

Municipal Modernization Act – A Practical Guide

Earlier this year, the Governor signed into law “An Act to Modernize Municipal Finance and Government” (“Act”), Chapter 218 of the Acts of 2016, found at <https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter218>.

The below summarizes those portions of the law relative to matters of particular interest in budgeting and planning for the new fiscal year. Additional detail about the law as it applies to assessments and procurement is attached. For your convenience, a comprehensive summary of the law prepared by the Department of Revenue Division of Local Services is available at <http://www.mass.gov/dor/docs/dls/city-town/2016/16ctown-aug18.pdf>,

Where local action is required, whether by vote of the legislative body and/or adoption of an ordinance or bylaw, we have prepared a draft warrant article for use in towns, which language may be revised slightly to be used in cities as a proposed order.

TAXATION

Property Tax Rate Change (G.L. c.59, §23) – Allows the Division of Local Services to change a tax rate after its been established if there was a material understatement or overstatement based upon a good faith error as long as tax bills have not yet been sent.

Overlay (G.L. c.59, §25) – The Act amended this statute to create, as of November 7, 2016, a single overlay account. No further municipal action is required to effectuate this change.

Abatement Application Date – The Act establishes an April 1 deadline for the filing of abatement applications for personal exemptions and deferrals from real estate taxes, including residential exemptions and small commercial exemptions, local acceptance optional property tax exemptions and those sought under the Community Preservation Act (“CPA”). Also renders CPA abatement applications confidential as are other abatement applications, and allows appeal to the Appellate Tax Board from decisions on such applications.

Senior Work Program Abatement (G.L. c.59, §5K) – Increases the maximum abatement to \$1,500 from the higher of \$1,000 or 125 hours of voluntary service.

Veterans Exemptions (G.L. c.59, §5, Clause Twenty-second G) – Inserts a new local acceptance clause to render the spouse of a veteran or a deceased veteran with title to the veteran’s domicile, eligible for an exemption. A warrant article substantially similar to the following may be used to accept the clause:

To see if the Town will vote to accept the provisions of G.L. c.59, §5, Clause Twenty-Second G, rendering the spouse of a veteran or a deceased veteran with title to the veteran’s domicile, eligible for an exemption, or take any other action related thereto.

Special Tax Assessment – Workforce Housing Plan (G.L. c.40, §60B) – Upon a vote of a city council or town meeting, a municipality may adopt and implement a workforce housing special tax assessment plan (“WH-StA”). The plan must designate a continuous contiguous area within the municipality as a WH-StA Zone, and, in exchange for a commitment by property owners within the Zone to construct middle income workforce housing, authorize a special property tax exemption of up to 100% for a two-year construction period and a three-year stabilization period.

BORROWING

Borrowing purposes and terms (G.L. c.44, §§7 and others) – The Act streamlines allowable borrowing purposes and terms. Of note, borrowing for payment of final judgements may be increased beyond a single year if approved by the Municipal Finance Oversight Board, taking into consideration the ability of the municipality or district to provide other essential public services and to pay principal and interest on its debts. The Division of Local Services has released a table comparing allowable borrowing purposes and timelines before and after approval of the Act: <http://www.mass.gov/dor/docs/dls/mflb/borrowingpurposestable-beforeandaftermunicipalmodernization.pdf>

Bond proceeds (G.L. c.44, §20) – The Act revises the statute to authorize bond proceeds to be applied at issuance to reduce the amount of funds to be borrowed or placed in a special fund to be appropriated only for capital projects. The amended statute also allows the chief executive officer of the municipality to authorize application of an available surplus of up to \$50,000 to be applied to debt service without additional action by the municipality.

Importantly, if a municipality wants to apply bond premiums to reduce the amount to be borrowed, the statute provides that such authorization must be made in the vote authorizing the borrowing. If this result is desired, the following language should be inserted at the end of each borrowing authorization (whether an order of a city council or vote taken by town meeting):

and further, that any premium received by the [city/town] upon the sale of any bonds or notes approved by this vote, less any premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with G.L. c.44, §20, thereby reducing by a like amount the amount authorized to be borrowed to pay such costs...

