

The Commonwealth of Massachusetts

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EXECUTIVE DEPARTMENT,  
STATE HOUSE, BOSTON, September 1, 1966.

*To the Honorable Senate and House of Representatives:*

The legislation establishing the four building authorities which serve the University of Massachusetts, Lowell Technological Institute, the State Colleges and Southeastern Massachusetts Technological Institute imposes a ceiling of 5% on the rate of interest which these authorities may pay for borrowed money. The University authority and the State College authority have presently outstanding some millions of dollars in temporary obligations which must be refinanced prior to the end of 1966. The financial adviser to these authorities has expressed its opinion that under the conditions which currently prevail in the municipal bond market this refinancing may not be able to be accomplished within the present 5% ceiling on interest. Failure to refinance would cause defaults which the Commonwealth would be obliged to pay under its guaranty of these obligations.

To avert this result the present interest ceiling on temporary obligations must be suspended. I recommend that it be suspended from the effective date of enactment of the attached legislation up to and including April 30, 1967. The attached legislation, designated Appendices A, B, C and D, would accomplish this purpose for the Building Authorities of the University of Massachusetts, Massachusetts State Colleges, Lowell Technological Institute, and Southeastern Massachusetts Technological Institute, respectively. At the end of the suspension period, the present five per cent interest limitation would again apply to the temporary notes of each such authority. The attached legislation would not affect the present five per cent interest limitation on bonds issued by such authorities.

I specifically recommend and urge the immediate enactment of the legislation attached to this message so that all of these authori-

ties will be able to carry on their public purposes. In view of the fact that these authorities are engaged in borrowing money and of the further fact that the Commonwealth is undertaking to guaranty their obligations, I recommend the borrowing terms as to be amended by the accompanying legislation, and I request that the legislation be enacted by a two-thirds vote by the yeas and nays in each branch of the General Court.

Respectfully submitted,

JOHN A. VOLPE,  
*Governor of the Commonwealth.*

## APPENDIX A.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Sixty-Six.

AN ACT TO AMEND THE ACT ESTABLISHING THE UNIVERSITY OF  
MASSACHUSETTS BUILDING AUTHORITY.

1 *Whereas*, The deferred operation of this act would tend to  
2 defeat its purpose, which is, in part, to provide urgently needed  
3 facilities for students at the University of Massachusetts, there-  
4 fore it is hereby declared to be an emergency law, necessary for  
5 the immediate preservation of the public convenience.

*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 7 of chapter 773 of the acts of 1960 as amended by  
2 chapter 763 of the acts of 1962, by chapter 684 of the acts of  
3 1963 and by chapter 845 of the acts of 1965 is hereby amended  
4 by striking out the fourth sentence of the fifth paragraph of  
5 said section and by inserting in its place the following sen-  
6 tence:— The Authority may sell such bonds and notes in such  
7 manner, either at public or at private sale, and for such price,  
8 as it may determine to be for the best interests of the Authority,  
9 but no such sale shall be made at a price so low as to require  
10 the payment of interest on the money received therefor at more  
11 than five per centum per annum, computed with relation to the  
12 absolute maturity of the bonds and notes in accordance with  
13 standard tables of bond values, excluding, however, from such  
14 computation the amount of any premium to be paid on re-  
15 demption of any bonds or notes prior to maturity, provided,  
16 however, that the Authority may sell notes on or before April  
17 thirtieth, nineteen hundred and sixty-seven without regard to  
18 the foregoing limitation on interest to be paid.

## APPENDIX B.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Sixty-Six.

AN ACT TO AMEND THE ACT ESTABLISHING THE MASSACHUSETTS  
STATE COLLEGE BUILDING AUTHORITY.

1    *Whereas*, The deferred operation of this act would tend to de-  
2 feat its purpose, which is, in part, to provide urgently needed  
3 facilities for students at the State Colleges, therefore it is hereby  
4 declared to be an emergency law, necessary for the immediate  
5 preservation of the public convenience.

