

SENATE No. 2083

The Commonwealth of Massachusetts

PRESENTED BY:

Cindy F. Friedman

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 establishing transit improvement districts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>1/24/2019</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/29/2019</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	<i>2/1/2019</i>

SENATE No. 2083

By Ms. Friedman, a petition (accompanied by bill, Senate, No. 2083) of Cindy F. Friedman, Michelle L. Ciccolo, Sean Garballey, James B. Eldridge and others for legislation to establish transit improvement districts . Transportation.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act establishing transit improvement districts.

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 are hereby amended by inserting after chapter 40W the
2 following chapter:

3 Chapter 40X: Transit improvement Districts.

4 Section 1. For the purposes of this chapter, the following words shall, unless the context
5 clearly requires otherwise, have the following meanings:

6 “Fee”, a payment for services or improvements within a TID.

7 “Lead municipality”, the municipality exercising managerial control over the TID, as
8 designated by the group of municipalities participating in the establishment of a TID.

9 “Municipal executive body”, the mayor or city manager in a city or the board of
10 selectmen, town manager, or town administrator in a town.

11 “Municipal legislative body”, the city council or board of alderman in a city or the town
12 meeting in a town.

13 “Partnership”, the businesses, entities, municipalities, district, regional entities, and state
14 agencies participating in a TID.

15 “Program plan”, a statement of means and objectives for providing the capital,
16 operational facilities, and resources to improve transit, transportation, and quality of life within a
17 TID .

18 “TID”, a transit improvement district formed pursuant to this chapter, which is a
19 specified area within 1 or more municipalities that shall consist of 2 or more parcels or lots of
20 land, whether or not contiguous, or 2 or more buildings or structures, whether or not adjacent, on
21 2 or more parcels of land; provided, that the total area of all TIDs within a municipality shall not
22 exceed 25 per cent of the total area of the municipality.

23 “Transit improvement program” a transit program that implements transit improvements
24 upon existing transit services within a TID.

25 Section 2. (a) Prior to establishing a TID, a municipality or group of municipalities shall
26 develop a program plan describing said TID’s purpose and goals. At a minimum, the program
27 plan shall include:

28 (1) a financial plan that describes the costs and sources of revenue required to establish
29 transit improvement programs within a TID, including cost estimates for the transit improvement
30 programs, the amount of indebtedness, if any, to be incurred, and any sources of anticipated
31 capital; provided, that the financial plan’s cost estimates may include any of the following types

32 of costs: (i) administrative costs, including any reasonable charges for the time spent by town
33 employees in connection with the implementation of a transit improvement program; (ii) capital
34 costs, including the costs of the construction of public works or improvements, new buildings,
35 structures and fixtures, the demolition, alteration, remodeling, repair or reconstruction of existing
36 buildings, structures or fixtures, the acquisition of equipment, or the grading and clearing of
37 land; (iii) discretionary costs, including any payments made by a municipal entity that, in its
38 discretion, are necessary for the creation of TID or the implementation of a transit improvement
39 program; (iv) financing costs, including all interest paid to holders of evidences of indebtedness
40 issued to pay for transit improvement program costs and any premium paid over the principal
41 amount of that indebtedness because of the redemption of the obligations before maturity; (v)
42 information costs, including any costs associated with promoting and advertising any new transit
43 improvement programs, providing public safety information, disseminating new transit
44 schedules, or providing other forms of information necessary to the transit operations of a TID;
45 (vi) management costs, including costs incurred by establishing and maintaining TID
46 administrative and managerial support and other services, as necessary or appropriate, to provide
47 transit improvement programs; or (vii) professional service costs, including any costs incurred
48 for consultants, planning, engineering, architectural, or legal advice, or other services related to
49 providing transit improvement programs;

50 (2) a list of the necessary capital and operational resources to be procured and public
51 facilities, if any, to be constructed;

52 (3) identification of the use, if any, of private property for transit improvement programs;

53 (4) identification of the municipal department responsible for administering the transit
54 improvement programs; provided, that for a program involving a TID consisting of more than 1
55 municipality, the program plan shall designate a lead municipality responsible for managing the
56 program;

57 (5) a proposed management and operational plan regarding transit service within the TID,
58 which may include transit service management by an existing regional transit authority or
59 transportation management association;

60 (6) the duration of any transit improvement programs, which shall be a minimum of 3
61 years and shall not exceed 6 years after the transit service start date;

62 (7) any expected partnership entities participating in a transit improvement program;

63 (8) the means for setting policy and making decisions related to the transit improvement
64 program;

65 (9) the target start date for the collection of funds and initiation of transit service within
66 the TID;

67 (10) a careful consideration of how the TID can fill transportation gaps not currently
68 provided by local, regional, or state transit services; and

69 (11) a proposal for greater communication and collaboration between any municipalities
70 involved in establishing the TID, any regional transit authorities and transportation management
71 associations with relevant jurisdiction, the surrounding business community and housing
72 providers, and the Massachusetts department of transportation.

