

Appendix C: Independent Reports and Documents

C-2

You are here: [Home](#) > [Local Aid and Finance](#) > Governor signs 'municipal relief' bill

Governor signs 'municipal relief' bill



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July 27, 2010

Gov. Deval Patrick today signed the long-awaited "municipal relief" package sent to him by the Legislature with an emergency letter making the provisions effective immediately.

The package of state law changes is intended to make the administration of local government a little easier and to provide some ways to save money.

The bill includes urgently needed provisions to let local retirement systems extend their pension funding schedules out as far as 2040 to avoid spikes in pension assessments. It would also allow cities and towns to develop targeted early retirement programs.

Most of the provisions in the bill simply modernize outdated state laws to help cities and towns save modest amounts of money in the short term and be more efficient over the long term. The bill includes provisions related to procurement and public construction, tax collection, borrowing and mutual aid for public safety and public works purposes.

As expected, the final bill did not include any provisions related to health insurance cost-control for local government. The attempt to reach agreement on the issue during debate on the fiscal 2011 state budget was not successful.

The following are some of the highlights of the bill:

- **Construction bonds for small projects:** For state and local public construction contracts, the law increases the dollar threshold for requiring a payment or security bond for not less than one half of the contract price. The state amount had been \$5,000, and the local amount was \$2,000. The law increases the state and local amounts to \$25,000.
- **Public works and safety mutual aid:** The law establishes a statewide public works mutual aid agreement to provide for the cross-jurisdictional provision of public works services, materials and facilities. Participation in the agreement would be at local option by the municipal executive. The law also establishes a statewide public safety mutual aid agreement to provide for the cross-jurisdictional provision of emergency services and materials.
- **Procurement rules for small public construction projects:** The law increases the maximum dollar amount for use of the "sound business practices" procurement process from contracts of less than \$5,000 to those under \$10,000.
- **Schedule for state certification of tax valuations:** The law authorizes the commissioner of revenue to revise the three-year schedule for state certification of locally set property values. The goals of any revisions would be to even out the number of certifications each year, facilitate cooperative assessing agreements, and improve, in other ways, the administration of local assessment.
- **Joint assessing agreements:** The law updates the statutory provision that allows joint assessing agreements. The new language limits agreements to 25 years and explicitly allows the formation of a regional board of assessors.
- **Terms of borrowing:** The law eliminates the fixed statutory terms for borrowing for certain purposes and replaces them with a term based on the useful life of the asset being financed, not to exceed 30 years. These purposes include the acquisition and improvement of land, the construction and reconstruction of roads, bridges and buildings, and other purposes.
- **Borrowing for dredging:** The law allows borrowing for the purpose of dredging rivers, streams and other waterways.
- **Borrowing for pollution mitigation at a municipal facility:** The law allows borrowing for the purpose of cleaning up or preventing pollution by certain operating or closed municipal facilities.



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