall transfer from the General Fund to the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws the greater of \$45,000,000 or 1/12 of the total expenditures to hospitals and community health centers required pursuant to this act, for the purposes of making initial gross payments to qualifying acute care hospitals for the hospital fiscal year beginning October 1, 2019. These payments shall be made to hospitals before, and in anticipation of, the payment by hospitals of their gross liability to the Health Safety Net Trust Fund. The comptroller shall transfer from the Health Safety Net Trust Fund to the General Fund, not later than June 30, 2020, the amount of the transfer authorized by this section and any allocation of that amount as certified by the director of the health safety net office.

Summary:

This annual section requires the Comptroller to transfer sufficient money from the General Fund to the Health Safety Net Trust Fund to make the required initial gross payment to qualifying hospitals. It requires the Health Safety Net Trust Fund to repay the General Fund before the end of fiscal year 2020.

Section 75 - Inspector General's Health Care Audits

SECTION 75. Notwithstanding any general or special law to the contrary, in hospital fiscal year 2020, the office of inspector general may expend a total of \$1,000,000 from the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws for costs associated with maintaining a health safety net audit unit within the office. The unit shall continue to oversee and examine the practices in hospitals including, but not limited to, the care of the uninsured and the resulting free charges. The unit shall also study and review the Medicaid program under said chapter 118E including, but not limited to, a review of the program's eligibility requirements, utilization, claims administration and compliance with federal mandates. The inspector general shall submit a report to the chairs of the senate and house committees on ways and means on the results of the audits and any other completed analyses not later than March 1, 2021.

Summary:

This section authorizes the Inspector General's Office to conduct audits of the Health Safety Net and the MassHealth program, at a cost of \$1 million for fiscal year 2020. As in past years, this cost will be borne by the Health Safety Net Trust Fund.

Section 76 - MassHealth Dental Coverage

SECTION 76. Notwithstanding section 53 of chapter 118E of the General Laws, for fiscal year 2020, the executive office of health and human services may determine, subject to required federal approvals, the extent to which to include within its covered services for adults the federally-optional dental services that were included in its state plan or demonstration program in effect on January 1, 2002; provided, however, that dental services for adults enrolled in MassHealth shall be covered at least to the extent they were covered as of June 30, 2019.

Summary:

This section authorizes MassHealth to continue providing the same level of dental benefits that it is offering in fiscal year 2019.

Section 77 - Nursing and Resident Care Facility Base Year

SECTION 77. Notwithstanding any general or special law to the contrary, nursing facility rates effective October 1, 2019 under section 13D of chapter 118E of the General Laws may be developed using the costs of calendar year 2007, or any subsequent year that the secretary of health and human services may select in the secretary's discretion, provided that such nursing facility rates on an aggregate basis plus any amount appropriated to fund a rate add-on for wages, shift differentials, bonuses, benefits and related employee costs paid to direct care staff of nursing facilities shall be at least the amount such nursing facility rates would be if they were developed using the costs of calendar year 2014.

Summary:

This section establishes 2007, or any subsequent year the Secretary of Health and Human Services may choose, as the base year for nursing facility rates in fiscal year 2020, as long as the total aggregate rates combined with the value of the direct care add-on at least amount to the value of total aggregate rates using a base year of 2014.

Section 78 - Transfers between Health Funds

SECTION 78. Notwithstanding any general or special law to the contrary, the executive office for administration and finance may transfer up to \$15,000,000 from the Commonwealth Care Trust Fund established in section 2000 of chapter 29 of the General Laws to the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws.

Summary:

This section authorizes the Secretary of Administration and Finance to transfer up to \$15 million from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund.

Section 79 - RTA Memorandum of Understanding

SECTION 79. For fiscal year 2020 the Massachusetts department of transportation, hereinafter referred to as "the department", shall establish a system of performance metrics, including but not limited to, a fare recovery ratio, to be used to establish targets for each regional transit authority. Said targets shall be incorporated into a memorandum of understanding between each regional transit authority and the department, along with the level of performance expected of each regional transit authority pursuant to the transfer required under clause (2) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws. The system of performance metrics shall be informed by the recommendations of the task force on regional transit authority performance and funding established pursuant to section 72 of chapter 154 of the acts of 2018. \$4,000,000 of the amount required to be transferred to regional transit authorities under clause (2) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws shall be conditioned on the execution of a memorandum of understanding by a regional transit authority and the department, provided that the department has determined that said regional transit authority: (i) provides best practice services or programs or (ii) initiates, maintains or expands service to a priority population. The memorandum of understanding shall incorporate appropriate ridership, customer service, asset management and financial performance indicators and best practices to ensure that the regional transit authority makes data-driven decisions with respect to its operation including, but not limited to, service and asset management. The memorandum of understanding shall certify that the regional transit authority did not sustain a budget deficit the prior year and that its budget for the current fiscal year is balanced. The department shall provide a copy of each memorandum of understanding upon execution to the chairs of the joint committee on transportation and the senate and house committees on ways and means

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Summary:

This section conditions the transfer to each regional transit authority on a system of performance metrics to be developed by MassDOT and also directs \$4M to RTAs that have executed an MOU with MassDOT.

Section 80 - TAFDC Reforms Effective Date

SECTION 80. Sections 54 and 55 shall take effect on October 1, 2019.

Summary:

This section sets an effective date of October 1, 2019 for the TAFDC reform sections.

Section 81 - Smokeless Tobacco Stamping Effective Date

SECTION 81. Section 32 shall take effect on July 1, 2020.

Summary:

This section sets an effective date of July 1, 2020 for the Smokeless Tobacco Stamping section.

Section 82 - Excise on Vapor Products and E-cigarettes Effective Date

SECTION 82. Sections 13, 14, 16, 24, 28, 29, 31, 33, 35 and 40 shall take effect on January 1, 2020.

Summary:

This section sets an effective date of January 1, 2020 for the taxes on vapor products and e-cigarettes.

Section 83 - Effective Date

SECTION 83. Except as otherwise specified, this act shall take effect on July 1, 2019.

Summary:

This section provides that the budget shall take effect on July 1, 2019.



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