*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 7 of chapter 703 of the acts of 1963 as amended by  
2 chapter 623 of the acts of 1964 is hereby amended by striking  
3 out the fourth sentence of the fifth paragraph of said section  
4 and by inserting in its place the following sentence: — The Au-  
5 thority may sell such bonds and notes in such manner, either  
6 at public or at private sale, and for such price, as it may deter-  
7 mine to be for the best interests of the Authority, but no such  
8 sale shall be made at a price so low as to require the payment of  
9 interest on the money received therefor at more than five per  
10 centum per annum, computed with relation to the absolute ma-  
11 turity of the bonds and notes in accordance with standard  
12 tables of bond values, excluding, however, from such computa-  
13 tion the amount of any premium to be paid on redemption of  
14 any bonds or notes prior to maturity, provided, however, that  
15 the Authority may sell notes on or before April thirtieth, nine-  
16 teen hundred and sixty-seven without regard to the foregoing  
17 limitation on interest to be paid.

## APPENDIX C.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Sixty-Six.

AN ACT TO AMEND THE ACT ESTABLISHING THE LOWELL TECHNOLOGICAL INSTITUTE BUILDING AUTHORITY.

1 *Whereas*, The deferred operation of this act would tend to  
2 defeat its purpose, which is, in part, to provide urgently needed  
3 facilities for students at the Lowell Technological Institute,  
4 therefore, it is hereby declared to be an emergency law, neces-  
5 sary for the immediate preservation of the public convenience.

*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 7 of chapter 557 of the acts of 1961 as amended by  
2 chapter 685 of the acts of 1963 is hereby amended by striking  
3 out the fourth sentence of the fifth paragraph of said section  
4 and by inserting in its place the following sentence: — The Au-  
5 thority may sell such bonds and notes in such manner, either at  
6 public or at private sale, and for such price, as it may determine  
7 to be for the best interests of the Authority, but no such sale  
8 shall be made at a price so low as to require the payment of in-  
9 terest on the money received therefor at more than five per  
10 centum per annum, computed with relation to the absolute ma-  
11 turity of the bonds and notes in accordance with standard  
12 tables of bond values, excluding, however, from such computa-  
13 tion the amount of any premium to be paid on redemption of  
14 any bonds or notes prior to maturity, provided, however, that  
15 the Authority may sell notes on or before April thirtieth, nine-  
16 teen hundred and sixty-seven without regard to the foregoing  
17 limitation on interest to be paid.

## APPENDIX D.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Sixty-Six.

AN ACT TO AMEND THE ACT ESTABLISHING THE SOUTHEASTERN MASSACHUSETTS TECHNOLOGICAL INSTITUTE BUILDING AUTHORITY

1    *Whereas*, The deferred operation of this act would tend to de-  
2 feat its purpose, which is, in part to provide urgently needed  
3 facilities for students at the Southeastern Massachusetts Tech-  
4 nological Institute, therefore it is hereby declared to be an emer-  
5 gency law, necessary for the immediate preservation of the pub-  
6 lic convenience.

*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 7 of chapter 703 of the acts of 1964 is hereby amended  
2 by striking out the fourth sentence of the fifth paragraph of said  
3 section and by inserting in its place the following sentence:—  
4 The Authority may sell such bonds and notes in such manner,  
5 either at public or at private sale, and for such price, as it may  
6 determine to be for the best interests of the Authority, but no  
7 such sale shall be made at a price so low as to require the pay-  
8 ment of interest on the money received therefor at more than  
9 five per centum per annum, computed with relation to the ab-  
10 solute maturity of the bonds and notes in accordance with  
11 standard tables of bond values, excluding, however, from such  
12 computation the amount of any premium to be paid on redemp-  
13 tion of any bonds or notes prior to maturity, provided, however,  
14 that the Authority may sell notes on or before April thirtieth,  
15 nineteen hundred and sixty-seven without regard to the fore-  
16 going limitation on interest to be paid.

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