



## THE COMMONWEALTH OF MASSACHUSETTS

### Commonwealth Transportation Fund Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs)

#### ANNUAL FINANCIAL INFORMATION

March 27, 2023

The following annual financial information is provided by The Commonwealth of Massachusetts (the “Commonwealth”) pursuant to certain continuing disclosure undertakings entered into by the Commonwealth in connection with the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Programs) and the Commonwealth’s Transportation Fund Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs). Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2022, updating the financial information presented in the Commonwealth’s statement of annual financial information for transportation fund revenue bonds dated March 24, 2022 with respect to the fiscal year ended June 30, 2021. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statements related to the above-mentioned bonds, copies of which are available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”).

This statement is of limited scope. It contains only an updating of certain financial information and operating data described below. The information set forth herein does not contain all material information concerning the Commonwealth’s transportation fund revenue bonds necessary to make an informed investment decision. This statement does not constitute an offer to sell or the solicitation of an offer to buy Commonwealth transportation fund revenue bonds. This statement is submitted pursuant to various continuing disclosure undertakings relating to bonds that are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission and is intended to provide only the information necessary to conform to the requirements of said Rule 15c2-12.

The Commonwealth’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 (the “2021 ACFR”) has been posted to EMMA and is available at <https://emma.msrb.org/P21571871-P21214090-P21635354.pdf>. The Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Commonwealth Transportation Fund for fiscal 2021 are available on pages 176 and 180, respectively, of the 2021 ACFR. The Commonwealth’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 is not yet available and will be posted on EMMA when available. See the Information Statement (defined below) for a discussion of the delay of the fiscal 2022 ACFR.

The Commonwealth’s Statutory Basis Financial Report for the fiscal year ended June 30, 2022 (SBFR) has also been posted to EMMA and is available at <https://emma.msrb.org/P11648213-P11269529-P11696752.pdf>. The Balance Sheet – Statutory Basis for the Commonwealth Transportation Fund is available on page 74 of the SBFR and the Statement of Revenues, Expenditures and Changes in Fund Balances – Statutory Basis for the Commonwealth Transportation Fund is available on page 75 of the SBFR.

## **SPECIAL DISCLOSURE REGARDING COVID-19 MATTERS**

In response to the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, and the declaration by the World Health Organization on March 11, 2020 of a COVID-19 pandemic, in March 2020 Governor Baker declared a state of emergency in the Commonwealth due to COVID-19. International, federal, state and local governments, as well as private businesses and organizations, implemented numerous measures intended to mitigate the spread and effects of COVID-19. The spread of COVID-19, the mitigation measures implemented, and the responses of individuals, businesses, and organizations to the disease and the mitigation measures implemented caused severe disruptions in global, national, and local economies, as well as to global financial markets and the U.S. stock and bond markets. Specifically, COVID-19 and the efforts to mitigate its effects adversely impacted certain revenues of the Commonwealth, including Motor Fuels Tax revenues and Registry Fees, commencing with fiscal 2020. While the Commonwealth's state of emergency ended on June 15, 2021, the continued impact on the Pledged Funds will depend on many factors and future developments, including continuing impacts on travel and tourism activity and the extent to which modifications in operations implemented by businesses and organizations during the pandemic, including allowing employees to work remotely, will continue.

For additional information regarding the impact of COVID-19 on the Commonwealth and measures taken by the Commonwealth, see the most recent Official Statement with respect to the Commonwealth's Transportation Fund Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs) available at <https://emma.msrb.org/P21584239-P21222750-P21644738.pdf> and the most recent Commonwealth Information Statement dated March 23, 2023 (the "Information Statement") available at <https://emma.msrb.org/P21682729-P31118509-P21725202.pdf>.

## **SPECIAL DISCLOSURE REGARDING SPECIAL OBLIGATION BONDS**

This annual continuing disclosure filing includes information through the end of the Commonwealth's fiscal 2022. The Department of Revenue provides monthly reports regarding the collection of motor fuels taxes which can be found at <https://www.mass.gov/lists/blue-book-reports-department-of-revenue>.

Questions regarding information contained in this statement may be directed to Sue Perez, Deputy Treasurer, Office of the Treasurer and Receiver-General, One Center Plaza, Suite 430, Boston, Massachusetts 02108, telephone (617) 367-9333, or to Kaitlyn Connors, Assistant Secretary, Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts 02133, telephone (857) 338-0234.

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1. Summary presentation of actual gasoline sales on a ten-year comparative basis, concluding with the prior fiscal year.

