

HOUSE No. 6008

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 27, 1992.

The committee on Ways and Means, to whom was referred the Bill to further improve and enhance the environmental protection activities of the Commonwealth (House, No. 2026), reports, in part, recommending that the accompanying bill (House, No. 6008) ought to pass.

For the committee,

THOMAS M. FINNERAN.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT RELATIVE TO THE CREATION OF A REVOLVING TRUST FUND TO AID
IN THE FINANCING OF WATER POLLUTION ABATEMENT PROJECTS.

*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. Section 27A of chapter 21 of the General Laws,
2 as appearing in the 1990 Official Edition, is hereby amended by
3 striking clause (b) and inserting in place thereof the following
4 clause: —

5 (b) any water pollution abatement project or part thereof shall
6 be eligible for a loan approval if included on the priority lists
7 pursuant to the priority systems under section thirty A, thirty-
8 three and section two of chapter four hundred seventy-two of the
9 acts of nineteen hundred and eighty-four for federal fiscal year
10 nineteen hundred and ninety-two or any later federal fiscal year.
11 The department, by regulation, may adopt such modifications to
12 the priority systems and the priority lists for purposes of this
13 section, including limitations on the amount of total financial
14 assistance that a local government unit is authorized to receive
15 in any fiscal year, as shall be consistent with the loan programs
16 of the trust and necessary to comply with the requirement of law.

1 SECTION 2. Said section 27A of chapter 21 is hereby further
2 amended by striking out the third sentence in clause (e).

1 SECTION 3. Section 33E of said chapter 21 is hereby amended
2 by striking out in the second sentence the phrase “up to seventy-
3 five percent” and inserting in place thereof the following
4 phrase: — twenty-five percent.

1 SECTION 4. Chapter 29 of the General Laws, as appearing in
2 the 1990 Official Edition, is hereby amended by inserting after
3 section 2U the following section: —

4 Section 2V. There shall be established and set up on the books
5 of the Commonwealth a separate fund to be known as the Water
6 Pollution Abatement Projects Administration Fund. There shall
7 be credited to such fund: (1) any amounts transferred pursuant
8 to section five of chapter 29C of the General Laws; and (2) any
9 income derived from the investment of amounts credited to said
10 fund. Amounts credited to the Water Pollution Abatement
11 Projects Administration Fund shall be used, subject to appro-
12 priation, solely for the administration of the provisions of sec-
13 tion twenty-seven A of chapter twenty-one of the General Laws.

1 SECTION 5. Section 1 of said chapter 29C is hereby amended
2 by inserting, in line 19, after the word "capital," the words: —
3 interest on loans, local governmental obligations and notes in
4 anticipation thereof prior to and during construction of such
5 project or prior to the date of such loan, if later.

1 SECTION 6. Section 1 of said chapter 29C, as so appearing,
2 is hereby further amended by inserting in the definition of "Loan
3 agreement" after the word "instrument", in line 66, the follow-
4 ing: — whether secured or unsecured.

1 SECTION 7. Paragraph (b) of section 2 of said chapter 29C
2 is hereby amended by inserting in line 16, after the second sentence
3 of said paragraph the following sentence: — Each member of the
4 board may appoint a designee pursuant to section six A of chap-
5 ter thirty.

1 SECTION 8. Paragraph (b) of section 2 of said chapter 29C
2 is hereby further amended by inserting, in line 29, after the words
3 "chapter thirty A" the words: — provided that the provisions of
4 said chapter thirty A shall not apply to rules, regulations,
5 procedures and guidelines adopted by the board pursuant to
6 section seven of this chapter.

1 SECTION 9. Section 5 of said chapter 29C is hereby amended
2 by striking out clause (iii) and inserting in place thereof the
3 following clause: —

4 (iii) to transfer to the water pollution abatement projects
5 administration fund amounts derived from proceeds of each
6 federal capitalization grant award received by the trust to the full
7 extent permitted by Title VI of the Clean Water Act.

