

An Act to Modernize Municipal Finance and Government

Section by Section Summary of Final Bill to Be Signed on August 9, 2016

Local Agricultural Commissions (1, 23, 215, 243) – These sections authorize a municipality to establish a municipal agricultural commission to promote and develop the agricultural resources of the municipality.

Municipal Procurement 1 (2-4, 6-12) – These sections amend the “horizontal” construction procurement statute, c. 30, § 39M, to increase the dollar threshold for contracts requiring less-than-full competitive bidding from \$10K to \$50K. They also make procurement methods consistent with other construction and municipal procurement statutes by adding a “middle tier” of contracts valued at between \$10K-\$50K, for which public entities may either give public notification of the contract or use OSD statewide contracts or other “blanket” contracts to solicit a minimum of three bids. Finally, these sections make conforming changes to dollar thresholds for existing exemptions under c. 30, § 39M, and the municipal procurement statute, c. 30B.

Exemptions from Uniform Procurement (5) – This section removes the existing exemption from the municipal procurement statute, c. 30B, for contracts for bank services that are subject to the maintenance of a compensating balance. The exemption for bank services subject to a compensating balance is removed because municipalities are otherwise subject to c. 30B rules for other types of banking services. This is also consistent with loosening state oversight of such agreements, as described in sections 87-90.

Civil Service Exams for Police Officers and Firefighters (13) – This section allows an applicant who has reached 19 years of age while serving on active military duty, who was not 19 on or before the date of an original examination, to be eligible for any subsequent make up examination that is offered. No person is eligible for original appointment to the position of police officer in a city or town until that person has reached the age of 21.

Retiree Health Cost Sharing (14, 251) – This section repeals the requirement in c. 32B, § 9A½ that a municipality be reimbursed in full, in the event a retired municipal employee or beneficiary receives healthcare premium contributions under circumstances in which a portion of the retiree’s creditable service is attributable to service in another municipality. This legislation was enacted in 2010 with municipal support, but has proven to be unworkable in practice.

OPEB Trust Fund (15, 238) – These sections permit governmental units – defined broadly to include any political subdivision of the Commonwealth and housing authorities, redevelopment authorities, regional councils of government, regional school districts and educational collaboratives – to establish an OPEB trust fund that complies with the legal requirements for trusts and with GASB. This change is necessary to clarify current language, which only authorizes a reserve/stabilization fund for retiree health insurance purposes. These sections also

make clear that any OPEB fund created prior to the effective date of this act will continue unless the governmental unit re-accepts the provisions of this act.

County Borrowing Tech Correction (16) – This section permits counties to borrow money for emergency purposes upon approval by the municipal finance oversight board, and not (as is currently required) a board composed of the attorney general, the state treasurer and the director of accounts (within the Division of Local Services, or “DLS”).

Supervision of County Government 1 (17) – This section repeals provisions of the county finance statute that requires DLS to review the accounts of county treasurers and other offices receiving money payable to the counties, prescribe accounting standards and provide technical assistance, and submit annual reports on county accounts to the Governor and Legislature. DLS does not perform these functions for any remaining county governments.

Supervision of County Government 2 (18) – This section repeals the provision of the county finance statute that requires DLS to submit county employee classification and compensation plans to county personnel boards, and to advise county commissioners and personnel boards on employment matters. DLS does not perform these functions for any remaining county governments.

Rental Revolving Fund (19) – This section allows cities and towns to create a revolving fund for proceeds from rental of surplus non-school properties, and authorizes expenditures without appropriation for upkeep of such properties. This is an expansion of current law, which authorizes a revolving fund only for the rental of surplus school properties.

Joint Powers Agreements (20) – This section allows governmental entities to enter into a joint powers agreement. In a city, these can be entered into with another governmental unit for the joint exercise of any of their common powers and duties within a designated region, except for veterans services, by the council with the approval of the mayor, and in a town, by the board of selectmen.

City Reserve Funds (21) – This section increases the amount that cities may appropriate, as a reserve fund for extraordinary or unforeseen expenditures, from 3% to 5% of the tax levy for the preceding fiscal year. The 5% level conforms to that currently authorized for towns and districts.

Stabilization Funds 1 (22) – This section amends current law, which allows municipalities to create one or more stabilization funds, by permitting appropriations into the fund by majority vote and permitting the municipality, without appropriation, to dedicate all or a portion of particular revenue streams to the fund. This section also eliminates the cap on the amount reserved (10% of the prior year property tax levy), but retains the requirement to obtain a 2/3 vote to make appropriations from the fund.

Special Education Reserve Fund (24) – This section allows a school district to establish a reserve fund to pay, without further appropriation, for unanticipated or unbudgeted costs of special education, out-of-district tuition or transportation. The balance in the reserve fund shall not exceed 2% of the annual net school spending of the school district.