Similarly, if a municipality wishes to apply bond premiums in this manner for previously issued bond authorizations, bond counsel has suggested that an article substantially similar to the following may be used:

To see if the Town will vote to supplement each prior vote of the Town that authorizes the borrowing of money to pay costs of capital projects to provide that, in accordance with G.L. c.44, §20, as most recently revised, the premium received by the Town upon the sale of any bonds or notes thereunder, less any premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to pay project costs and the amount authorized to be borrowed for each such project shall be reduced by the amount of any such premium so applied, or take any other action related thereto.

Lease/Purchase Agreements (G.L. c.44, §21C) – The Act inserts a new section requiring a recommendation of the chief executive officer and a two-thirds vote of the legislative body to authorize a tax-exempt lease purchase agreement (“TELP”). Provided that an appropriation for the TELP is made in the first fiscal year, any TELP so approved is considered binding on the municipality as if the municipality had authorized debt.

Joint Powers Agreement (G.L. c.40, §4A1/2) - The Act inserts a new section in the General Laws that allows a municipality to enter into a joint powers agreement with another governmental unit for the joint exercise of any of their common powers and duties within a designated region. Any entity created by a joint powers agreement is a body politic and corporate with express authority to hire employees, execute contracts, borrow money, and receive and expend funds.

OTHER MUNICIPAL FINANCE ISSUES

License Denials (G.L. c.40, §57) – The Act amends the statute to provide municipalities more flexibility in denying licenses or permits where a tax or fee delinquency exists. A bylaw or ordinance change will be required to take advantage of these recent amendments. Please see our eUpdate on this topic, available at www.k-plaw.com. A model warrant article may take the following form:

To see if the Town will vote to amend the bylaw adopted pursuant to the provisions of G.L. c.40, §57, which statute allows municipalities to deny licenses or permits, among other things, when the applicant or owner of the property to which the license or permit relates owes municipal taxes or fees, to bring such bylaw into accord with the law as revised by the Municipal Modernization Act, as follows: *[insert amendment language here, or, delete “as follows” and the brackets and insert the amendment language in the motion under the article]*, or take any other action relative thereto.

Sewer Liens (G.L. c.83, §16A - a local acceptance statute) – The Act amends the statute, which, when accepted with several additional statutes, allows the imposition of a lien for outstanding sewer charges, to allow such liens to be imposed for sewer services provided to customers outside its geographic borders. If a town has not accepted G.L. c.83, §§16A-16F, the warrant article may take the following form:

To see if the Town will vote to accept the provisions of G.L. c.83, §§16A-16F, authorizing the Town to impose liens on properties for which unpaid sewer charges are outstanding, including properties located outside the Town but receiving sewer services from the Town, or take any other action relative thereto.

If a municipality has accepted the statutes, no further legislative action is necessary to take advantage of the new provisions.

Small Claims Court (G.L. c.218, §21) – The statute has been amended to allow a municipality to go to small claims court to collect personal property taxes in any amount and bring other actions for amounts up to \$15,000.

Bills or Warrants for Payment (G.L. c.41, §56) – Allows multiple-member bodies, including boards of selectmen, to delegate to a single member authority to review and approve bills and warrants for payment, and further requires such member to make available at the next meeting a record of all action taken. The Division of Local Services has indicated that it is also possible to designate a “back up” for this purpose. A board’s vote to make such a designation may take a form similar to the following:

I move that *[name of board member]*, and if (s)he is unavailable or unable, *[name of back up board member]*, be designated to approve all bills, drafts, orders and payrolls not otherwise presented for approval at a posted meeting to the full board; provided, however, that if such bills, drafts, orders and payrolls are approved by *[name of board member]* or *[name of back up board member]*, each shall make available to the board, at the first meeting following such action, a record of such actions, and further, to ask *[name of board chair and/or staff person]* to include on the notice for each meeting of the board an item for such purposes.

