

HOUSE No. 3247

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act merging the Massachusetts turnpike authority with the department of highways..

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. Chapter 29 of the General Laws, as appearing in the 2006 Official Edition,
2 is hereby amended by inserting after section 2XXX the following new section:-Section 2YYY.
3 There shall be set up on the books of the commonwealth a separate fund to be known as the
4 Turnpike Efficiency Fund, which shall not contribute to the calculation of the consolidated net
5 surplus pursuant to section 5C of chapter 29. There shall be credited to this fund all amounts paid
6 to the commonwealth by the Massachusetts turnpike authority pursuant to sections 27 and 28 of
7 chapter 81A, and any income derived from the investing of all amounts credited to the fund.
8 Amounts credited to the fund shall be available for expenditure, subject to appropriation, by any
9 executive office, department, agency, board, commission or other authority that enters into an
10 agreement with the Massachusetts turnpike authority pursuant to section 27 of chapter 81A for
11 the purpose of fulfilling its obligations under such agreement. Any remaining amounts credited
12 to the fund shall be applied by the secretary of administration and finance, subject to
13 appropriation, to make or reimburse: (i) payments made by the commonwealth during any fiscal
14 year pursuant to any contract for financial assistance between the commonwealth and the

15 Massachusetts turnpike authority, which have not yet been fully reimbursed by said authority
16 pursuant to section 28 of chapter 81A; (ii) payments made by the commonwealth during any
17 fiscal year with respect to debt service on bonds or notes of the commonwealth issued to finance
18 any costs of any portion of the metropolitan highway system, as defined in said chapter 81A; (iii)
19 any other payments made by the commonwealth during any fiscal year with respect to any other
20 costs of any portion of the metropolitan highway system, including without limitation, payments
21 made under the contract between the authority and the commonwealth authorized under
22 subsection (c) of section 12 of said chapter 81A; (iv) deposits into, the CA/T Open Spaces
23 Maintenance Trust established pursuant to the authority provided by section 4F of chapter 7; (v)
24 payments to cities and towns under the local tourism grant program established pursuant to
25 section 18 of chapter 81A; and, (vi) any other payment made by the commonwealth during any
26 fiscal year for a purpose permitted under Article LXXVIII of the Amendments to the
27 Constitution.

28 SECTION 2. Section 2 of chapter 81A, as most recently amended by section 21 of
29 chapter 140 of the Acts of 2007, is hereby repealed.

30 SECTION 3. Section 3 of chapter 81A, as appearing in the 2006 Official Edition, is
31 hereby amended by striking out, in lines 3 and 4, the definition of “Authority” and inserting in
32 place thereof the following:-

33 “Authority”, the secretary of transportation and public works.

34 SECTION 4. Subsection (b) of section 5 of said chapter 81A, as so appearing, is hereby
35 amended by striking out clause (ii) and inserting in place thereof the following clause:- (ii) to
36 refund or otherwise pay any or all other debt or obligations of the authority relating to the

37 turnpike, provided that any refunding notes or bonds shall not have a final maturity date later
38 than the final maturity date of the debt or obligations being refunded;

39 SECTION 5. Said chapter 81A, as so appearing, is hereby amended by striking sections
40 27 to 31, inclusive, and inserting in place thereof the following sections:-Section 27.

41 Notwithstanding the provisions of any other general or special law to the contrary, the highway
42 department is hereby authorized and shall enter into an agreement with the authority (i) in order
43 for the highway department to exercise or fulfill, on behalf of the authority, any of the powers,
44 obligations or responsibilities of the authority under this chapter, and (ii) in connection with
45 entering into the contract described in section 28 and in exchange for the payments to be made
46 by the commonwealth thereunder, to permit the highway department to use any property of the
47 authority in order to fulfill such powers, obligations and responsibilities and, to the extent not
48 inconsistent with the provisions of any agreements pertaining to notes or bonds of the authority,
49 for any other purposes of the highway department, provided that with respect to any period
50 during which any agreement authorized by this section between the authority and the highway
51 department is in effect, the liability of the authority for any claim pertaining to any property of
52 the authority that is subject to such agreement, or otherwise arising out of the subject matter of
53 such agreement shall be no greater than that of the commonwealth under the provisions of
54 section 18 of chapter 81 and chapter 258. Notwithstanding the provisions of any other
55 general or special law to the contrary, other executive offices, departments, agencies, boards,
56 commissions and authorities are each hereby authorized to enter into any agreement with the
57 authority deemed necessary or desirable by the authority and such executive office, department,
58 agency, board, commission or other authority in order for such executive office, department,
59 agency, board, commission or other authority to exercise or fulfill, on behalf of the authority, any

