

# **HOUSE . . . . . No. 4723**

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, November 7, 2016.

The committee on Ways and Means, to whom was referred the Bill relative to transportation infrastructure value capture (House, No. 4094), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4723).

For the committee,

BRIAN S. DEMPSEY.

**The Commonwealth of Massachusetts**

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**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**  
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An Act relative to transportation infrastructure value capture.

*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. The General Laws, as appearing in the 2014 Official Edition, are hereby  
2 amended by inserting after chapter 40W, the following new chapter:-

3           Chapter 40X. Supplemental Infrastructure Financing for Transportation.

4           Section 1. As used in this chapter, the following words shall, unless the context clearly  
5 requires otherwise, have the following meanings:-

6           “Base date”, the last assessment date of the real property tax immediately preceding the  
7 creation of the SIFT district, or any other assessment date designated as the base date in a SIFT  
8 agreement.

9           “Department”, the Massachusetts Department of Transportation.

10          “Financial plan”, a statement of the costs and sources of revenue required to complete  
11 construction of the transportation project, which shall include: (1) cost estimates; (2) the  
12 projected amount of indebtedness to be incurred by the municipality, the department the

13 Massachusetts Bay Transportation Authority, or a regional transit authority; and (3) any other  
14 sources of anticipated capital, including but not limited to any federal funding.

15 “Original assessed value”, the aggregate assessed value of all properties within the SIFT  
16 district as of the base date.

17 “Secretary”, the secretary of the Massachusetts Department of Transportation.

18 “SIFT agreement”, an agreement for supplemental infrastructure financing for  
19 transportation entered into by the secretary and a municipality and approved by the municipality  
20 in accordance with section 2 authorizing a municipality to collect and remit tax increment  
21 revenue in accordance with this chapter.

22 “SIFT district”, a specified area within the corporate limits of a municipality as set forth  
23 in the SIFT agreement.

24 “Tax increment”, all annual increases in the municipality’s limit on total taxes assessed  
25 under section 21C(f) of chapter 59 that are attributable to parcels within the district for fiscal  
26 years with an assessment date later than the base date. The tax increment shall also include the  
27 part of increases in the limit on total taxes assessed allowed under subsection (f) of section 21C  
28 of chapter 59 that are attributable to such increases under said subsection in prior years that were  
29 part of the increment in such prior years. In any year in which the limit on total taxes assessed  
30 under section 21C is lower than the prior year’s limit on total taxes assessed, the tax increment  
31 shall be reduced in the same proportion as the limit on total taxes assessed.

32 “Transportation project”, any construction project, or any component thereof, undertaken  
33 by the Massachusetts Bay Transportation Authority, a regional transit authority or department,

34 including without limitation construction, reconstruction, repair or enhancement of ways or  
35 bridges, on-ramps or off-ramps, bikeways or multi-use paths, transit stations, passenger facilities,  
36 and rail projects and extensions.

37           Section 2. (a) The secretary and a municipality may enter into a SIFT agreement;  
38 provided, that no municipality may enter into or implement a SIFT agreement unless and until  
39 the SIFT agreement has been approved by the municipality in accordance with this section. A  
40 SIFT agreement shall include without limitation: (1) a detailed description of the transportation  
41 project to be financed in whole or in part by the SIFT agreement, including a financial plan for  
42 such project; (2) the boundaries of the SIFT district, including a depiction of the SIFT district on  
43 a map of the municipality and a listing of the street addresses and lot numbers of all lots within  
44 the SIFT district; (3) estimates of the amount of tax increment revenue to be remitted during the  
45 term of the SIFT agreement; (4) the method of calculating the percentage of the tax increment to  
46 be remitted together with any provisions for adjustment of the method of calculation; (5) the  
47 board or officer of the city or town responsible for calculating the tax increment; (6) any tax  
48 increment pledged or otherwise subject to chapter 40Q or section 59 of chapter 40; (7) a  
49 statement of the estimated impact of tax increment financing on all taxing jurisdictions in which  
50 the SIFT district is located; (8) the term of years of the SIFT agreement; (9) the base date; (10)  
51 the date, if any, following which the SIFT agreement must be re-approved by the city or town in  
52 accordance with section 2 if a notice to proceed has not been issued by the department or  
53 authority with respect to the transportation project; (11) anticipated or known gifts, grants, or  
54 private contributions; and (12) the department or authority fund to which the tax increment  
55 revenue shall be remitted.

56 (b) Notwithstanding any general or special law or regulation to the contrary, not less than  
57 30 days prior to any vote required under subsection (c), a municipality shall hold a public  
58 hearing regarding the SIFT agreement or amendment thereto and shall provide the public with an  
59 opportunity to submit written comments. The municipality shall create a written record of the  
60 public hearing, which shall include a description of the testimony offered by persons at such  
61 hearing. Not less than 14 days prior to the hearing: (1) public notice of the hearing shall be  
62 published in one or more local newspapers of general circulation and shall be posted in the  
63 municipality's main governmental building and on the municipality's web site; and (2) the SIFT  
64 agreement or amendment shall be made available by the municipality for inspection and copying.

65 (c) Notwithstanding any general or special law or regulation to the contrary, a  
66 municipality shall approve the SIFT agreement by vote of its town meeting, town council or city  
67 council, with the approval of the mayor where required by law; provided, that the term of years,  
68 any provision related to calculation of the tax increment, or the boundaries of a SIFT district may  
69 only be amended, following approval by the secretary, after meeting the requirements for  
70 adoption under this section.

71 Section 3. (a) Within 60 days following approval of a SIFT agreement in accordance  
72 with section 2, the assessor of the city or town shall certify the original assessed value of the  
73 taxable property within the boundaries of the SIFT district. Each year after the approval of a  
74 SIFT agreement the assessor of the municipality shall certify the amount by which the assessed  
75 value has increased or decreased from the original value.

76 (b) Following approval of a SIFT agreement in accordance with section 2, the  
77 municipality shall set aside and remit all tax increment revenues in accordance with the SIFT  
78 agreement.

79 Section 4. The department shall promulgate rules and regulations necessary to implement  
80 this chapter, including, without limitation, rules and regulations establishing criteria for  
81 evaluating eligible transportation projects.