

HOUSE No. 4057

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, March 10, 2016.

The committee on Transportation to whom was referred the message from His Excellency the Governor recommending legislation relative to financing improvements to municipal roads and bridges (House, No. 4010), reports, in part, recommending that the accompanying bill (House, No. 4057) ought to pass.

For the committee,

WILLIAM M. STRAUS.

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**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act financing improvements to municipal roads and bridges.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. To provide for a program of transportation development and improvements,
2 the sums set forth in sections 2 to 2B, inclusive, for the several purposes and subject to the
3 conditions specified in this act, are hereby made available, subject to the laws regulating the
4 disbursement of public funds. The sums made available in this act shall be in addition to any
5 amounts previously appropriated or made available for these purposes.

6 SECTION 2.

7 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

8 Highway Division

9 6121-1714. For projects on the interstate and non-interstate federal highway system;
10 provided, that funds may be expended for the costs of these projects including, but not limited to,
11 the nonparticipating portions of these projects and the costs of engineering and other services
12 essential to these projects; provided further, that notwithstanding this act or any other general or

13 special law to the contrary, the department shall not enter into any obligations for projects which
14 are eligible to receive federal funds under this act unless state matching funds exist which have
15 been specifically authorized and are sufficient to fully fund the corresponding state portion of the
16 federal commitment to fund these obligations; and provided, further, that the department shall
17 only enter into obligations for projects under this act based upon a prior or anticipated future
18 commitment of federal funds and the availability of corresponding state funding authorized and
19 appropriated for this use by the general court for the class and category of project for which this
20 obligation applies..... \$750,000,000

21 SECTION 2A.

22 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

23 Highway Division

24 6122-1724. For the construction and reconstruction of municipal ways as described in
25 clause (b) of the second paragraph of section 4 of chapter 6C of the General Laws; provided, that
26 a city or town shall comply with the procedures established by the Massachusetts Department of
27 Transportation; provided further, that a city or town may appropriate for these projects amounts
28 not in excess of the amount provided to the city or town under this item; provided further, that
29 the appropriation shall be considered as an available fund upon approval of the commissioner of
30 revenue under section 23 of chapter 59 of the General Laws; and provided further, that the
31 commonwealth shall reimburse a city or town under this item, subject to the availability of funds
32 as provided in section 9G of chapter 29 of the General Laws, within 30 days after receipt by the
33 department of a request for reimbursement from the city or town, which request shall include
34 certification by the city or town that actual expenses have been incurred on projects eligible for

35 reimbursement under this item and that the work has been completed to the satisfaction of the
36 city or town according to the specifications of the project and in compliance with applicable laws
37 and procedures established by the department..... \$200,000,000

38 SECTION 2B.

39 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

40 Highway Division

41 6121-1718. For the design, construction, preservation, reconstruction and repair of or
42 improvements to nonfederally-aided bridges and approaches with span lengths no greater than 20
43 feet; provided, that expenditures from this item may include the costs of engineering, design,
44 permitting and other services essential to these projects; provided further, that a city or town
45 shall comply with the procedures established by the Massachusetts Department of Transportation
46 with respect to the Small Bridge Program, so-called; provided, further, that the department shall
47 only enter into obligations for projects under this item based upon a prior or anticipated future
48 commitment of funds from one or more cities or towns in which such project is located or which
49 is or are otherwise served by such project, and the availability of corresponding municipal
50 funding authorized for use in connection with such project for which the obligation applies;
51 provided, further, that not more than 20% of funds distributed under this item in any fiscal year
52 shall be distributed in the aggregate to cities and towns in any one highway district; and provided
53 further that no amounts appropriated under this item shall be expended for bridges or approaches
54 owned by or under the control of the Massachusetts Department of Transportation or the
55 Massachusetts Bay Transportation Authority.....\$50,000,000

56 SECTION 3. To meet a portion of the expenditures necessary in carrying out section 2,
57 the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth
58 in an amount to be specified by the governor from time to time but not exceeding, in the
59 aggregate, \$135,000,000. All bonds issued by the commonwealth as aforesaid shall be
60 designated on their face, Transportation Improvement Loan Act of 2016, and shall be issued for
61 a maximum term of years, not exceeding 30 years, as the governor herein recommends to the
62 general court under section 3 of Article LXII of the Amendments to the Constitution; provided,
63 however, that all such bonds shall be payable not later than June 30, 2051. All interest and
64 payments on account of principal on such obligations shall be payable from the Commonwealth
65 Transportation Fund. Bonds and interest thereon issued under this section shall be general
66 obligations of the commonwealth.

67 SECTION 4. To meet the expenditures necessary in carrying out section 2A, the state
68 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
69 amount to be specified by the governor from time to time but not exceeding, in the aggregate, the
70 sum of \$200,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on
71 their face, Municipal Ways Act of 2016, and shall be issued for a maximum term of years, not
72 exceeding 30 years, as the governor herein recommends to the general court under Section 3 of
73 Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall
74 be payable not later than June 30, 2051. All interest and payments on account of principal on
75 these obligations shall be payable from the General Fund. Notwithstanding any other general or
76 special law to the contrary, bonds issued under this section and interest thereon shall be general
77 obligations of the commonwealth.