1 SECTION 10. Paragraph (i) of section 6 of chapter 29C of the
2 General Laws, as appearing in the 1990 Official Edition, is hereby
3 amended by striking out, in line 8, the word "interest", and
4 inserting in place thereof the words: — debt service.

1 SECTION 11. Section 6 of said chapter 29C is hereby amended
2 by inserting at the end of clause (i) the following: — provided that
3 no such subsidiary or assistance shall exceed the equivalent of a
4 grant of twenty-five percent of the eligible cost of the project
5 financed by such loan.

1 SECTION 12. Section 8 of said chapter 29C is hereby amended
2 by adding the following three sentences: — Notwithstanding any
3 general or special law to the contrary, in the discretion of the state
4 treasurer, with the approval of the governor, payments to the trust
5 of amounts authorized pursuant to the issuance of bonds by the
6 commonwealth, as provided in this section may be met by the
7 deposit in the fund of bonds of the commonwealth which are so
8 authorized to meet such appropriation. Bonds so deposited may
9 be assigned and pledged as security for bonds of the trust and may
10 mature or be redeemable on such dates and in such amounts, may
11 bear interest at such rate or rates or be deposited in the fund at
12 such discount or premium, may bear such limitations on
13 negotiation or resale by the trust, and may bear such other terms
14 and conditions, as the state treasurer shall determine to be in the
15 best interests of the commonwealth; provided that the effective
16 yield on such bonds shall not exceed the greater of the effective
17 yield on the bonds of the trust which they secure and the effective
18 yield on comparable bonds not so deposited in the fund, as
19 determined by the state treasurer after consultation with the
20 secretary of the executive office for administration and finance.
21 For purposes of section forty-nine of chapter twenty-nine, the net
22 proceeds of bonds deposited in the fund as instruments the
23 principal amount of which increases during the life of the

24 instrument shall be deemed to be the present value of the amount
25 payable thereon at maturity discounted to the date of deposit at
26 the yield on such bonds.

1 SECTION 13. Section 9 of said chapter 29C is hereby amended
2 by striking out in clause (a) the eighth sentence.

1 SECTION 14. Section 10 of said chapter 29C is hereby
2 amended by striking out the first sentence in clause (a) and
3 inserting in place thereof the following: —

4 (a) Any local governmental unit may apply to the trust for a
5 loan to assist in financing the cost of a water pollution abatement
6 project. At the option of the Trust, loans may be unsecured or
7 may be secured by local governmental obligations for delivery to
8 the trust to evidence the loan.

1 SECTION 15. Section 15 of chapter 275 of the acts of 1989
2 is hereby amended by striking out clause (a) in its entirety.

1 SECTION 16. Said section 15 is hereby further amended by
2 striking out the phrase “(b)”.

1 SECTION 17. Section 16 of said chapter 275 is hereby
2 amended in clause (a) by striking out the phrase “seventy-five
3 million dollars” and inserting in place thereof the phrase: —
4 eighty-two million dollars.

1 SECTION 18. Section 16 of said chapter 275 is hereby further
2 mended by striking paragraph (b) and inserting in place thereof
3 the following paragraph: —

4 (b) The state treasurer is hereby authorized and directed to
5 transfer to the water pollution abatement projects administration
6 fund established pursuant to section 2V of chapter 29 of the
7 General Laws the sum of twenty-five million dollars.

1 SECTION 19. Said section 16 of said chapter 275 is hereby
2 further amended in clause (c) by striking out the phrase “seven
3 hundred million dollars” and inserting in place thereof the
4 following: — fifteen million three hundred thousand dollars.

