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HOUSE . . . . . No.

OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
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MAURA T. HEALEY
GOVERNOR

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

January 24, 2025

To the Honorable Senate and House of Representatives,

I am filing for your consideration a bill entitled "*An Act Financing Long-Term Improvements to Municipal Roads and Bridges.*"

As part of our administration's plan to stabilize and enhance our state's transportation infrastructure, this bill authorizes the Commonwealth to borrow $1.5 billion to fund improvements to municipally-owned roads and bridges through the Chapter 90 program over the next five years. This bill also authorizes $885 million of capital funding for a number of critical transportation infrastructure investments to ease congestion, address needs associated with climate change adaptation and resilience and fix more of the state's aging roads and bridges.

The Chapter 90 local roadways program has provided vital funding for all 351 cities and towns since 1973. These state resources have enabled our municipal partners to improve pavement quality, build sidewalks, and fund bike and pedestrian infrastructure. However, Chapter 90 funding has not kept pace with challenges faced by our municipalities, such as inflation, rising construction costs, and the impacts of climate change. That is why, this past year, I directed MassDOT and the Executive Office for Administrative and Finance to convene an Advisory Group of local officials to assess program challenges and potential solutions. This bill reflects the following recommendations from the Advisory Group:

- **Increase program funding to address local need**s. This bill will enable the provision of $300 million in annual Chapter 90 funds -- 50 percent higher than the core $200 million provided in recent years, recognizing the impact of construction inflation in recent years, which has particularly eroded the buying power of smaller and rural communities that need extra support to complete road projects.

- **Enact a multi-year authorization that enables effective capital planning and more timely deployment of funds.** The five-year authorization proposed in this bill provides certainty to cities and towns, reduces delays in committing resources, and supports long-term capital planning and strategic investment in municipal transportation infrastructure.
- **Update the funding formula to ensure greater aid to all municipalities, with enhanced support to small and rural communities.** The new $100 million in annual funds unlocked by this proposal will be distributed solely on a road mileage basis. This increased funding guarantees every community will benefit while being particularly helpful for small and rural communities.

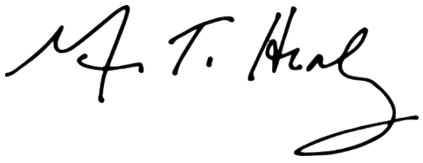
Additionally, authorizations in this bill will:

- **Improve pavement and bridge conditions across the state.** This bill will authorize an additional $500 million for MassDOT's road and bridge lifecycle asset management program to address the condition of pavement and bridges statewide.
- **Replace and upgrade vulnerable culverts and small bridges.** This bill will enable $200 million of additional investments in culverts and small bridges, to replace undersized and deteriorating infrastructure with more resilient replacements, enhancing climate change preparedness and reducing the backlog of deferred maintenance for state and local government.
- **Ease congestion and address safety.** This bill will provide $185 million of new capital resources for MassDOT to take action on safety and congestion hotspots statewide, improving conditions for drivers, pedestrians, transit riders, and bicyclists, in critical areas such as rail crossings, intersections, near schools, commercial districts, and residential areas, wherever attention is most needed.

The investments in this bill are informed by the recommendations of the Transportation Funding Task Force and reflect our administration's House 1 budget proposal to leverage Fair Share surtax through the Commonwealth Transportation Fund to stabilize and enhance the state's transportation infrastructure -- a proven strategy for maximizing the impact of this revenue source.

These authorizations will enable municipalities and MassDOT to continue to plan effectively for and deliver capital projects. I urge you to enact this legislation promptly.

Respectfully submitted,



Maura T. Healey,
Governor

HOUSE . . . . . No.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act financing long-term improvements to municipal roads and bridges.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to finance improvements to the commonwealth's transportation system, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. To provide for a program of transportation development and improvements, the sums set forth in sections 2 and 2A for the several purposes, and subject to the conditions specified in this act, are hereby made available, subject to the laws regulating the disbursement of public funds. The sums made available in this act shall be in addition to any amounts previously appropriated or made available for these purposes.