Parking Meter Local Acceptance (25, 28-29) – These sections allow revenue generated from parking meters to revert to the city or town’s general fund, unless specifically accepted by the city or town to be accounted for in a separate fund.

Parking Meter Revenue Use (26-27, 30) – These sections expand the allowable use of parking meter funds and allow for rates to be set for the purpose of managing the parking supply. They also allow for the establishment of Parking Benefit Districts, a geographically defined area in which parking revenue collected therein may be designated in whole or in part for use in that district through a dedicated fund.

Water Infrastructure Surcharge Exemption (31) – This section changes the exemption application deadline for the new water infrastructure surcharge to April 1.

Regional Refuse Disposal Planning Committee (32-34) – This section modifies the statute on such committees to enable the Board of Selectmen in a town to establish the committee rather than Town Meeting.

Certification of Local Property Assessments (35-36, 250) – These sections decrease the frequency with which DOR must certify that local property assessments reflect fair cash valuation from every three years to every five years. The certification is a condition of approving the municipality’s property classifications for purposes of allocating responsibility for the local tax levy. This change would take effect for the fiscal years starting on or after July 1, 2017.

Collections Taxpayer Good Standing (37-38) – These sections permit municipalities to deny local licenses and permits to any taxpayer who has neglected or refused to pay local taxes and who has not filed a good faith application for an abatement. Current law permits this collection method, but only if the taxpayer has been delinquent for at least one year. This change is intended to allow municipalities to mirror a “good standing” requirement for licensure under their implementation by-law or ordinance.

Workforce Housing Special Tax Assessment Plan (39, 123) – These sections allow a municipality to adopt and implement a workforce housing special tax assessment plan, intended to encourage and facilitate the increased development of middle income housing. Special tax assessment exemptions from property taxes can be entered into by the municipality and the developer for a period not to exceed 5 years.

Industrial Development Financing Authority (40-41) – These sections amend state law to allow the Board of Selectmen in a town to establish an Industrial Development Financing Authority.

Water and Sewer Commissions (42-43) – These sections make a technical correction to the methods of local acceptance of statutory provisions creating local water and sewer commissions, by referencing the methods of local acceptance in c. 4, § 4, and clarifying that a water and sewer commission is an independent body politic. These sections also permit the commissions that enter into agreements with municipalities to have liens added to city or town tax bills and collected by the tax collector, rather than by the commissions.

District Improvement Financing (44-50) – These sections amend the district improvement financing statutes so that the “DIF” reserved for debt service and project costs equals the new property tax revenue generated by new development and added to the community’s levy limit as new growth under Proposition 2½. They also clarify that the requirement to reserve tax increment funds ends when monies are set aside to pay all debt service. The formula in the law is based on models used in other states that do not have levy limitations or require tax rate recalculation based on current values, i.e., where valuation increases generate additional revenue. For this reason, the tax increment is very difficult for local assessors to calculate and more importantly does not actually reflect the new property tax revenue generated by the project.

Combine Treasurer Collector (51-52) – These sections allow municipalities to combine their treasurers and tax collectors into one appointed position without first obtaining a special act.

Appoint/Remove Finance Officers (53, 55-56) – These sections repeal three sections under which the Department of Revenue (DOR) may appoint, approve the appointment of or remove local finance officers (assessors, collectors, deputy collectors and treasurers) for non-performance. The statutes date back to a different era and are outdated given changes in the governance and operation of municipal finance offices. Responsibility and accountability for the performance of these officials belongs with the local appointing authority or the voters. Also, DOR has no record of exercising these functions in years, if ever.

Joint/Cooperative Assessing, Classification and Valuation of Property (54) – This section modifies how agreements for joint/cooperative assessing are established by letting Boards of Selectmen do so in towns.

Approval of Bills/Warrants (57-58) – These sections allow multi-member boards, committee, commissions heading departments, including boards of selectmen, to designate one of its members, to review and approve bills or payment warrants, with a report provided at the next meeting. Currently, a board or committee heading a department may delegate authority to approve payrolls to a member and a regional school committee may designate a subcommittee to approve bills and payrolls with a report to the next meeting of full committee. Absent a charter

or special act, boards and committees must approve bills or payment warrants by majority vote at a meeting subject to the Open Meeting Law.

Compensation of District Assessor (59) – Removes the DOR Commissioner’s role as mediator if a dispute arises about the amount annually appropriated for the salaries and compensations of assessors and tax collectors in tax levying districts.

Injured on Duty Fund (60) – Allows municipalities to create, appropriate money to and expend from a special injury leave indemnity fund for payment of police officer and firefighter injury leave compensation or medical bills, rather than charging them to current departmental appropriations.

Debt Purposes (61, 63-64, 178, 180) – These sections modernize and simplify the current laws that authorize cities, towns and districts to borrow by consolidating, updating and restructuring the allowable borrowing purposes. Also allows borrowing for a court judgment for more than 1 year if approved by the Municipal Finance Oversight Board.

