

HOUSE No. 4617

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act Relative to Debt Restructuring..

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. (a) Notwithstanding any provision of section 53A of chapter 29 of the
2 General Laws to the contrary, the state treasurer, upon the request of the governor, may issue and
3 sell refunding bonds of the commonwealth under said section 53A of said chapter 29 in an
4 amount sufficient to refund not more than \$300,000,000 of outstanding general obligation bonds
5 of the commonwealth, without a finding by the state treasurer that such refunding will result in
6 present value savings to the commonwealth. This sale shall be accomplished in a manner that is
7 cost efficient to the commonwealth to the extent reasonably possible. The issuance of refunding
8 bonds under this section shall otherwise be subject to said section 53A of said chapter 29, but
9 these bonds shall be issued for a maximum term of years, not exceeding 8 years, that the
10 governor may recommend to the general court pursuant to Section 3 of Article 62 of the
11 Amendments to the Constitution.

12 (b) Within 15 days after this refunding sale, the state treasurer and the secretary of
13 administration and finance shall file with the finance advisory board and the house and senate
14 committees on ways and means a report containing statements of: (1) net present cost or savings

of this refunding; (2) the costs of issuance incurred by the commonwealth pursuant to this refunding, including but not limited to, costs for legal counsel, payments, discounts and other incentives provided to investment bankers, underwriters and others, and costs related to credit or liquidity enhancements, if any; and (3) projected principal and interest debt service costs.

(c) The costs of issuance may, if appropriate, be paid out of the proceeds of the refunding. The governor shall identify the portion of the debt service attributable to the costs of issuance of the refunding as part of any request for an appropriation for debt service payments resulting from this refunding issue. Any refunding bonds issued under this section shall not be counted as part of "issued indebtedness" for the purposes of the debt ceiling calculation.

SECTION 2. Notwithstanding any general or special law to the contrary, to finance expenditures made under clauses (i) and (ii) of subsection (b) of section 2 of chapter 33 of the acts of 1991, chapter 300 of the acts of 1992, as amended, and section 1A of chapter 152 of the acts of 1997, as amended, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in amounts to be specified by the governor from time to time but not exceeding, in the aggregate, the sum of \$23,700,000. Bonds issued to finance expenditures under said chapter 33 shall be issued for terms not to exceed 30 years; provided, however, that all such bonds shall be payable by June 30, 2026, as recommended by the governor in a message to the general court dated May 22, 1991, in pursuance of Section 3 of Article LXII of the Amendments to the Constitution, and as provided in section 1 of chapter 136 of the acts of 1991, and the bond authorization contained in section 8 of said chapter 33, as amended, shall be reduced by the amount of any bonds so issued. Bonds issued to finance expenditures under said chapter 300 shall be issued for terms not to exceed 30 years, provided, however, that all such bonds shall be payable by December 31, 2030, as recommended by the governor in a message to

the general court dated June 7, 1996, in pursuance of Section 3 of Article LXII of the Amendments to the Constitution, and as provided in section 1 of chapter 378 of the acts of 1996, and the bond authorization contained in section 8A of said chapter 300, as inserted by section 14 of chapter 4 of the acts of 1995, shall be reduced by the amount of any bonds so issued. Bonds issued to finance expenditures under said chapter 152 shall be issued for terms not to exceed 30 years; provided, however, that all such bonds shall be payable by June 30, 2038, as recommended by the governor in a message to the general court dated October 27, 2003, in pursuance of Section 3 of Article LXII of the Amendments to the Constitution, and as provided in section 1 of chapter 2 of the acts of 1998, as amended, and the bond authorization contained in section 11 of said chapter 152, as amended, shall be reduced by the amount of any bonds so issued. Bonds and interest thereon issued under authority of this section shall be general obligations of the commonwealth.

SECTION 3. The state treasurer may borrow from time to time on the credit of the commonwealth such sums as may be necessary for the purpose of meeting payments authorized by sections 2 and 2A of chapter 233 of the acts of 2008 and may issue and renew from time to time notes of the commonwealth therefor bearing interest payable at such time and at such rates as shall be fixed by the state treasurer; provided, however, that the amount of notes outstanding at any time shall not exceed \$250,000,000. Such notes shall be issued and may be renewed one or more times for such terms, not exceeding 1 year, as the governor may recommend to the general court in accordance with Section 3 of Article LXII of the Amendments to the Constitution, but the final maturities of the notes, whether original or renewal, shall not be later than June 30, 2011. Notwithstanding any general or special law to the contrary, notes and interest thereon issued under the authority of this section shall be general obligations of the

61 commonwealth. This authorization shall be in addition to any other authorization to issue bonds
62 or notes of the commonwealth for the purposes of meeting payments authorized by said sections
63 2 and 2A.

64 SECTION 4. Section 1 shall expire on June 30, 2011.