73 A municipality or group of municipalities that have developed a program plan shall hold
74 a public meeting to consider the merits of the program plan.

75 A separate program plan shall be adopted for each proposed TID. The program plan shall
76 be adopted at the same time as the TID, as part of the TID adoption proceedings pursuant to
77 subsection (b) of this section or, if at a different time, in the same manner as the adoption of the
78 TID, with the same requirements of subsection (b). Once adopted, a program plan shall only be
79 substantially altered or amended after meeting the same requirements for adoption.

80 (b) A municipality or group of municipalities may, after the development of a program
81 plan and a public meeting on the merits of said plan pursuant to subsection (a), establish a TID,
82 as defined in section 1, within the boundaries of said municipality or municipalities by:

83 (1) a majority vote of the appropriate municipal legislative body of each participating
84 municipality; provided, that the municipal legislative body of each participating municipality
85 finds that the establishment of the TID is consistent with the program plan developed by the
86 participating municipality or municipalities and that the TID shall further the public purpose of
87 developing transit alternatives within the commonwealth; and

88 (2) a vote of the property owners within said TID, where a minimum of 51 per cent of
89 property owners shall be required to vote in the affirmative and said voters casting ballots in the
90 affirmative shall constitute at least 51 per cent of the total value of land in said TID; provided,
91 that ballots for such vote shall be sent by certified mail to each property owner in accordance
92 with the mailing address officially on file with the municipal assessor.

93 The boundaries of a TID may only be altered after meeting the requirements for
94 establishment of a TID under this section.

95 Nothing in this section shall prevent a TID from including 1 or more municipalities;
96 provided, however, that each participating municipality shall vote affirmatively for the
97 establishment of said TID pursuant to the requirements under paragraphs (1) and (2) of this
98 subsection. If any of the municipalities considering establishment of a TID fail to meet the
99 requirements under paragraphs (1) and (2) of this subsection, a TID shall not be established.

100 (c) Any vote by a municipal legislative body under paragraph (1) of subsection (b) of this
101 section shall include:

102 (1) a declaration that management authority over a TID rest with the municipal executive
103 body or, where a group of municipalities are establishing a TID, the municipal executive body of
104 the lead municipality;

105 (2) a designation of the municipal department under whose authority funds may be
106 expended under section 5; provided, that said designation shall reference the applicable program
107 plan and require that all funds be spent in a manner consistent with said plan;

108 (3) a statement describing the methodology used for the calculation of any proposed
109 transit improvement fees pursuant to section 5;

110 (4) a designation of the source of the municipal matching funds and an authorization for
111 the appropriation of said funds; and

112 (5) a designation, if the transit improvement program is in a TID involving more than 1
113 municipality, of which municipality shall be the lead municipality for the purposes of managing
114 said transit improvement program.

115 Section 3. At any time after the establishment of a TID pursuant to section 2, the district
116 boundaries may be amended by an affirmative vote of the municipal legislative body of each
117 participating municipality.

118 Section 4. The rights and powers of a TID shall include: developing, managing, and
119 maintaining transit improvement programs; establishing and collecting fees pursuant to section
120 5; leasing, owning, acquiring, or optioning real property; providing planning and design services;
121 formulating a fee structure; accumulating interest; incurring costs or indebtedness; entering into
122 contracts; suing and being sued; employing legal and accounting services; undertaking planning,
123 feasibility and market analyses; developing common marketing and promotional activities; or
124 engaging in other supplemental services or programs that would further the purposes of this
125 chapter.

126 Section 5. (a) A transit improvement fee may be collected and used solely to fund items
127 to further the goals identified and approved in a TID program plan and spent in accordance with
128 the provisions of this chapter.

129 A transit improvement fee shall be determined by a formula consisting of any
130 combination of the following:

131 (1) different fee levels for varying classifications of real property;

132 (2) a fee based on a percentage of the assessed valuation provided that the fee cannot
133 exceed 5 per cent of the existing annual tax assessment;

134 (3) a fee per employee;

135 (4) a fee per parking space on the site;

136 (5) a fee per single occupancy vehicle (SOV) trip generated to the site under its current or
137 anticipated use;

138 (6) a fee per residential unit within a multifamily parcel;

139 (7) a fee for service as may be designed to accommodate a specific user or entity; or

140 (8) any other formula that meets the objectives of the TID.

141 (b) A TID may, in the establishment of a fee structure, elect to exempt any or all of the
142 following property types:

143 (1) residential dwellings, whether or not they are owner occupied, provided they do not
144 exceed 3 residential units in the same structure;

145 (2) small commercial properties of up to 5,000 gross square feet per building; or

146 (3) agricultural properties.