Expenditures Without Prior Appropriation (G.L. c.44, §31) – The Act amends this statute in several ways. Prior to the Act, the statute allowed expenditures without appropriation in the event of a major disaster threatening the public health or safety only upon declaration by a two-thirds vote of a city council or a majority vote of a full board of selectmen. The Act added to that list a declaration by the Governor of a State of Emergency.

The statute was further amended to clarify the circumstances under which “final judgments” may be paid without appropriation after the setting of the tax rate. Now, the statute provides that such payments may be made for “final judgments, awards or payments ordered or approved by a state or federal court or adjudicatory agency” only “upon certification by the city solicitor or town council that no appeal can or will be taken and as required by municipal charter, ordinance or by-law”.

Snow and Ice Deficit (G.L. c.44, §31D) – As amended, the statute now provides that snow and ice deficit spending may occur with the approval of only the “chief administrative officer”, which term is defined in G.L. c.4, §7 as the mayor, board of selectmen, or other chief administrative officer as defined by charter or special act.

Year-End Transfers (G.L. c.44, §33B) – The Act amends this statute to delete the 3% cap on transfers between departments, and implicitly removes restrictions on transfers from “non-departmental line items” such as appropriations for health insurance and debt service.

Other Post Employment Benefits Fund (“OPEB”) (G.L. c.32B, §20) – The statute was revised to create a local acceptance OPEB Fund that complies with requirements established by the Governmental Accounting Standards Board and the IRS. The statutory definition of “political subdivision” has been expanded to include housing and redevelopment authorities, regional councils of government, and regional schools districts. Political subdivisions that have already accepted the statute must re-accept in order for the revised version to be applicable. The statute will also apply, upon acceptance, to any political subdivision that has created an OPEB fund created by special act. Care should be taken, however, in accepting or re-accepting this provision if a municipality has already filed a declaration of trust in connection with its G.L. c.32B, §20 OPEB fund.

To accept the statute, the warrant article may take a form similar to the following:

To see if the Town will vote to accept the provisions of G.L. c.32B, §20 to create an Other Post Employment Benefits Fund for the current and future liabilities of the Town for group health insurance benefits for retirees and their dependents, which fund may be expended by a 2/3 vote of Town Meeting and designate a trustee or trustees, and further, to direct that such trustee or trustees adopt and file a declaration of trust and take all other actions as required by said section, or take any other action related thereto.

Workforce Housing (G.L. c.40, §60B) – The Act inserts a new section authorizing municipalities, through a vote of town meeting or city council with approval of a mayor, to adopt and implement workforce housing special tax assessment plans for the development of middle income housing, which plan must include particular statutory elements and provide tax exemptions up to statutory limits.

Municipal Affordable Housing Trust Funds (G.L. c.44, §55C) – Expenditure of CPA monies appropriated to an Affordable Housing Trust fund are now expressly limited to purposes consistent with the CPA and such monies must be tracked separately and annually reported to the municipality.

Grants (G.L. c.44, §53A) – The Act amends this statute to make reimbursable state and federal grants available for appropriation without approval of the Director of Accounts, including the transportation bond bill.

SPECIAL FUNDS

Building Rental Revolving Fund (G.L. c.40, §3) – The Act allows a municipality to segregate revenues from rental of municipal buildings and to spend such funds without further appropriation for building-related maintenance. There is a local acceptance option that allows the monies to be available for such purposes in a future fiscal year. A warrant article for such purposes may take a form similar to the following:

To see if the Town will vote to provide for any amounts collected for building rentals, other than rental of school buildings, to be credited to a separate account to be expended without further appropriation by the board, committee or department head in control of the building for building-related upkeep and maintenance, and further, to accept the proviso of the second paragraph of G.L. c. 40, §3 to allow any balance in such an account at the close of the fiscal year to remain available for expenditure without appropriation for such purposes in future years, or take any other action relative thereto.