Grant Anticipation Notes (62) – Broadens current law to allow municipalities to borrow in advance of any state or federal grant, whether that grant in the form of an advance or is reimbursable. This updates the statute to add federal grants and reflect changes in state grant administration, as fewer advance grants that can be spent without appropriation are being made.

Ten Year BANs (65) – Amends current law to allow 10 year bond anticipation notes (BANs) with the same required principal paydown as current law, to provide treasurers greater flexibility in structuring debt, particularly for smaller purchases or projects.

Refunding Bonds (66, 68) – Allows final payment (of the original debt schedule) to be made no later than 6/30 of the fiscal year payment otherwise due, instead of annual anniversary of prior payments. Also, amends current law to allow with a finding by the mayor/manager/select-board that refunding is necessary for federal tax compliance purposes. This section also makes a technical change to the refunding procedures and payment schedule – allowing first principal payment of refunding bonds to be due no later than 6/30 of the fiscal year the payment would have otherwise been due, e.g., instead of 11/1 or 5/1. The payment still must be in the same fiscal year and cannot be deferred to another fiscal year.

Bond Premiums and Surplus Proceeds (67) – Amends current law by providing communities with a choice regarding how to treat bond premiums (net of issuance costs). Communities will be able to either apply it to the issuance, thereby reducing the amount needed to borrow, or place it in a separate fund and appropriate it for a capital project. It also amends current law by increasing the amount of surplus bond proceeds that can be applied to debt service from \$1,000 to \$50,000.

Lease Purchase (69) – Establishes a procedure governing the use of tax-exempt lease-purchase financing agreements (TELPs) by municipal departments and allows borrowing to pay off a TELP if it would result in interest savings.

Eliminate Debt Report (70) – Eliminates the requirement that the municipal treasurer notify the director of accounts when a payment is made. This eliminates the need to notify of duplicative information, as the annual year-end statement of indebtedness shows changes in debt levels over the course of the year.

Emergency Spending (71) – Amends current law to provide for automatic approval of payment for liabilities incurred as a result of emergencies and disasters, when the Governor declares a state of emergency.

Court Judgments (72-73) – Amends current law to allow payment without appropriation of final court judgments and other final adjudicatory claims with municipal counsel certification. Currently, such payments over \$10K, require the approval of the director of accounts. Further, amends the statute to reflect the current operating environment where obligations to make immediate payments based on various legal claims now are just as likely to result from decisions of administrative agencies rather than just court judgments.

Snow and Ice Removal (74) – Eliminates prior approval for deficit spending for snow and ice removal by the council/selectboard; and alternatively, requires only that the chief administrative office of the municipality authorize deficit spending.

Year End Transfers (75-76) – These sections eliminate the limits on types and amounts of appropriation transfers that can be made by the selectmen with finance committee approval at end of year. This would allow end-of-fiscal-year transfers from health insurance, debt service or other unclassified/non-departmental line item appropriation and eliminate a cap of 3% on the amount that may be transferred from any department (school and light department line items remain exempt from this procedure). Eliminating the cap on transfers will provide for greater flexibility in avoiding deficits and eliminate the need for additional town meetings by July 15 for minor transfers.

Director of Accounts Powers (77-83, 182) – These sections make several updates to statutes governing municipal audit and accounting systems to reflect the current focus of state oversight on establishing uniform accounting and reporting standards, ensuring periodic audits and instituting best practices based on end of year reports, local management reviews and DLS reviews of cities, towns and special purpose districts. These changes are made through repealing or amending a number of statutes that have not been updated in years and still reflect the original mission of the Bureau of Accounts to install accounting systems, conduct financial and forensic audits and investigations of cities, towns and districts.

Insurance/ Restitution Funds (84) – This section amends the statute that requires all municipal receipts to be deposited to the general fund and be appropriated. This current statute includes several exceptions that allow certain receipts to be spent without appropriation for particular purposes, including insurance and restitution proceeds. This section increases the amount that may be spent without appropriation to restore or replace the damaged property from \$20,000 to \$150,000 and updates the lost or damaged school book and materials restitution exception to include electronic devices and equipment provided to students.

Grant Available Fund (85) – Makes all reimbursable grants from federal or state government available for appropriation once approved by the granting agency. The proposed amendment eliminates the need for the Director of Account’s approval in future bond bills for G.L. c. 90 grant funds and broadens the immediate availability of other reimbursable grants for expenditure.

Departmental Revolving Fund (86) – This section amends the revolving funds statute to provide more flexibility by eliminating the departmental per fund and total fund caps, broadening the types of departmental receipts which funds can be established, and allowing revolving funds to be established by bylaw or ordinance.

