

SENATE No. 115

The Commonwealth of Massachusetts

PRESENTED BY:

Brian A. Joyce

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 to ensure responsible bond issuance in the Commonwealth.

PETITION OF:

NAME:

Brian A. Joyce

Antonio F. D. Cabral

DISTRICT/ADDRESS:

Norfolk, Bristol and Plymouth

13th Bristol

SENATE No. 115

By Mr. Joyce, a petition (accompanied by bill, Senate, No. 115) of Brian A. Joyce and Antonio F. D. Cabral for legislation to ensure responsible bond issuance in the Commonwealth. Community Development and Small Businesses.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act to ensure responsible bond issuance in the Commonwealth.

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. All references to Chapter 40D of the Massachusetts Industrial Finance
2 Agency shall be deleted and replaced with the Massachusetts Development Finance Agency, its
3 successor in interest.

4 SECTION 2. Chapter 40D of the General Laws is amended by inserting after Section 23
5 the following section:-

6 Section 24. (a) Before any specified governmental unit may give host approval to a
7 TEFRA required approval issue, such host approval shall be approved by the Massachusetts
8 Development Finance Agency as provided in this section 24.

9 (b) The Massachusetts Development Finance Agency shall review any request for
10 approval of a host approval of a TEFRA required approval issue by a specified governmental
11 unit pursuant to the approval process for a municipality set forth in subsections (1), (2)(a)
12 through (k) and (3) of section 12 of Chapter 40D. For purposes of this section, all references to a

13 municipality in section 12 of chapter 40D, all references to constituent municipalities in section
14 12 of chapter 40D, and all references to an authority in section 12 of chapter 40D, shall mean the
15 specified governmental unit seeking approval of its host approval.

16 (c) The Massachusetts Development Finance Agency shall charge such fees as it
17 determines necessary to conduct its review of the host approval and impose such conditions upon
18 its approval as it determines are in the public interest.

19 (d) For purposes of this section 24, “host approval” means either (i) the approval required
20 by Section 147(f)(2)(A)(ii) of the Internal Revenue Code of 1986, or corresponding successor or
21 analogous provisions, of a TEFRA required approval issue, or (ii) in the case of a refunding issue
22 described in clause (ii) of the first sentence of paragraph (b), the approval that would have been
23 so required but for said issue constituting a refunding issue.

24 (e) For purposes of this section 24, “Specified governmental unit” means any
25 governmental unit seeking to give host approval to a TEFRA required approval issue.

26 (f) For purposes of this section 24, “TEFRA required approval issue” means any issue of
27 a debt instrument or debt instruments that, as a condition of interest on such debt instrument or
28 debt instruments being excluded from gross income for federal income tax purposes, or as a
29 condition of a federal tax credit or other federal tax benefit being available in connection with
30 said issue, either (i) must meet the public approval requirements of Section 147(f) of the Internal
31 Revenue Code of 1986, or corresponding successor or analogous provisions, of a TEFRA
32 required approval issue, or (ii) in the case of a refunding issue, would have been required but for
33 said issue constituting a refunding issue. No TEFRA required approval issue shall be a valid
34 issue unless such issue has received host approval.

35 (g) This section 24 shall not apply to any TEFRA required approval issue issued by the
36 commonwealth or by any entity, agency, board or political subdivision of the commonwealth
37 which issues bonds under the laws of the commonwealth.