Revolving Funds (G.L. c.44, §53E ½) – Revolving funds must now be established by bylaw or ordinance, and the expenditure limits must be established annually and prior to July 1. The Act eliminates the per board and total limitations on the size of such funds. A warrant article for such purposes may take a form similar to the following:

To see if the Town will vote pursuant to the provisions of G.L. c.44, §53E½, as most recently amended, to amend the General Bylaws by inserting a new bylaw establishing various revolving funds, specifying the departmental receipts to be credited to each fund, the departmental purposes or programs for which each fund may be expended, and the entity authorized to expend each fund, such bylaw to provide as follows:

____ **Revolving Funds**

____ There are hereby established in the Town of ____ pursuant to the provisions of G.L. c.44, §53E½, the following Revolving Funds:

Program or Purpose	Representative or Board Authorized to Spend	Department Receipts
		Fees and charges received from...

____. Expenditures from each revolving fund set forth herein shall be subject to the limitation established annually by Town Meeting or any increase therein as may be authorized in accordance with G.L. c.44, §53E½.

And, further, to set FY2018 spending limits for such revolving funds as follows:

Program or Purpose	FY 2018 Spending Limit

Or take any other action relative thereto.

In future years, legislative action will be required only to establish annual expenditure limits or to amend the ordinance or bylaw to add a new revolving fund.

Consultant Funds (G.L. c.44, §53G) – The Act amends this statute to expand the use of consultant funds to any municipal permit or license granting officer or board acting under authority granted by a statute, ordinance or by-law. As was the case previously, in order to use such an account, rules must first be promulgated concerning the use of consultants, which rules must include, but not be limited to, provision for an administrative appeal from the selection of the consultant.

Parking Meter Revenues – Revenues from parking meters will now revert to the General Fund unless the legislative body votes to accept a provision creating a separate fund. Warrant articles for such purposes may take the following form:

To see if the Town will vote to accept the local acceptance sentence in G.L. c.40, §22A, added by Chapter 218 of the Acts of 2016, to provide that an agreement for the acquisition or installation of parking meters may provide that payments thereunder shall be made over a period not exceeding 5 years without appropriation, from fees received for the use of such parking meters which shall be segregated in a special revenue fund, and to authorize such receipts to be so segregated beginning July 1, 2017, or take any other action relative thereto.

To see if the Town will vote to accept the provisions of G.L. c.40, §22B, as most recently amended, to provide that if parking meters or coin-operated locking devices are installed for bicycle parking, receipts related thereto shall be segregated in a special revenue fund to be appropriated for acquisition of off-

street parking areas and facilities by purchase, gift, eminent domain under G.L. c.79 or c.80A, or by lease not to exceed five years, including the cost of policing, constructing or reconstructing, surfacing, operating and maintaining such areas and facilities, including all related costs as set forth in G.L. c.40, §22B, or take any other action relative thereto.

To see if the Town will vote to accept the local acceptance sentence in G.L. c.40, §22C, added by Chapter 218 of the Acts of 2016, to allow receipts from parking meters and other devices to be segregated in a special revenue fund beginning July 1, 2017, such funds to be expended for the purpose of purchase or lease of additional parking lots, the care and maintenance of the parking lots, the purchase or lease of a commuter shuttle or commuter shuttle services between the parking lots and available public transportation, and all other purposes set forth in that section and G.L. c.40, §22A, or take any other action relative thereto.

Parking Benefit Districts (G.L. c.40, §22A½) – The Act also inserted a new section allowing a city or town to establish one or more “parking benefit districts” in which the parking revenues collected therein will be segregated, in whole or in part, in a special fund and designated for use in that geographic area for the purposes listed in G.L. c.22A. The law provides further that a parking benefit district may be managed by a body designated by the municipality for such purposes.