Compensating Balance (87-90) – These sections remove DOR’s role in prescribing types of services and in receiving reports on municipal agreements with banking institutions for “compensating balance” agreements. However, these sections still require that the treasurer or collector of a municipality produce the report and submit to local officials and the inspector general.

Refundable Consulting Fees (91) – Current law allows consultant fees imposed by certain municipal permitting boards to pay the costs of their reviewing applications for permits or licenses, including zoning special permits, subdivision control, comprehensive permits, board of health permits, and conservation commission permits. The statute allows the board to spend the fees for consulting services, and if monies remain after the board makes its determination, to refund them to the applicant, without appropriation. This amendment would expand the use of special funds to include consulting fees charged by any municipal officer (for example, building inspector) or board with permitting authority where the imposition of fees for outside consultants is established by its own rule-making authority (if any), statute, ordinance or by-law.

Performance Deposits (92) – This section adds a provision that would allow municipalities to set up escrow accounts for refundable cash performance deposits and set standards for administration, investment and expenditure upon default.

Special Events Fund / Betterment Reserve (93) – This section amends or adds two special revenue funds. The first broadens the municipal celebration fund to include any special event (anniversary celebrations). The second specifically reserves betterment and special assessment

revenue for appropriation for the payment of debt service on any bonds issued to finance the improvements for which the betterments were assessed.

Revenue Cash Investment (94) – Amends current law to permit investment in certificates of deposit (CDs) for up to 3 years, an increase from the current no longer than 1 year requirement. This change also addresses an ambiguity in the statute as to whether a 1 year limit applies to these investments or solely to investments in United States treasury bonds. It would give treasurers more flexibility in investing short-term for better rates.

Municipal Affordable Housing Trust Fund (95-97, 246) – Amends language so that Community Preservation Act (CPA) fund monies appropriated into the local affordable housing trust fund are separately accounted for within the trust and are subject to the same restrictions as other CPA fund monies. The trust must also report all expenditures from those funds to the Community Preservation Committee (CPC) each year.

Penalty Electronic Payments (98-99) – These sections amend the process for appealing penalties imposed on individuals who tender a check for local fees with insufficient funds, requiring the individual to appeal at the local level, rather than with the DOR Commissioner. They further amend the statute to cover electronic payments that are made with insufficient funds.

CPA Surcharge Exemptions (100) – This section sets a deadline for taxpayer applications for exemptions from the statutory surcharge on real property under the Community Preservation Act (CPA). The deadline is the same as that for other types of applications for local tax exemptions, and provisions are also made for appeals to the Appellate Tax Board (ATB) and confidentiality on the same terms as those applicable to such other applications.

Elections (101-102) – These sections permit municipalities to use “electronic poll books,” in lieu of paper voting lists, at polling stations. The section requires any municipality interested in using electronic poll books to obtain approval from the Secretary of State and, if approved, to obtain a vote of the board of selectmen or town council in a town or city council in a city at least 60 days before the first election in which such technology will be used. The Secretary of State must also promulgate regulations.

Corporations List (103, 118, 251) – These sections require that the Department of Revenue identify those corporations that are classified as research and development corporations, so that cities and towns can use that classification in their administration of property tax exemptions.

Approval of Forms (104, 111, 136-137, 163, 169) – These sections eliminate existing requirements that the Department of Revenue print and distribute various forms, and approve electronic formats, used in the assessment and collection of local taxes.

Collection Title Foreclosure (105, 164) – These sections eliminate an existing but apparently never-exercised mechanism under which the Department of Revenue took over collection actions on behalf of towns.

Affordable Housing & Brownfield Abatements (106-107, 147-148) – These sections amend the property tax laws to allow local implementation of affordable housing abatement agreements in the same manner as brownfield abatement agreements under G.L. c. 59, § 59A. The brownfield abatement agreement is an entirely local process with an implementation by-law or ordinance providing transparency in allowable abatements within the statutory parameters. That process would be appropriate for affordable housing abatements as well.

State-Owned Land Valuation (108-109, 252) – These sections eliminate the current procedure under which the Department of Revenue values state-owned land every four years, replacing that process with a statutory formula for determining the valuation every two years after the 2017 valuation required by current law. That valuation will be adjusted every two years by the equalized valuation and the value of acquisitions and dispositions. The acquisitions and dispositions will be based on a per acre value that will also be adjusted every two years by the equalized valuation. These sections are proposed to take effect as of January 1, 2018, to govern the state-owned valuation on January 1, 2019 for distributions made in fiscal year 2021.

Schedule A Compliance (110) – This section improves compliance for municipal reporting by changing from October 1 to November 30 the annual deadline for cities and towns to submit the prior year's annual financial report. This would also modify the law to provide the intended consequence for non-compliance and withhold all future payments (regardless of fiscal year) until such time as the Schedule A is submitted and accepted.