1 SECTION 20. Said chapter 275 is hereby further amended by
2 striking out section 18 and section 19.

1 SECTION 21. Subsection (d) of section 20 of said chapter 275
2 is hereby further amended by striking out the fourth sentence and
3 inserting in place thereof the following: — Any financial assis-
4 tance provided by the trust under authority of this section shall
5 bear such terms and conditions approved by the department,
6 including, without limitation, such terms relative to the interest
7 payable thereon as will result in total financial assistance provided
8 to the applicable local governmental unit equivalent to a grant
9 of no less than twenty-five percent of the eligible costs of planning
10 the water treatment project and no less than twenty-five percent,
11 but not more than fifty percent, of the eligible costs of constructing
12 such project, including costs of constructing associated
13 transmission systems.

1 SECTION 22. Section 21 of said chapter 275 is hereby
2 amended by striking out in the first sentence the phrase “one
3 billion four hundred and thirty million” and inserting in place
4 thereof the phrase: — one hundred twenty-two million three
5 hundred thousand dollars.

1 SECTION 23. Said chapter 275 of the acts of 1989 is hereby
2 amended by striking out section 24.

1 SECTION 24. Notwithstanding any general or special law to
2 the contrary the trust established under the provisions of chap-
3 ter 29C of the General Laws is hereby authorized and directed
4 to make loans and grants to local governmental units for projects
5 on the federal fiscal year nineteen hundred and eighty-eight
6 construction grants priority list that received a federal grant in
7 that fiscal year but did not receive a state grant, such that the total
8 financial assistance provided to the applicable local governmental
9 unit, together with such federal grant, is the financial equivalent
10 of a grant of ninety percent of the eligible costs thereof as
11 determined by the department of environmental protection; and
12 said trust shall make loans and grants to local governmental units
13 for other projects on the fundable portion of the federal

14 construction grants priority lists for federal fiscal years nineteen
15 hundred and eighty-eight and nineteen hundred and eighty-nine
16 such that the total financial assistance provided to such local
17 governmental unit is the financial equivalent of a grant of seventy-
18 five percent of the eligible costs thereof as determined by the
19 department; and said trust shall make loans and grants to local
20 governmental units for construction projects to abatement
21 facilities on the fundable portion of the department's construction
22 grant priority list for fiscal year nineteen hundred and ninety-one
23 such that the total financial assistance provided to such local
24 governmental unit is the financial equivalent of a grant of forty-
25 five percent of the eligible costs thereof as determined by the
26 department; and said trust shall make loans and grants to local
27 governmental units for abatement facilities and combined sewer
28 overflow projects which were on the fundable portion of the
29 department's construction grants priority list for fiscal year
30 nineteen hundred and ninety-one such that the total financial
31 assistance provided to such local governmental unit is the financial
32 equivalent of a grant of thirty-five percent of the eligible costs
33 thereof as determined by the department; and said trust shall make
34 loans and grants to local governmental units for collection system
35 projects which were on the fundable portion of the department's
36 construction grants priority list for fiscal year nineteen hundred
37 and ninety-one such that the total financial assistance provided
38 to such local governmental unit is the financial equivalent of a
39 grant of twenty-five percent of the eligible costs thereof as
40 determined by the department.

41 The commonwealth shall appropriate to the trust, in each year,
42 the cost to the trust of making any grant or loan, pursuant to this
43 section, which has a financial equivalent greater than a grant of
44 twenty-five percent of eligible costs.

1 SECTION 25. Notwithstanding any general or special law to
2 the contrary the trust established under the provisions of chap-
3 ter 29C of the General Laws shall make loans and grants to the
4 City of New Bedford for construction projects to abatement
5 facilities on the department's priority list for fiscal year nineteen
6 hundred and ninety-one and which projects received a project
7 approval certificate from the department prior to July first,

8 nineteen hundred and ninety-one such that the total financial
9 assistance provided to said city is the financial equivalent of a
10 grant of sixty-five percent of the eligible costs thereof as
11 determined by the department.

12 The commonwealth shall appropriate to the trust, in each year,
13 the cost to the trust of making any such grant or loan, pursuant
14 to this section, in excess of the amount of a financial equivalent
15 of a grant of twenty-five percent of eligible costs.

1 SECTION 26. The provisions of this act shall take effect upon
2 passage.