78 SECTION 5. To meet the expenditures necessary in carrying out section 2B, the state
79 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
80 amount to be specified by the governor from time to time but not exceeding, in the aggregate,
81 \$50,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their
82 face, Small Bridge Preservation and Improvement Act of 2016, and shall be issued for a
83 maximum term of years, not exceeding 30 years, as the governor herein recommends to the
84 general court under section 3 of Article LXII of the Amendments to the Constitution; provided,
85 however, that all such bonds shall be payable not later than June 30, 2051. All interest and
86 payments on account of principal on such obligations shall be payable from the Commonwealth
87 Transportation Fund. Bonds and interest thereon issued under this section shall be general
88 obligations of the commonwealth.

89 SECTION 6. Notwithstanding any general or special law to the contrary, all construction
90 contracts funded in whole or in part by the funds authorized in section 2A of this act shall
91 include a price adjustment clause for each of the following: fuel, including both diesel and
92 gasoline; asphalt; concrete; and steel. A base price for each material shall be set by the awarding
93 authority or agency and included in the bid documents at the time a project is advertised. The
94 awarding authority or agency shall also identify in the bid documents the price index to be used
95 for each material and supply. The adjustment clause shall provide for a contract adjustment to be
96 made on a monthly basis when the monthly cost change exceeds plus or minus 5 per cent.

97 SECTION 7. Notwithstanding any general or special law to the contrary, the bonds that
98 the state treasurer may issue pursuant to sections 3, 4 and 5 of this act shall be issued for a term
99 not to exceed 30 years. All such bonds shall be payable not later than June 30, 2051, pursuant to
100 Section 3 of Article LXII of the Amendments to the Constitution.

101 SECTION 8. Said chapter 79 is hereby further amended by inserting after section 41 the
102 following new section:-

103 Section 41½. Notwithstanding any general or special law to the contrary, bonds or notes
104 issued under section 20 as special obligation bonds pursuant to section 20 of chapter 29 of the
105 General Laws shall not be included in the computation of outstanding bonds for purposes of the
106 limit imposed by the second paragraph of section 60A of chapter 29 of the General Laws, nor
107 shall debt service with respect to these bonds and notes be included in the computation of the
108 limit imposed by section 60B of said chapter 29.

109 SECTION 9. Section 6 of chapter 257 of the acts of 2014 is hereby amended by striking
110 out subsection (b) and inserting in place thereof the following subsection:-

111 (b) All interest and payments on account of principal of these obligations shall be payable
112 solely from the State Lottery and Gaming Fund. Bonds and interest thereon issued under this
113 section shall be general obligations of the commonwealth; provided, however, that any bonds
114 issued by the state treasurer under this section, upon the request of the governor, may be issued
115 as special obligation bonds pursuant to section 20 of chapter 29 of the General Laws; provided
116 further, that in deciding whether to request the issuance of particular bonds as special
117 obligations, the governor shall take into account: (1) generally prevailing financial market
118 conditions; (2) the impact of each approach on the overall capital financing plans and needs of
119 the commonwealth; (3) any ratings assigned to outstanding bonds of the commonwealth and any
120 ratings expected to be assigned by any nationally-recognized credit rating agency to the bonds
121 proposed to be issued; and (4) any applicable provisions of a trust agreement or credit
122 enhancement agreement entered into pursuant to section 20 of said chapter 29. Bonds issued

123 under the authority of this section shall be excluded from the debt limit established in section
124 60A of chapter 29 of the General Laws.

125 SECTION 10. Section 2 of chapter 286 of the Acts of 2014 is hereby amended by
126 striking out item 6720-1336.

127 SECTION 11. Said section 2 of said chapter 286 is hereby further amended by inserting
128 after the header “MASSACHUSETTS DEPARTMENT OF TRANSPORTATION, Office of the
129 Secretary” the following item:-

130 6720-1336 For purposes of protection of the ecological integrity of buffer zones along the
131 highway mitigating the negative impacts of sound, air pollution, storm water drainage and
132 flooding; provided, that not less than \$110,000 shall be expended by the Massachusetts
133 Department of Transportation to purchase certain parcels of land in the town of Needham
134 adjacent to the state highway route 128 on Greendale avenue between Brookline street and Broad
135 Meadow road.....
136 \$110,000

137 SECTION 12. Notwithstanding any general or special law to the contrary, in carrying out
138 this act, the Massachusetts Department of Transportation may enter into contracts, agreements or
139 transactions that may be appropriate with other federal, state, local or regional public agencies or
140 authorities. The contracts, agreements or transactions may relate to such matters as the
141 department shall determine including, without limitation, the research, design, layout,
142 construction, reconstruction or management of construction of all or a portion of these projects.
143 In relation to any such contracts, agreements or transactions, the department may advance
144 monies to such agencies or authorities, without prior expenditure by the agencies or authorities,

145 and the agencies and authorities may accept monies necessary to carry out these agreements;
146 provided, however, the department shall certify to the comptroller the amounts so advanced and
147 these agreements shall contain provisions satisfactory to the department for the accounting of
148 monies expended by any other agency or authority. All monies not expended under these
149 contracts, agreements or transactions shall be credited to the account of the department from
150 which they were advanced.