Stabilization Funds (G.L. c.40, §5B) – The law has been amended to provide that a two-thirds vote is required only for expenditures from a stabilization fund. Appropriations to a stabilization fund will require only a majority vote. The amendment also eliminated any limitation on the size of such a fund.

Importantly, the Act also provides that a municipality may, by acceptance of the fourth paragraph of the statute, choose to dedicate to any stabilization fund, without further appropriation, a percentage of not less than 25% of any particular fee, charge, or other receipt. Such dedication must be approved by a two-thirds vote of the legislative body prior to the first fiscal year in which it will be applicable, and can be terminated in the same manner, but must remain in effect for at least three fiscal years. Receipts designated by law to a particular purpose, taxes or excises assessed pursuant to G.L. c.59, 60A, 60B, 61, 61A, or 61B, or a surcharge assessed under G.L. c.40, §39M or c.44B, may be not be dedicated under this section.

Injured on Duty Fund (G.L. c.41, §111F) – The Act amends G.L. c. 41, §111F to provide a new local acceptance provision for the establishment of a “special injury leave indemnity fund” for payment of salaries and other expenses for police officers or firefighters injured on duty under G.L. c. 41, §111F and associated medical bills under G.L. c. 41, §100. Monies in the fund may be expended without further appropriation by the chief executive officer, and such monies will remain in the fund from year to year unless the chief executive officer determines to release to the General Fund specific amounts not immediately necessary or required for G.L. c.41, §§111F and 100 expenses in the foreseeable future. A warrant article for this purpose may take a form similar to the following:

To see if the Town will vote to accept the last paragraph of G.L. c.41, §111F to create a special fund to be known as the Injury Leave Indemnity Fund, to be expended by the Board of Selectmen without further appropriation for payment of injury leave compensation or medical bills incurred under G.L. c.41, §§111F

or 100, to which appropriations may be made, and amounts received from insurance proceeds or restitution for injuries to firefighters or police officers shall be credited, provided further that said board may, if the amounts therein are not immediately necessary or required in the foreseeable future, release specific amounts to the General Fund, or take any other action relative thereto.

Performance Deposits (G.L. c.44, §53G ½) – The Act creates a new section that allows a municipality to create a separate account, by ordinance, by-law, rule, regulation or contract, for deposit of a financial guarantee to secure performance of any obligation by an applicant as a condition of a license, permit or other approval or authorization, which monies may be expended by the authorized entity without further appropriation to complete such work or perform such obligations. The ordinance, by-law, rule, regulation or contract must specify: (1) the type of financial guarantees required; (2) the treatment of investment earnings, if any; (3) the performance required and standards for determining satisfactory completion or default; (4) the procedures the applicant must follow to obtain a return of the monies or other security; (5) the use of monies in the account upon default; and (6) any other conditions or rules as the city or town determines are reasonable to ensure compliance with the obligations.

Scholarship and Educational Funds (G.L. c.60, §3C) – The statute provides for a local acceptance procedure for adding to tax bills an opportunity to add \$1.00 or other designated amount for education-related purposes. The Act clarifies that such a municipality accepting its provisions may create a scholarship fund to “provide educational financial aid to deserving” residents or an education fund to “provide supplemental educational funding for local educational needs or to provide funding for existing adult literacy programs” , and, in turn, a scholarship committee or an educational fund committee to select the recipients and amount of aid.

Special Education Revolving Fund (G.L. c.40, §13E) – The Act inserts a new local acceptance section to create a reserve fund for future payment, without further appropriation, of unanticipated or unbudgeted special education costs, out of district tuition or transportation. Acceptance requires approval by majority vote of the school committee and legislative body, or, in regional district, by a majority of the member municipalities’ legislative bodies. Monies shall be distributed from such a fund only by majority vote of the school committee and city council or board of selectmen, or, in a regional school district, by the board of selectmen or city council in a majority of the member municipalities. The balance in any such reserve fund shall not exceed two per cent of the annual net school spending of the school district. Any interest earned shall remain with the fund.

