SENATE DOCKET, NO. 1235 FILED ON: 1/20/2011

SENATE . . . . . No. 1595

The Commonwealth of Massachusetts

PRESENTED BY:

Mark C. Montigny

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to oversight of capital expenditures in the Commonwealth..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Mark C. Montigny	
	☐ *[District]*
	☐

SENATE DOCKET, NO. 1235 FILED ON: 1/20/2011

SENATE . . . . . No. 1595

By Mr. Montigny, a petition (accompanied by bill, Senate, No. 1595) of Mark C. Montigny for legislation relative to Oversight of Captial Expenditures in the Commonwealth. State Administration and Regulatory Oversight.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
SENATE
, NO. *1432* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act relative to oversight of capital expenditures in the Commonwealth..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 1. (a) The treasurer of the Commonwealth, all quasi-public entities of the Commonwealth and independent authorities of the commonwealth shall make biannual reports on their borrowing practices. These reports shall be submitted to the Secretary of Administration and Finance, the auditor of the commonwealth, the House and Senate chairs of the Committee on Ways and Means, and to the Senate and House chairs of the Committee on Bonding, Capital Expenditures & State Assets. This report shall include all transactions entered into, other than fixed-rate borrowing, during the six month period prior to the report filing deadline. Reports shall be due on the 30th day of April and the 31st day of October in each calendar year. The report shall include all transactions related to derivative financial products. For purposes of this section, derivative financial products shall be defined as financial instruments whose own value is derived from or based upon the value of other assets or on the level of an interest rate index, including, but not limited to a call option on a bond, an interest rate swap, caps, floors, collars, inverse floaters, auction rate securities, or any other financial transaction other than fixed-rate, long term borrowing. This report shall include the terms and conditions of each derivative financial product transaction; the parties involved in negotiating each derivative financial product transaction; copies of all agreements entered into between the parties relative to derivative financial product transactions; the financial impact of each transaction including, but not limited to, the interest rates, fluctuation in interest rates, and payments associated therewith; and a written rationale of the treasurer of the Commonwealth,

20 quasi-public entities of the commonwealth as to how the determination to enter into such a
21 transaction was made. The report shall disclose any and all interactions with legislative agents or
22 registered lobbyists in conjunction with transactions defined in subsection (a); provided further
23 that such report shall also indicate whether the transaction was subject to a negotiated contract or
24 an open bidding process. The report shall be signed under the pains and penalties of perjury by
25 the treasurer, on behalf of the commonwealth; and by the chief financial officers of each quasi-
26 public entity or independent authority of the Commonwealth, and subject to review by the
27 Secretary of Administration and Finance.

28 (b) Prior to any such transaction described in subsection (a) being authorized,
29 the Secretary of Administration and Finance, in consultation with the State Treasurer, shall
30 submit to the clerks of the House of representatives and the Senate, the House and Senate
31 Committees on Ways and Means, and the House and Senate Committees on Bonding, Capital
32 Expenditures & State Assets, a report indicating that the Secretary of Administration and Finance
33 and the treasurer of the commonwealth approve of such transaction and provide written
34 documentation supporting their recommendation.

35 (c) The House and Senate Committees on Bonding, Capital Expenditures &
36 State Assets shall be authorized to hold oversight hearings regarding the capital programs of the
37 commonwealth; any quasi-public entity; or independent authority of the commonwealth;
38 provided further that the House and Senate Committees on Bonding, Capital Expenditures &
39 State Assets shall The House and Senate Committees on Bonding, Capital Expenditures & State
40 Assets shall have the power to summon witnesses, administer oaths, take testimony and compel
41 the production of books, papers, documents and other evidence in connection with the programs
42 authorized pursuant to this act. If the committees shall deem special studies or investigations to
43 be necessary, they may undertake studies or investigations.