Supplemental Assessments (112-115, 251) – Current law provides for supplemental assessments on new construction, and abatement of regular real estate for damage due to fire or natural disaster, unless a community rejects this option. These sections change this assessment by excluding the value of the land from the calculation of the 50% trigger for the supplemental assessment. They also clarify the applicable tax rate, and establish a one-year time limit in which a property owner may apply to the assessors for abatement after a fire or other natural disaster.

Tax Abatements for Veterans (116, 121) – Adds a local acceptance provision that extends veteran exemptions (Clauses 22, 22A-22F) to spouses of veterans when title to the veteran's domicile is held by the spouse as a trustee or conservator and to allow surviving spouses of veterans who acquired title as trustee or conservator to retain the exemption on the particular property after the veteran dies. These spouses and surviving spouses are already eligible for exemption. Existence as a local option raises the issue of whether they will now only be eligible if this option is accepted.

Charitable Exemption Technical Correction (117) – This section corrects two references in the charitable exemption for real property to local adoption of a “paragraph.” The local adoption should be of the “sentence.”

Exemption Applications (119, 122, 125-126, 146, 247) – These sections create a single due date for personal exemption applications regardless of billing system used. This section would make April 1 the deadline for personal exemption applications in all communities, creating a uniform and consistent deadline for taxpayers.

Commercial Fishing Exemption (120, 248) – These sections increase from \$10,000 to \$50,000 the value of the property tax exemption for boats, nets and gear used in commercial fishing. It also increases eligibility for the exemption by eliminating the current requirement that the exempt property be used “exclusively” in commercial fishing, requiring instead that at least half of the taxpayer’s income is from commercial fishing.

Residential Exemption (124, 247) – Increases from 20% to 35% the statutory limit on the amount of a residential exemption that can be granted, if a municipality grants such an exemption as one of its property tax classification options. Five of the thirteen municipalities that have decided to grant such an exemption have asked for, and received approval for, residential exemption amounts that are higher than the current statutory limit of 20%.

Senior Citizen Property Tax Work-Off Program (127) – Increases from \$1,000 to \$1,500 the maximum abatement a taxpayer over 60 years old may earn each fiscal year.

DOR’s Authorization to Assess (128-130, 251) – These sections eliminate the requirement that local assessors obtain the Department of Revenue’s approval before assessing taxes on real property to unknown owners or owners of present interests. The Department is unable to conduct independent title or other analyses to verify these requests. Moreover, local assessors determine record ownership for assessment purpose for millions of real estate parcels and there is no regulatory purpose served in having them obtain the Department’s approval about the party assessed in these selected situations. The Department has the power to issue guidelines on assessment administration and can provide appropriate oversight and guidance on the statutory standards and best practices.

Single Overlay (131, 133, 152, 249) – This section would create a single overlay account and remove anachronistic references to a repealed cap on cities. Currently, there is a separate overlay reserve for each fiscal year. A surplus in one year cannot be used to cover a deficit in another year without the assessors declaring a surplus, the accounting officer transferring the amount to an overlay surplus account and the legislative body appropriating from the surplus by year end. This is cumbersome and inefficient. Amendment applies to all existing overlay balances as well as overlay added in the future.

Property Tax Rate Change (132) – This section enables the Division of Local Services to change a tax rate after it has been approved and returned to the assessors if (1) there was a material understatement or overstatement in the returned rate due to an unintentional, inadvertent or other good faith omission or error by city, town or district officials in reporting the rate; and (2) the tax bills for the year have not been sent.

Central Valuation (134-135, 251) – These sections change the timelines for company reporting and DOR certification to conform to the same schedule as pipeline companies, and to be able to obtain the most current company regulatory reports. These sections also provide for a more streamlined and expeditious appeal process by allowing one party to file a notice of appeal in response to another parties’ filing.

Interest on Collections (138, 140-141, 248) – These sections standardize the accrual of interest on delinquent property tax installments, addressing an inequity in the accrual of interest on overdue installments between communities using semiannual and quarterly billing. Currently, under semiannual systems, interest accrues from the date the tax bills are mailed, i.e., if the payment is one day overdue, the taxpayer is charged 31 days interest. Under the quarterly system, interest does not accrue until the due date. They also permit all communities to make small bills of \$100 or less payable in one installment.

Appellate Tax Board (ATB) Jurisdiction (139, 142-143, 149) – These sections add a “postmark” rule to determine when interest is incurred on payments received by local tax collectors after their due date, but only for appeal purposes. Incurring interest on late property late payments can bar the ATB from acting on taxpayer appeals of denials of property tax abatement applications by local assessors.