A warrant article substantially similar to the following may be used in a town with its own school department:

To see if the Town will vote to accept the provisions of G.L. c.40, §13E to create a Special Education Revolving Fund, consistent with the vote of the School Committee, for future payments of unanticipated or unbudgeted special education costs, out of district tuition or transportation, provided, however, that the monies in such fund shall be expended only with the approval of the School Committee and Board of Selectmen, or take any other action relative thereto.

In a regional school district, the warrant article may take a form similar to the following:

To see if the Town will vote to accept the provisions of G.L. c.40, §13E to create a Special Education Revolving Fund, consistent with the vote of the [name of the district] Regional School District School Committee (“School Committee”), for future payments of unanticipated or unbudgeted special education costs, out of district tuition or transportation; provided, however, that the monies in such fund shall be expended only with the approval of the School Committee and the Boards of Selectmen [or City Councils] of a majority of the District’s member municipalities; and provided further that no such fund shall be created unless approved by a majority of the District’s member municipalities; or take any other action relative thereto.

Celebration Fund (G.L. c.44, 53I) – The Act expanded the anniversary and celebration events for which funds may be appropriated for a period of five years preceding the event. Now, a special fund may be created and monies appropriated for the celebration of the 200th, 250th, 300th, or 350th anniversary of its settlement or incorporation and “for the celebration of any semi-centennial anniversary occurring thereafter, or for other special celebrations or events sponsored by the city or town for the benefit, enjoyment and edification of its residents and visitors”. Note that any monies remaining in such a fund after the celebration or special event “shall be transferred by such treasurer into the treasury of such city or town”.

Betterment Reserve Fund (G.L. c.44, §53J) – The Act inserts a new section providing that when a municipality borrows money for improvements for which betterments or special assessments are assessed, revenues received therefrom, including interest, shall be “reserved for appropriation for the payment of debt issued in connection with such improvements”. The funds shall be segregated and interest earned thereon shall remain with the fund. Monies from the fund may be appropriated annually to pay no more than the principal and interests due for project costs to which the betterments relate. Any surplus in the fund after the debt is repaid shall “belong to any enterprise fund established under [G.L. c.44] section 53F½” that the improvement for which the betterments were assessed “is part of”, or, if no such enterprise fund exists, shall be closed to the General Fund. No particular legislative action is required to create such a fund.

OTHER ISSUES

Agricultural Commission (G. L. c.41, §81L) – The Act inserted a new local acceptance statute for the creation of an agricultural commission. The composition and appointing authority for such commission are established by law as follows: not less than three nor more than seven residents of the municipality, with certain qualifications; appointed in cities by the mayor unless charter or statutory plan provides otherwise; appointed in towns by board of selectmen unless a town manager form of government or charter provides otherwise; appointed to initial terms of one, two or three years, and thereafter for three-year terms. The new statute also authorizes municipalities to appropriate funds to an “agricultural preservation fund”, which fund may be expended without further appropriation for purposes of the statute. While no by-law is required by law, it is often useful to adopt such a bylaw. A warrant article for such purposes may take the following form:

To see if the Town will vote to accept the provisions of G.L. c.41, §81L to create an Agricultural Commission of [*three, five or seven*] members, and to amend the Town bylaws as follows:

_ Agricultural Commission

___.1 Composition. There shall be an Agricultural Commission of ___ members to be appointed by the [Board of Selectmen or Town Manager] for alternating three year terms. Members shall be residents of the Town, and a majority of members shall be farmers or employed in an agriculture-related field. If farmers or persons employed in agriculture are not available to serve on the Commission, then a majority of members shall have knowledge and experience in agricultural practices or knowledge of related agricultural business. Members may be removed for cause after opportunity for a public hearing. Any vacancy on the Commission shall be filled by the appointing authority for the remainder of the unexpired term in the same manner as the original appointment.