60 of the powers, obligations or responsibilities of the authority under this chapter. All payments
61 made by the authority under the agreements authorized by this section shall be credited upon
62 receipt to the fund established pursuant to section 2YYY of chapter 29 and applied in accordance
63 with said section. With respect to any period during which any such agreement authorized by this
64 section between the authority and such executive office, department, agency, board, commission
65 or other authority is in effect, the liability of the authority for any claim pertaining to any
66 property of the authority that is subject to such agreement, or otherwise arising out of the subject
67 matter of any such agreement, shall be no greater than that of the commonwealth under the
68 provisions of section 18 of chapter 81 and chapter 258. Section 28. The secretary of
69 administration and finance, on behalf of the commonwealth, shall enter into a contract with the
70 authority prior to July 1, 2009, providing for payments from the commonwealth to the authority
71 during each fiscal year equal to the aggregate amount of the debt service accruing or payable by
72 the authority during such fiscal year on all notes and bonds of the authority, whenever issued,
73 and amounts, if any, accruing or payable during each fiscal year under all interest rate hedge or
74 option or similar agreements in effect as of December 31, 2008, and related to or entered into by
75 the authority with respect to notes and bonds of the authority outstanding as of such date, minus
76 any amounts paid by the commonwealth to the authority during such fiscal year pursuant to the
77 contract entered into by the authority and the commonwealth pursuant to subsection (c) of
78 section 12 and minus other amounts available to pay such debt service in accordance with the
79 terms of such bonds and notes and interest rate hedge or option or similar agreements, all as
80 certified by the authority. The term of such contract shall extend until the end of the fiscal year in
81 which all such notes and bonds and interest rate hedge or option or similar agreements are fully
82 paid or payment provided for in accordance with their terms. The contract shall specify when

83 payments shall be made by the commonwealth and shall further provide that, as of the last day of
84 each month in which the commonwealth makes a payment to the authority pursuant to said
85 contract, the authority shall reimburse the commonwealth for the amount of such payment from
86 any available metropolitan highway system revenues, turnpike revenues or any other funds of the
87 authority. The contract shall further provide that the authority shall pay to the commonwealth all
88 remaining available metropolitan highway system revenues, turnpike revenues and other
89 available funds of the authority at the times and in the amounts agreed to from time to time by
90 the authority and the secretary for administration and finance or otherwise as specified in the
91 contract. All amounts paid by the authority to the commonwealth pursuant to said contract shall
92 be credited upon receipt to the fund established pursuant to section 2YYY of chapter 29 and
93 applied in accordance with said section. The contract shall contain such other provisions as the
94 secretary for administration and finance and the authority shall agree, including, without
95 limitation, provisions limiting any action by the authority that would materially adversely affect
96 the financial interest of the commonwealth or actions that would constitute a default under the
97 terms of any notes and bonds of the authority or interest rate hedge or option or similar
98 agreement in effect as of December 31, 2008. Amounts paid by the commonwealth may be
99 treated as revenues by the authority within the meaning of section 6 and the authority may pledge
100 such contract and the rights of the authority to receive amounts thereunder as security for the
101 payment of notes and bonds issued under the provisions of this chapter and any related interest
102 rate hedge or option or similar agreements. Such contract shall constitute a general obligation of
103 the commonwealth for which the faith and credit of the commonwealth shall be pledged for the
104 benefit of the authority and of the holders of any notes or bonds of the authority and parties to
105 any interest rate hedge or option or similar agreements which may be secured by a pledge of

106 such contract or of amounts to be received by the authority under such contract. Section
107 29. This chapter, being necessary for the welfare of the commonwealth and its inhabitants, shall
108 be liberally construed to effect the purposes hereof.

109 SECTION 6. Section 1 of chapter 258 of the General Laws, as so appearing, is hereby
110 amended by inserting after the words "public employee", in line 49, the following:- and
111 including the Massachusetts Turnpike Authority.

112 SECTION 7. Said section 1 of said chapter 258, as so appearing, is hereby further
113 amended by striking out in lines 51 to 53, inclusive, the words:- "the Massachusetts Turnpike
114 Authority, or any other independent body politic and corporate," and inserting in place thereof
115 the following:- or any other independent body politic and corporate except as set forth herein.

116 SECTION 8. Notwithstanding the provisions of any general or special law to the
117 contrary, the secretary of the executive office for administration and finance, on behalf of the
118 commonwealth, shall establish the CA/T Open Spaces Maintenance Trust pursuant to the
119 authority granted by section 4F of chapter 7 of the General Laws for the purposes of maintaining
120 the open spaces, so-called, created by the Central Artery/Tunnel Project.

121 SECTION 9. Notwithstanding the provisions of subsection (b) of section 12 of chapter
122 81A of the General Laws, no further transfer of any facility or portion thereof to the authority
123 pursuant to subsection (b) of section 12 of chapter 81A shall be required on or after the effective
124 date of this act.

125 SECTION 10. Sections 2 and 3 shall take effect on January 1, 2010.