Mortgagee Abatements (144-145, 247) – These sections change the timeline for applying for an abatement, in recognition of the widespread use of quarterly billing systems in cities and towns of the Commonwealth. Currently, any holder of a mortgage (regardless of the property tax payment system in use in the city or town) must apply for abatement between September 20 and October 1. These sections change that requirement so that the application must be filed during the last ten days of the abatement period, regardless of the city or town’s billing system. They also correct a reference to ensure that Section 59 of Chapter 59 of the General Laws applies to all persons who may represent a person’s estate. These changes are proposed to take effect for the fiscal year starting on July 1, 2016.

Appeals (150-151) – These sections clarify that the failure to pay semiannual and quarterly preliminary tax payments, as well as actual tax payments, is a bar to Appellate Tax Board appeal. Taxpayers are obligated to pay preliminary taxes based on prior year actual under quarterly and semiannual systems. Their failure to pay preliminary taxes subjects them to the same interest on overdue amounts that accrues on overdue actual installment payments.

Abatement on Low Value Lands (153, 155) – These sections repeal the Department of Revenue’s authority to authorize assessors to abate taxes on low value lands and under a local option, let assessors abate these taxes when the collector determines the costs to collect are more than the amount owed. Treasurers can also foreclose the tax title under the land of low value procedure.

Apportionment Appeal (154) – This section extends from seven to thirty days the time period within which a taxpayer may appeal an apportionment decision.

Mailing Tax Bills (156) – This section modernizes where tax bills are mailed in absence of written direction by the taxpayer. Under current law, the tax bill only has to be sent to the “town” where the person resides. This is anachronistic language. Bills should be mailed to the taxpayer’s address if known, or the property address, unless the taxpayer directs otherwise.

E-Billing Technical Correction (157) – This section corrects an internal cross-reference to the electronic billing program.

Betterment Suspension (158) – Under current law, the Department is authorized to approve assessors’ suspension of betterments for persons receiving certain exemptions. There is no institutional record of exercising this authority and if a request was received, it is not clear what criteria are to be used to determine approval. This section will delete an obsolete provision that pre-dates the enactment of local option G.L. c. 80, § 13B, which allows for betterment deferrals for seniors.

Scholarship and Educational Funds (159-162) – These sections amend the authorization for cities and towns to form such funds to clarify that each fund is separately accepted and to clarify the distinct purposes for which such funds can be used.

Electronic Payment Penalties (165) – This section amends the process for appealing penalties imposed on individuals who tender a check for local taxes with insufficient funds, requiring the individual to appeal at the local level, rather than with the DOR Commissioner. It further amends the statute to cover electronic payments that are made with insufficient funds.

Covenant Extension (166) – Under current law, a city or town must apply to the Department of Revenue to extend (for up to one year) the duration of the municipality’s statutory exemption from the terms of a covenant running with the land. There is no institutional record of receiving any request to exercise these powers and DOR is not in position to do so. There is no regulatory purpose served by a DOR role in the local tax title foreclosure process. This section strikes references to post-foreclosure extensions of such exemptions.

Foreclosure of Abandoned Buildings (167) – These sections eliminate the need for the involvement of the Department of Revenue in determining whether buildings are abandoned. Currently, the Commissioner is required to “make an affidavit” confirming that the

Commissioner agrees with the conclusions of local officials that the building is abandoned. These sections eliminate references to the involvement of the Department of Revenue, and allow the affidavits and writings of the local officials involved, including a recitation of efforts to locate the property owner, to be recorded and to be treated as prima facie evidence that the building is in fact abandoned.

Taxes in Litigation (168) – This section eliminates a purely ministerial requirement that the Department of Revenue authorize and allow the transfer of taxes in litigation by an accounting officer. By law, if the collector cannot perfect the tax lien due to bankruptcy or other litigation, the lien securing collection continues when the tax collector records a statement of the legal action. Providing a copy of the recorded statement to the accounting officer should be sufficient for the transfer of those taxes from the collector’s current books.

Prisoners of War Exemption from Motor Vehicle Excise (170) – This section re-organizes and clarifies the paragraph granting a local option exemption from the motor vehicle excise to prisoners of war or their surviving spouses.

Motor Vehicle Excise Collection (171) – This eliminates the requirement that notice for marking at RMV be approved by the Joint Committee on Revenue.

Chapter Land / Cranberry Bogs (172-174, 237) – These sections allow installation of a renewable energy system on classified Ch. 61A land without triggering a penalty tax (5 year rollback or conveyance tax when the change occurs within 10 years of acquisition). The energy use can also be discontinued at any time without penalty (compare to acquisition by non-profit organization which are not penalty free from changing the use within 5 years). They also extend a special exemption from the annual gross sales requirement for cranberry bogs until 2020, i.e., the owners do not have to produce and sell a minimum crop to continue receiving the tax benefits of Chapter 61A.

