



Dems Still Wrestling With Economic Development Bill Basics

[Spilka: Funding, Scope And Timing All Unresolved](#)

Colin A. Young 10/17/22 5:11 PM

STATE HOUSE, BOSTON, OCT. 17, 2022.....To hear Gov. Charlie Baker tell it, the House and Senate are about ready to dive into "end of year" activities, like passing a spending bill to close out the books on the fiscal year that ended more than three months ago.

"Both the House and Senate said by the time we got toward the middle of October, they were going to start engaging in some of the end of the year activity. And it seemed appropriate to get together and catch up on what's been going on," Baker said Monday afternoon after holding an increasingly rare leadership meeting with House Speaker Ronald Mariano and Senate President Karen Spilka.

But Spilka and Mariano gave no such indications Monday when they met with the press and instead said that the Legislature is still struggling with "complications" related to basics of the \$4 billion economic development bill that they left unresolved when their formal business concluded on Aug. 1, like potential funding sources and the size of the bill. And now, lawmakers are also discovering stumbling blocks that affect the closeout budget bill that is similarly in limbo.

"The House and Senate are actively working, really gearing up and a lot of positive, constant communication, working through the details, the potential funding, and scope and timing, and all of the issues," Spilka said when asked about the status of the economic development bill. "As you all know, it's very complicated. There were a lot of things that came up. So we are in constant communication about it."

The House and Senate each passed versions of a \$4 billion economic development bill unanimously but never agreed to a final version this summer after the impact of paying out nearly \$3 billion in mandatory tax refunds under Chapter 62F came to light.

Since then, Spilka and Mariano have said they planned to keep negotiating the bill in hopes of passing some version of it this fall. First, they wanted to wait for the state auditor to certify the Baker administration's estimate of the amount that needs to be returned under Chapter 62F. But

in the month since Auditor Suzanne Bump confirmed that taxpayers are due \$2.94 billion, the House and Senate have given no indication that they are any closer to resolution.

Also pending before the Legislature is Gov. Charlie Baker's \$1.6 billion bill (H 5260) closing the books on fiscal year 2022, which ended June 30. The economic development bill relies on fiscal year 2022 money and could factor into the end-of-year closeout accounting. Comptroller William McNamara under state law must file an annual financial report by Oct. 31.

When asked specifically what was holding up the economic development bill, Spilka said Monday, "There's a lot of complications with the introduction of the other tax relief at [Chapter] 62F. And close-out, there's just a lot of economic revenue issues that have come up that are probably more complicated than the usual end-of-session issues that come up. So we are working through all of them."

The economic development bill was to include about \$500 million in tax rebates, but neither Spilka nor Mariano would commit Monday to passing the tax relief plan they agreed to in July. Mariano called the Chapter 62F tax relief "a good beginning" and said the House and Senate would continue to negotiate around their own plan.

"There are some other areas of tax relief that I know that the Senate would still prefer to see that we get done, some other areas, but that's up for discussion," Spilka said.

Prompted by a reporter's question, Mariano also pointed out that the Legislature could return to the topic of tax relief when the new session starts in January.

"I think that's always an option. But right now we're negotiating and, you know, the numbers have been consistent. So we're gonna push forward and see where we end up," the speaker said.

Mariano suggested Monday that he's not going to accommodate serious consideration of a bill that Cambridge Rep. Mike Connolly filed last week to change the way that Chapter 62F money is distributed in order to cap refunds for wealthier residents.

"The bill is going to go through the process, it's going to be admitted as a late-file. But it's a significant change in the legislation that, you know, I would like to see the full body be involved in the debate. Right now we're in a lame duck session [and] there's about 15 people that will be voting that won't be here next year. So I think that that creates a bit of a problem," Mariano said.

Asked if the House would be more likely to tackle a bill like that next session, the speaker responded, "If there will be changes, I would think that would be the logical place to do it."

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10/17/2022

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