**HISTORICAL GASOLINE SALES**

<b>Fiscal Year</b>	<b>Average Price of Gasoline <sup>(1)</sup></b>	<b>Gasoline Consumed (millions of gallons) <sup>(2)</sup></b>	<b>Percentage Change in Gasoline Consumed</b>	<b>Non-Farm Employment (thousands) <sup>(3)</sup></b>	<b>Percentage Change in Non-Farm Employment</b>
2022	\$3.731	2,582	9.49%	3,617	5.48%
2021	2.465	2,359	(7.32)	3,429	(4.04)
2020	2.486	2,545	(9.37)	3,574	(2.94)
2019	2.753	2,808	0.75	3,682	1.22
2018	2.708	2,787	(0.33)	3,638	1.22
2017	2.347	2,796	0.53	3,594	1.69
2016	2.282	2,781	1.54	3,535	1.95
2015	2.925	2,739	0.24	3,467	2.13
2014	3.613	2,733	0.45	3,395	1.72
2013	3.684	2,721	(1.84)	3,337	1.55

SOURCES: "Average Price of Gasoline": U. S. Department of Energy, Energy Information Administration; "Non-Farm Employment": U. S. Bureau of Labor Statistics; "Gasoline Consumed": Department of Revenue.

- (1) Reflects the Average Price of Gasoline (\$/gallon) in all of Massachusetts.
- (2) Based on Historical Gasoline Tax Collections pursuant to Chapter 64A, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax - Refunds and Abatements from Gasoline Tax*.
- (3) Seasonally adjusted. Calculated as fiscal year average of monthly employment.

2. Summary presentation of actual Pledged Motor Fuels Tax receipts on a ten-year comparative basis, concluding with the prior fiscal year.

**HISTORICAL ANNUAL COLLECTION OF PLEDGED MOTOR FUELS TAX**

<b>Fiscal Year</b>	<b>Gasoline and Special Fuels Tax Rate</b>	<b>Pledged Motor Fuels Tax Receipts <sup>(1)</sup></b>	<b>Percentage Change in Motor Fuels Tax Receipts</b>
2022	\$0.24	\$721,155	9.02%
2021	0.24	661,492	(6.34)
2020	0.24	706,295	(8.72)
2019	0.24	773,790	0.82
2018	0.24	767,519	(0.04)
2017	0.24	767,855	0.39
2016	0.24	764,848	1.39
2015	0.24	754,392	3.25
2014	0.24	730,640	12.44
2013	0.21	649,779	(1.57)

Sources: "Gasoline and Special Fuels Tax Rate," Department of Revenue; "Pledged Motor Fuels Tax Receipts," Fiscal Years 2013-2022, Office of the Comptroller.

- (1) In thousands. Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax – Crediting of Receipts*. Net of refunds and abatements from Gasoline Tax. See the Official Statements under *Commonwealth Motor Fuels Tax – Refunds and Abatements from Gasoline Tax*. The table above reflects tax rates of 21¢ per gallon on fuel (other than liquefied gas), 19.1% of the average price per gallon liquefied gas and 20.9685¢ per gallon Gasoline Tax in effect prior to July 31, 2013, and tax rates of 24¢ per gallon on special fuel (other than liquefied gas), 19.1% of the average price per gallon on liquefied gas and 23.964¢ of the 24¢ per gallon Gasoline Tax in effect after July 31, 2013.

3. Summary presentation of actual monthly Motor Fuels Tax receipts for the two most recently completed fiscal years.

**HISTORICAL MONTHLY COLLECTION OF MOTOR FUELS TAXES  
MOST RECENT 24 MONTHS ENDING JUNE 2022  
(in thousands)**

<b>Month</b>	<b>Gasoline Tax Receipts under Chapter 64A<sup>(1)(2)</sup></b>	<b>Special Fuels Tax Receipts under Chapter 64E<sup>(1)</sup></b>	<b>Motor Carrier Fuels Tax Receipts under Chapter 64F<sup>(1)</sup></b>	<b>Total</b>
July, 2020	\$45,200	\$7,532	\$770	\$53,503
August, 2020	49,358	6,781	174	56,313
September, 2020	50,787	7,304	406	58,497
October, 2020	47,932	7,298	761	55,991
November, 2020	49,218	8,255	441	57,914
December, 2020	44,613	7,296	810	52,719
January, 2021	45,871	7,744	683	54,298
February, 2021	43,774	6,763	343	50,880
March, 2021	40,706	6,715	954	48,374
April, 2021	48,212	7,700	611	56,523
May, 2021	47,334	7,814	278	55,427
June, 2021	52,190	8,092	771	61,053
July, 2021	53,874	8,308	451	62,634
August, 2021	53,638	7,908	324	61,870
September, 2021	52,613	8,220	783	61,616
October, 2021	54,244	8,183	368	62,795
November, 2021	53,843	8,454	294	62,590
December, 2021	50,872	8,186	802	59,860
January, 2022	52,167	7,750	520	60,437
February, 2022	45,257	7,399	198	52,854
March, 2022	45,093	8,091	816	54,000
April, 2022	50,352	8,007	383	58,742
May, 2022	48,530	7,654	311	56,495
June, 2022	58,372	8,160	730	67,262

SOURCE: Department of Revenue.