Jet Fuel Excise (175-177) – These sections implement changes to comply with a recent change in FAA policy that requires use of state and local taxes on aviation fuel for airport purposes. Under the amended policy, excises imposed after December 30, 1987 are subject to federal revenue use restrictions, i.e., can be used for just aviation and airport purposes. If any municipality accepted and imposed the excise after that date, the FAA requires a state action plan to amend any non-compliant laws. States had until the end of 2015 to come up with any required action plan. All but 1 Massachusetts community that has adopted the excise is either grandfathered from complying with the new policy or has adopted/can adopt an enterprise fund for its municipal airport that will effectuate this policy. The sections also allow a community whose airport is located in another community to receive and use the taxes for airport purposes.

Regional School District Debt (179) – Makes a technical change, inserting the word “committee”, to clarify that it is the regional district school committee that may require the approval of any particular authorized issue of indebtedness by referendum.

Regional School District Transportation (181) – Clarifies that any funds to be reimbursed by the Commonwealth for regional school district transportation are subject to appropriation.

Regional School District Stabilization Fund (183) – Under current law, a regional school district can have a stabilization fund, not to exceed 5% of the total assessment upon member communities. These amendments substitute the Commissioner of Elementary and Secondary Education instead of the Director of Accounts to approve a higher level of stabilization fund appropriation and expenditures from the fund for other than capital purposes.

Extended School Programs (185-187) – Under current law, school committees may provide pre-school and extended school services for certain children and establish a revolving fund for payments made by parents and other monies received in connection with these programs. These amendments would remove outdated restrictions on the students who may receive the services and extend these sections to regional school committees.

Community School Program Fund (188) – Increases the current community school fund’s \$3,000 expenditure limit for material and equipment purchases within a fiscal year, to \$10,000.

School Revolving Fund (189) – Qualifies revenue received from enrichment and summer programs authorized by the school committee, and parking fees as monies received in connection with the "use of school property" for the purposes of the district’s revolving fund.

Vocational School Revolving Fund (190) – Removes the \$5,000 expenditure limit placed on vocational schools’ revolving funds, used for culinary arts or other related programs.

Betterment Installments (191) – This section amends current law to allow cities, towns, and districts greater flexibility in setting interest rates that run on betterments or special assessments, at any level up to 2% above the rate of borrowing the city, town, or district is paying. It also makes interest accrual/due date run from the mailing of the bill (not the commitment to the tax collector).

Collection Liens Non-Resident (192, 253) – There is a common statutory scheme that lets municipalities and districts, by local option, establish liens when customers of municipal utility services – gas, electricity, steam, water and sewer – do not pay user charges when due. Lighting plants, water departments and sewer departments often provide utility services to ratepayers living in neighboring communities. However, only lighting plants may impose liens for customers located in those municipalities. This section extends that option to municipalities and districts that provide sewer services to customers outside their borders.

Local Speed Limits / Safety Zones (193-194) – These sections allow a municipality to establish a speed limit of 25 miles per hour on any roadway inside a thickly settled or business district in the city or town on any way that is not a state highway. It also allows for the creation of designated safety zones on, at or near any way in the city or town which is not a state highway, and with the approval of MassDOT if the same is a state highway. Such safety zones would have a posted speed limit of 20 miles per hour.

RMV E-Citations (195-211) – These sections make various changes to c. 90C, regarding motor vehicle offenses, to implement the new “E-Citations” project jointly administered by EOPSS and the RMV. The changes amend definitions and other references to paper citations to include electronically issued citations; give EOPSS authority to promulgate regulations to set standards for e-citations and associated equipment requirements; and ensure that both paper and electronic copies of citations are properly delivered by police departments to the RMV and district courts.

Regional Health Districts (212-214) – This section modifies how regional health districts are formed in a town by letting Boards of Selectmen establish them.

Housing Authority Appointments (216) – Changes state law to allow a municipality to make the appointment to a housing authority if the State does not fill the vacancy within 120 days.

Municipal Debt/Urban Renewal (217-218, 220) – These sections repeal a duplicative requirement regarding approval of debt issued by cities and towns to support housing and urban renewal projects, as cities and towns are subject to an overall debt limit under G.L. c. 44, § 10, which may be exceeded with approval of MFOB. In addition, they correct a reference to the Emergency Finance Board (EFB) rather than the Municipal Finance Oversight Board (MFOB).

Economic Development and Industrial Corporations (219) – Modifies how Economic Development and Industrial Corporations are formed in a town by letting Boards of Selectmen establish them.

Demolition Liens (221) – This section extends the period of time in which a “demolition lien,” imposed on a property for failure to demolish damaged or dilapidated buildings or structures, may last. Specifically, this section permits a lien added to real estate tax property in the next year to extend for the same period of time permitted for the tax lien. If the demolition lien is not added to a tax until later, it expires on October 1 of the third year after filing of the lien (current law specifies October 1 of the next year after filing).