SECTION 2.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

Highway Division

6122-2627 For the construction and reconstruction of municipal ways as described in clause (b) of the second paragraph of section 4 of chapter 6C of the General Laws; provided, that

a city or town shall comply with the procedures established by the Massachusetts Department of Transportation; provided further, that a city or town may expend, without further appropriation, for these projects amounts not in excess of the amount provided to the city or town under this item upon preliminary notice of such amount, which shall be provided by the department to the city or town not later than March 1 of each year; and provided further, that the commonwealth shall reimburse funds to a city or town under this item, subject to the availability of funds as provided in section 9G of chapter 29 of the General Laws, within 30 days after receipt by the department of a request for reimbursement from the city or town; provided further, that the department shall expend up to $500,000,000 for construction and reconstruction of municipal ways which shall be allocated to municipalities based on local road mileage under procedures established by the department; provided further, that the department shall encourage long-term capital plans to be developed by a city or town describing how they will use this funding; and provided further, that the city or town shall provide to the department its certification by the city or town that actual expenses have been incurred on projects eligible for funding under this item and that the work has been completed to the satisfaction of the city or town according to the specifications of the project plan, and in compliance with applicable laws and procedures established by the department..... $1,500,000,000

SECTION 2A.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

Highway Division

6121-2617 For the bridge and pavement lifecycle asset management program, including but not limited to design, construction and repair of, or improvements to, non-federally aided

roadway and bridge projects and for the nonparticipating portion of federally-aided projects, and for the construction, reconstruction, resurfacing, repair and improvement of pavement and surface conditions on non-federally aided roadways, including, but not limited to, state numbered routes and municipal roadways; provided, that expenditures from this item may include the costs of engineering, design, permitting, climate change adaptation and resilience and other services essential to projects under this item; provided further, that funds may be expended from this item for matching grants to municipalities related to repair of surface conditions on paved and unpaved public ways; provided further, that the department may use these funds for improving the condition of bicycle and pedestrian accommodations related to such roadway, bridge, pavement and resurfacing projects; and provided further, that the department shall consider lifecycle asset management and resilient design with respect to projects under this item..... $500,000,000

6121-2627 For a program of culvert and small bridge modernization, reconstruction, removal, repair, replacement, and resilience improvements to culverts and small bridges with a span of 20 feet or less under procedures established by the Massachusetts Department of Transportation in consultation with the secretary of energy and environmental affairs; provided, that expenditures from this item may include the costs of engineering, design, permitting, climate change adaptation and resilience and other services essential to projects under this item; and provided further, that funds may be expended from this item for matching grants to municipalities for municipally-owned small bridges and culverts..... $200,000,000

6121-2637 For a program of transportation capital projects to ease congestion and improve safety in Massachusetts; provided, that expenditures from this item may include

intersection improvements, rail grade crossings, bicycle infrastructure and shared use paths, pedestrian walkways and improvements, accessibility improvements, traffic signals and technology, ADA compliant sidewalks and crossings, roadway reconstruction and repairs and other capital investments to alleviate road congestion and improve road, walking, biking conditions throughout Massachusetts..... $185,000,000

SECTION 3. To meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $1,500,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, Commonwealth Transportation Improvement Act of 2025, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2065, pursuant to said section 3 of said Article LXII. All interest and payments on account of principal on these obligations shall be payable from the General Fund or the Commonwealth Transportation Fund.

SECTION 4. To meet the expenditures necessary in carrying out section 2A, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $885,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, Commonwealth Transportation Improvement Act of 2025, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2065, pursuant to said section 3 of said Article LXII. All

interest and payments on account of principal on these obligations shall be payable from the General Fund or the Commonwealth Transportation Fund.

SECTION 5. Notwithstanding any general or special law to the contrary, bonds and interest thereon issued under sections 2 and 2A shall be general obligations of the commonwealth; provided, however, that any bonds issued by the state treasurer under said sections, shall, upon the request of the governor, be issued as special obligation bonds pursuant to section 2O of chapter 29 of the General Laws; provided further, that in deciding whether to request the issuance of particular bonds as special obligations, the governor shall take into account: (i) generally prevailing financial market conditions; (ii) the impact of each approach on the overall capital financing plans and needs of the commonwealth; (iii) any ratings assigned to outstanding bonds of the commonwealth and any ratings expected to be assigned by any nationally-recognized credit rating agency to the bonds proposed to be issued; and (iv) any applicable provisions of a trust agreement or credit enhancement agreement entered into pursuant to said section 2O of said chapter 29. All interest and payments on account of obligations issued under this section as special obligation bonds pursuant to said section 2O of said chapter 29 shall be payable from the Commonwealth Transportation Fund, established in section 2ZZZ of said chapter 29, solely in accordance with said section 2O of said chapter 29, and such bonds shall not be included in the computation of outstanding bonds for purposes of the limit imposed by the second paragraph of section 60A of said chapter 29, nor shall debt service with respect to such bonds be included in the computation of the limit imposed by section 60B of said chapter 29.