- (1) Net of applicable refunds, abatements and adjustments, if any. See the Official Statements under *Commonwealth Motor Fuels Tax – Refunds and Abatements from Gasoline Tax*.
- (2) Excludes Aviation Fuel tax receipts and Gasoline Tax deposited in the Inland Fisheries Fund.

**4. Summary presentation of actual RMV transactions on a ten-year comparative basis, concluding with the prior fiscal year.**

The following table shows the number of RMV transactions since fiscal 2013<sup>(1)</sup>.

<b>Fiscal Year</b>	<b>Vehicle Registrations Renewals or Modifications</b>	<b>License Duplicates/ Amendments</b>	<b>License Renewal</b>	<b>New License <sup>(2)</sup></b>	<b>New Vehicle Registrations</b>	<b>Total</b>
2022	3,171,702	223,170	930,987	221,628	782,551	5,329,438
2021	3,457,195	203,847	902,968	229,256	1,149,735	5,943,001
2020	3,210,530	259,625	821,201	167,564	952,171	5,411,091
2019	3,265,072	226,764	992,905	217,269	1,298,783	6,000,793
2018	3,267,124	216,538	948,738	160,191	1,299,835	5,892,426
2017	3,021,320	233,338	790,989	152,968	1,302,777	5,501,392
2016	3,206,242	210,267	602,081	158,807	1,315,621	5,493,018
2015	3,208,001	194,490	918,640	207,191	1,250,330	5,778,652
2014	3,097,268	186,499	987,767	231,807	1,204,382	5,707,723
2013	2,644,174	184,318	946,787	230,148	1,123,537	5,128,964

SOURCE: Massachusetts Department of Transportation

- (1) Amounts are unaudited. Does not include all RMV transactions, such as certificate of title transactions.
- (2) New license transactions totals for fiscal year 2013 have been restated due to a calculation error when recording new license transactions. Revenue attributable to the transactions has not changed.

**5. Summary presentation of Registry Fee receipts on a ten-year comparative basis, concluding with the prior fiscal year.**

The following table shows the historical collection of Registry Fees since fiscal 2012.

**HISTORICAL ANNUAL COLLECTION OF REGISTRY FEES**

<b>Fiscal Year</b>	<b>Pledged Registry Fee Receipts (in thousands) <sup>(1)</sup></b>	<b>Percentage Change in Registry Fee Receipts</b>
2022	\$598,988	(3.82)%
2021	622,770	10.84
2020	561,867	(8.91)
2019	616,830	0.66
2018	612,779	2.35
2017	598,691	3.15
2016	580,426	(0.22)
2015	581,686	9.09
2014	533,194	2.11
2013	522,199	2.67

SOURCE: Office of the Comptroller.

(1) Certain prior years have been adjusted to reflect a reclassification of certain revenues as Pledged Registry Fees. Does not include amounts allocable to the cost of production of license plates, which in fiscal 2022 was approximately \$2.7 million.

6. Summary presentation of actual Commonwealth Transportation Fund revenues on a ten-year comparative basis, concluding with the prior fiscal year.

**HISTORIC PRO FORMA COMMONWEALTH TRANSPORTATION FUND PLEDGED FUNDS  
(in thousands)**

**Pledged Motor Fuels Tax <sup>(1)</sup>**

<b>Fiscal Year Ending June 30</b>	<b>Chapter 64A Receipts <sup>(2)</sup></b>	<b>Chapter 64E and 64F Receipts</b>	<b>Registry Fees <sup>(3)</sup></b>	<b>Total</b>
2022	\$618,856	\$102,298	\$598,988	\$1,320,143
2021	565,194	96,298	622,770	1,284,262
2020	609,818	96,477	561,867	1,268,161
2019	672,866	100,923	616,830	1,390,619
2018	667,866	99,654	612,779	1,380,300
2017	670,093	97,762	598,691	1,366,538
2016	666,539	98,309	580,426	1,345,274
2015	656,445	97,947	581,686	1,336,078
2014	640,702	89,938	533,194	1,263,834
2013	570,477	79,302	522,199	1,171,978

SOURCE: Office of the Comptroller.

- (1) Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax – Crediting of Receipts*. Does not include prior Pledged Funds used to pay 1994 Trust Agreement Bonds.
- (2) Equal to 20.9685¢ per gallon of the 21¢ per gallon Gasoline Tax imposed under Chapter 64A *prior to July 31, 2013*, and equal to 23.964¢ per gallon of the 24¢ per gallon Gasoline Tax imposed under Chapter 64A *after July 31, 2013*; prior to the Transportation Reform Act and the establishment of the Commonwealth Transportation Fund effective fiscal 2010, the Gasoline Tax imposed under Chapter 64A was credited to the Highway Fund (84.85%), the General Fund (15.0%) and to the Inland Fisheries and Game Fund (0.15%).
- (3) Certain prior years have been adjusted to reflect reclassification of RMV revenues. Does not include amounts allocable to the cost of production of license plates, which in fiscal 2022 was approximately \$2.7 million.