Penalties for Unlicensed Electricians (222) – This section increases fines for unlicensed electricians. The current penalty structure is \$10 to \$100 for a first offense, and \$50 to \$500 for second or subsequent offenses. The new structure would be \$1,000 to \$1,500 for a first offense, \$1,500 to \$2,000 for a second offense, and \$2,000 to \$2,500 for each subsequent offense.

Cadet Program (223) – This section prevents anyone applying to become a cadet from aging out as long they applied while they were age-eligible.

Municipal Procurement 2 (224-230) – These sections amend the “vertical” construction procurement statute, c. 149, § 44A, to increase the dollar threshold for contracts requiring less-than-full competitive bidding from \$25K to \$50K. It also makes procurement methods consistent with other construction and municipal procurement statutes by modifying the method for “middle tier” contracts, valued at between \$10K-50K, to permit public entities to either give public notification of the contract or use OSD statewide contracts or other “blanket” contracts to solicit a minimum of three bids. These sections increase the dollar thresholds for contracts requiring competitive bidding (from \$100K to \$150K for first tier) and for triggering the requirement to submit “sub-bids” and “sub-trade” bids.

Registers of Probate (231, 252) – Requires registrars of probate to provide assessors with copies of petitions upon request. Assessors are charged with knowledge of records of registry of deeds and probate regarding ownership of real estate, but only registrars of deeds are required to provide them with information on transactions relating to title of real estate within their municipality. This will allow assessors to access names of deceased so they can check against their records and set up a mechanism to track and review later for disposition of property.

Small Claims Actions (232-233) – Amends the jurisdiction of small claims court to hear all cases to collect locally assessed personal property taxes and to hear other municipal actions that do not exceed \$15,000. This would provide tax collectors with the ability to make more effective use of lawsuits as a remedy to collect delinquent property taxes where there is personal liability only, i.e., no lien such as for personal property taxes.

Federal Public Work Borrowing (234-235) – Eliminates the requirement that the Governor approve local borrowing for federally funded public works projects and substitutes the municipal finance oversight board

Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Procurement (236) – Increases the procurement threshold for the Authority from \$25K to \$50K.

Double Poles (239) – This section requires all telephone companies and distribution companies to file a comprehensive annual report for years 2016, 2017 and 2018 to the joint committee on telecommunications, utilities and energy and the joint committee on municipalities and regional government that includes (i) the number of double poles at the beginning and end of the reporting period; (ii) double pole activity, including all attachments transferred during 2016; (iii) the number of unlicensed commercial and municipal attachments; (iv) the average number of days between the erection of the second pole and takedown of the original defective pole when there are no unlicensed attachments on the original pole; and (v) the average number of days between the erection of the second pole and the takedown of the defective pole when there is at least 1 unlicensed attachment on the original pole. The companies must also provide a timeline

for projected removal of existing double poles as of December 31, 2016. The companies must also provide a list of communities and municipal electric companies that participate in the statewide notification system utilized to facilitate the notification process for electronically alerting attachment owners to transfer and remove equipment attached to double poles. Upon receipt of the 2016 annual report, and in collaboration with the department of public utilities, the joint committee on telecommunications, utilities and energy and the joint committee on municipalities and regional government shall endeavor to propose a fine structure for failure to remove outstanding double poles.

Review of Regionalization Opportunities (240) – Requires each secretary of an executive office to evaluate all grant, loan, and technical assistance programs administered under their office for opportunities to promote, facilitate and implement inter-municipal cooperation, collaboration, and regional service delivery at the local level, and report the results of that evaluation to A&F by December 31, 2016.

Prioritizing Grant Funds to Communities who Regionalize (241) – Requires any executive agency that administers a program through which funding may be provided to municipalities, where regionalization may be feasible, shall encourage municipal efficiencies by prioritizing those applications for funds which come from municipalities that have developed a method by which to jointly and more efficiently utilize such funding.

Contracts with Regional Planning Agencies (242) – Requires the Operational Services Division (OSD) to review applicable procurement policies and regulations to facilitate the execution of contracts, where appropriate, between regional planning agencies and any state agency to provide or receive services, facilities, staff assistance or money payments.

Reduction of the Cost of Textbooks/other Educational Materials (244) – Requires the Operational Services Division (OSD) to develop procedures allowing for the reduction of the cost of textbooks and other educational materials through methods including, but not limited to, bulk purchasing and statewide contracts for bulk purchasing for elementary and secondary public schools and for public institutions of higher education in accordance with 34 CFR 668.164.

Study of Manufactured Housing / Qualification under Ch. 40B (245) – Requires the Department of Revenue (DOR) to conduct a study evaluating each manufactured housing community in the Commonwealth to determine what percentage of resident households at each manufactured housing community would qualify for low or moderate income housing under chapter 40B of the General Laws. The results of the study would be required to be reported within 180 days (i.e., six months) of the effective date of the act, (i.e., nine months from the date of approval by the Governor).