

HOUSE No. 3389

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel Cahill

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 adoption of the accompanying bill:

An Act relative to municipally owned street light conversion revolving loan fund.

PETITION OF:

NAME:

Daniel Cahill
Brendan P. Crighton

DISTRICT/ADDRESS:

10th Essex
Third Essex

HOUSE No. 3389

By Mr. Cahill of Lynn, a petition (accompanied by bill, House, No. 3389) of Daniel Cahill and Brendan P. Crighton for legislation to establish a fund to offer zero-interest loans to municipalities for the conversion of some or all street lighting to light-emitting diode lighting. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to municipally owned street light conversion revolving loan fund.

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 23J of the General Laws is hereby amended by inserting after
2 section 12 the following section:-

3 Section 13. (a) There shall be established the Street Light Conversion Revolving Loan
4 Fund within the center, hereinafter referred to as the fund, the proceeds of which shall be used to
5 provide zero-interest loans to Massachusetts municipalities for the conversion of some or all of a
6 municipality’s street lighting to light-emitting diode lighting. There shall be credited to the fund
7 any appropriations or other monies authorized by the general court and specifically designated to
8 be credited to the fund; proceeds of any bonds or notes of the commonwealth issued for the
9 purpose; any federal grants or loans; any private gifts, grants or donations made available; and
10 any income derived from the investment of amounts credited to the fund. The executive director
11 of the center shall pursue and maximize all opportunities to qualify for federal financial
12 participation and other state funding. The center shall seek, to the greatest extent possible,

13 private gifts, grants and donations to the fund. The fund shall be held in an account or accounts
14 separate from other funds. The fund shall be administered by the center without further
15 appropriation. Amounts credited to the fund shall be available for reasonable expenditure by the
16 center necessary to support the conversion of some or all of a municipality's street lighting to
17 low energy use street lighting using light-emitting diode lighting technology, including the loan
18 program established in this section, which is the primary purpose of the fund. Any funds
19 remaining in the fund at the end of a fiscal year shall be carried forward into the following fiscal
20 year and shall remain available for expenditure without further appropriation.

21

22 (b) The center shall make available zero interest loan funding from the Street Light
23 Conversion Revolving Loan Fund to municipalities to convert their street lighting to lighting
24 from light-emitting diode lighting that meets all state and federal requirements, if any. The center
25 shall make the loans available through agreements with banks approved to do business in the
26 commonwealth by the division of banks.

27 (c) The center, in consultation with the state treasurer, shall develop a lender partnership
28 program and lender agreement that requires, at a minimum, (1) that a bank must be adequately
29 capitalized consistent with the requirements of state and federal laws; (2) the center shall specify
30 lending standards, including without limitation, those for determining eligibility, including the
31 eligibility standards set forth in this subsection, and (3) that all loans made under the program
32 must be zero interest loans; provided, however, that the program may provide for reasonable
33 application and administrative fees to be paid to lending banks under the program. A reasonable
34 amount of administrative costs may be expended annually from the fund for the administration of

35 the program. Any application or other fees imposed and collected under this program shall be
36 deposited in the Street Light Conversion Revolving Loan Fund for the duration of the loan
37 program. The center may make adjustments necessary to loan applications to account for
38 reimbursements received under any other state or federal programs.

39 (d) To be eligible for a loan under this section, a municipality must at a minimum,
40 provide the participating lending institution with the following information: (1) the amount of the
41 loan requested and a description of the conversion project for which the loan proceeds will be
42 used; (2) a price quote from a vendor; and (3) evidence of financial condition and ability to repay
43 the loan from the energy savings resulting from the conversion to the light-emitting diode
44 technology. Loans shall be repaid over a 10 year term according to a schedule to be established
45 through center regulations. The attorney general shall enforce collection of any loans in default.

46 The center shall promulgate regulations necessary for the administration of this section.