___.2 Duties and Responsibilities. The Agricultural Commission shall annually file a report with the Town Clerk and have all the powers and responsibilities set forth in G.L. c.41, §81L.

___. 3 Agricultural Preservation Fund. There Town may appropriate monies to a special fund to be known as the Agricultural Preservation Fund that shall be maintained by the Treasurer separate from other municipal monies. Such fund may be expended, without further appropriation, by the Agricultural Commission for any purposes authorized by G.L. c.41, §81L.

Provided, further, that initial appointments to the Agricultural Commission made under the bylaw shall be made for alternating terms of one, two or three years so that thereafter the terms of approximately one-third of the members expire each year.

Or take any other action relative thereto.

Creation of an Appointed Collector/Treasurer (G.L. c.41, §1B) – The Act amended this statute to allow a municipality to create a combined appointed treasurer-collector position without using special legislation. Therefore, if a town does not have a charter or special governance act and elects its treasurer and collector under G.L. c.41, §1B, it may use this process to combine the positions and make the new position appointed. As required by G.L. c.41, §1B, such a change must be approved both at a town meeting occurring at least 60 days prior to the date of an annual town election and then at an annual town election. A warrant article for such purposes may take a form similar to the following:

To see if the Town will vote to change the positions of elected treasurer and elected collector to a combined treasurer-collector position to be appointed by the Board of Selectmen for a term of up to three years; provided, however, that such change shall not take effect unless it is also approved by the voters at the ____ Annual Town Election, or take any other action relative thereto.

Note that while the statute was explicitly amended to allow for such a change, it was not revised to address the result if the terms of the incumbent treasurer and incumbent collector are not synched. Additional legislative or other action might be required under such circumstances.

Housing and Redevelopment Authority Appointments (G.L. c.121B, §5) – The Act amends this statute to provide that if the Department of Housing and Community Development fails to fill a vacancy on a housing or redevelopment authority within 120 days, the mayor in a city, with confirmation by the council, or the board of selectmen in a town, shall fill the vacancy with a resident of the municipality.

Retiree Health Insurance Cost Sharing (G.L. c.32B, §9A½) – This statute, which allowed one public entity to seek reimbursement from another for its proportional share of retiree health insurance premiums attributable to their years of service, has been repealed.

Reduction in Speed Limits to 25 MPH in Thickly Settled or Business Districts (G.L. c.90, §17C) – The Act inserts a new local acceptance section allowing those with charge of roads to, in “the interest of public safety” “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.” Upon establishing a speed limit under G.L. c.90, §17C, the municipality must notify the State Department of Transportation, and operating a motor vehicle in excess of such limit shall constitute a violation of G.L. c.90, §17.

The warrant article may take a form similar to the following:

To see if the Town will vote to accept the provisions of G.L. c.90, §17C, which allows the Board of Selectmen [or other entity with charge of streets] to establish a speed limit of 25 miles per hour in any thickly settled or business district in the Town that is not a state highway, or take any other action relative thereto.

Designated Safety Zones (G.L. c.90, §18B) – The Act inserts another local acceptance provision allowing establishment by the entity with charge of streets of so-called designated “safety zones” with a speed limit of 20 miles per hour “on, at or near any way in the city or town which is not a state highway, and with the approval of the department if the same is a state highway.” Operation of a motor vehicle in excess of 20 miles per hour in such a zone shall constitute a violation of G.L. c.90, §17.

A warrant article for such purposes may take a form similar to the following:

To see if the Town will vote to accept the provisions of G.L. c.90, §18B, allowing the Board of Selectmen [or other entity with charge of streets] to establish designated “safety zones” with a speed limit of 20 miles per hour on, at or near any way in the Town that is not a state highway, and, if a state highway, with the approval of the Department of Transportation, or take any other action relative thereto.

Please contact Attorney Lauren F. Goldberg (lgoldberg@k-plaw) at 617.556.0007 with any further questions concerning the Municipal Modernization Act.

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