147 (c) The collector-treasurer of the municipality where a TID is located, or of the lead
148 municipality where a TID is located in multiple municipalities, is hereby authorized to collect
149 transit improvement fees and disburse the funds to the duly authorized and designated municipal
150 department identified under subsection (c) of section 2.

151 The collector-treasurer shall disburse revenues to the designated municipal department
152 within 30 days of the collection of transit improvement fees, together with the interest earned on
153 the holding of such fees.

154 (d) Following establishment of a TID, all fees billed by or on behalf of a TID and unpaid
155 after 60 days from the date of billing shall become a lien on the property, which shall have

156 priority over all other liens except municipal liens and mortgages of record prior to the recording
157 of a notice of lien, if notice of the lien is duly recorded by the municipality in the appropriate
158 registry of deeds or land court registry district.

159 (e) An annual audit, certified by a certified public accountant, of the revenues generated,
160 grants, donations, and gifts received by a TID and its expenses shall be made within 120 days of
161 the close of the fiscal year, and shall be placed on file with the collector-treasurer.

162 (f) Transit improvement fees collected by a municipality under this chapter shall not be
163 deemed to be part of the municipality's regular levy collections and shall not be subject to the
164 requirements of section 21C of chapter 59.

165 Section 6. The municipality or group of municipalities participating in the establishment
166 of a TID shall provide a minimum of 20 per cent of the TID's program costs from funds not
167 generated by the fees authorized under section 5. The Massachusetts department of
168 transportation shall provide a minimum of 20 per cent in matching funds. Users of the new
169 transit improvement program shall be required to pay a fee for service, which shall, in the
170 aggregate, be no more than 5 per cent of the total program costs. Property owners located within
171 a TID shall provide a minimum of 20 per cent of the transit improvement program costs.

172 Section 7. The municipal executive body authorized to manage a TID under paragraph
173 (1) of subsection (c) of section 2 shall conduct a review of the program plan 12 months prior to
174 the completion of the duration of the transit improvement programs within a TID to determine if
175 the program is desired to be continued, and if so, complete a program assessment that includes a
176 review of the anticipated costs to continue said service. If continuance is sought, a public hearing
177 shall be conducted on the TID's desire to continue service and a renewal of the authorization

178 shall be approved by the relevant municipal legislative body or bodies in a manner consistent
179 with the authorization set forth in section 2.

180 Section 8. A TID may be dissolved by petition to the local municipal legislative body and
181 a subsequent decision by such legislative body to authorize dissolution, or a TID may be
182 dissolved upon request by the chief elected or chief executive official of the lead municipality for
183 a dissolution vote by the local municipal legislative body.

184 In order to be considered by a municipal legislative body, a petition to dissolve a TID
185 shall contain the signatures of the property owners whose properties represent at least 51 per cent
186 of the assessed valuation within the TID or at least 51 per cent of the property owners within the
187 TID.

188 The municipal legislative body shall hold a public hearing within 30 days of receipt of a
189 completed dissolution petition.

190 Following the public hearing, the municipal legislative body may declare the TID
191 dissolved; provided, however, that no TID shall be dissolved until it has satisfied or paid in full
192 all of its outstanding indebtedness, obligations, and liabilities, or until funds are on deposit and
193 available therefor, or until a repayment schedule has been formulated and municipally approved
194 therefor. The TID shall be prohibited from incurring any new or increased financial obligations
195 after its dissolution.

196 Upon the dissolution of a TID, any remaining revenues derived from the sale of assets
197 acquired with fees collected shall be refunded to the property owners in the TID in which fees
198 were charged by applying the same formula used to calculate the fee in the fiscal year in which
199 the TID is dissolved.

200 In the event a municipality participating in a TID containing more than 1 municipality
201 desires to withdraw from the TID, such municipality may, by petition containing the signatures
202 of the owners whose properties represent at least 51 per cent of the assessed valuation within the
203 TID or at least 51 per cent of the property owners within the district, seek a dissolution vote from
204 its municipal legislative body. Upon such approval from a municipal legislative body, the
205 withdrawing municipality shall then receive an affirmative vote of the lead municipality's
206 legislative body, in order to effectuate the withdrawal.

207 SECTION 2. Notwithstanding any general or special law to the contrary, upon passage of
208 this act, the Massachusetts department of transportation shall identify and set aside funding to be
209 used to meet its responsibilities under section 8 of chapter 40X, and shall establish a trust fund to
210 assist any municipality or group of municipalities in establishing a transit improvement district,
211 as defined in section 1 of chapter 40X; provided, that at least 30 per cent of the funds disbursed
212 from said trust fund shall be used to assist municipalities whose average household income is
213 below the state average household income.