



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

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Representative Smola supports Constitutional amendment requiring 2/3 vote for Stabilization Fund expenditures

BOSTON – Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means) voted this week in support of a proposed Constitutional amendment that would require a supermajority two-thirds vote in both the House and Senate to appropriate money from the state’s Stabilization Fund.

The amendment, which was taken up at a joint Constitutional Convention of the House and Senate on February 3, was defeated on a roll call vote of 49-140.

Representative Smola expressed disappointment in the final vote, noting that the amendment sought to guarantee that the Stabilization Fund remains solvent and is used only during economic downturns to mitigate cutbacks and help preserve essential state programs and services.

“For too long, the Legislature has raided the Stabilization Fund to balance the budget without considering the long-range financial consequences and how this might adversely impact the state’s bond rating,” said Representative Smola. “This amendment was an attempt to impose fiscal discipline on the Legislature by ensuring that the fund will only be tapped for a true emergency.”

Representative Smola noted that the Fiscal Year 2016 state budget, signed into law by Governor Baker on July 17, was the first in 8 years that did not rely on a draw down from the Stabilization Fund. Although the fund currently has a balance of \$1.258 billion, as recently as Fiscal Year 2007 the fund contained \$2.335 billion, nearly double the current balance.

On January 27, Governor Baker filed his proposed Fiscal Year 2017 budget, which calls for depositing a minimum of \$206 million derived from capital gains taxes into the Stabilization Fund. The budget also contains a provision that would require transferring 90% of the fees generated by the issuance of a gaming facility license for Southeastern Massachusetts into the fund, an amount the administration currently estimates could be as much as \$76.5 million.

Representative Smola disputed claims made by some opponents of the amendment that a two-thirds vote requirement would unfairly tie the hands of legislators in the future. He noted that Article 97 of the state Constitution already requires a two-thirds vote in both branches for land-takings, while similar supermajority votes are needed to override budget vetoes issued by the Governor.

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