HOUSE DOCKET, NO. FILED ON: 1/12/2009

**HOUSE . . . . . . . . . . . . . . No.**

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The Commonwealth of Massachusetts

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PRESENTED BY:

**Joseph F. Wagner**

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*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 passage of the accompanying bill:

An Act establishing the Massachusetts transportation infrastructure revolving fund.

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PETITION OF:

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| --- | --- |
| Name: | District/Address: |
| Joseph F. Wagner | 8th Hampden |

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 3673 OF 2007-2008.]

The Commonwealth of Massachusetts

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**In the Year Two Thousand and Nine**

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An Act establishing the Massachusetts transportation infrastructure revolving fund.

 *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. The General Laws are hereby amended by inserting after chapter 29D the following chapter:-

CHAPTER 29E

Massachusetts Transportation Infrastructure Revolving Fund Program and Massachusetts State Infrastructure Bank

 Section 1. Definitions. As used in this chapter, the following words shall have, unless the context clearly indicates otherwise, the following meanings:

 "Board", the board of trustees of the Massachusetts transportation

facilities and infrastructure trust.

 "Bond act", any general or special law authorizing a governmental unit to incur indebtedness for all or any part of the cost of a qualified project.

 "Bonds", bonds, notes or other evidence of indebtedness.

 "Borrower obligations", governmental obligations or bonds of a private enterprise issued to evidence a loan.

“Cooperative Agreement“, written consent between the commonwealth and the United States Department of Transportation, which sets forth the manner in which the infrastructure bank, established in accordance with section 1602 of SAFETEA-LU, 23 USC 610, P.L. 109-59, as amended, will be administered.

 "Cost", as applied to any qualified project, any and all costs, whenever incurred, approved by the secretary of transportation, of carrying out a qualified project, including without limitation, costs for preliminary planning of reports and studies to determine the economic or engineering feasibility of a qualified project, engineering and architectural reports, studies, surveys, plans and specifications; construction; expansion; improvement and rehabilitation; acquisition of real property, personal property, materials, machinery or equipment; start-up costs; demolitions and relocations; reasonable reserves and working capital; interest on borrower obligations prior to and during construction of such qualified project; administrative, legal and financing expenses; and other expenses necessary or incidental to the aforesaid.

"Financial assistance", any financial assistance for a qualified project provided by the trust under the program, including, without limitation, loans to and leases with qualified borrowers, the establishment of reserves and other security, and guarantees of and credit enhancement of the obligations of qualified borrowers incurred in connection with the financing of qualified projects.

 "Fund", the Transportation Infrastructure Revolving Fund, established pursuant to section 7.

 "General revenues", when used with reference to a governmental unit, revenues, receipts, assessments and other monies of a governmental unit, and all rights to receive the same including, without limitation, (i) revenue as defined in section 1 of chapter 44; (ii) project revenues; (iii) assessments upon or payments received from any other governmental unit which is a member or service recipient of the governmental unit; (iv) proceeds of loans made in accordance with this chapter and of grants made in accordance with section 31 of chapter 81; (v) investment earnings; (vi) reserves for debt service or other capital or current expenses; (vii) receipts from any rate, charge, tax, excise or fee all or a part of the receipts of which are payable or distributable to or for the account of the governmental unit; (viii) local aid distributions, if any; and (ix) receipts, distributions, reimbursements and other assistance from the commonwealth or the United States; provided, however, that general revenues shall not include any monies restricted by law to specific statutorily defined purposes inconsistent with their treatment as general revenues for purposes of this chapter.

 "Governmental obligations", bonds issued by a governmental unit to evidence a loan.

 "Governmental unit", any town, city, district, county, commission, agency, authority, board or other instrumentality of the commonwealth or of any of its political subdivisions, including any regional governmental unit which is responsible for the construction, ownership or operation of a qualified project and is authorized by a bond act to finance all or any part of the cost thereof through the issuance of bonds.

 "Guarantee", a contract or contracts pursuant to which the trust agrees to guarantee all or a portion of the obligations of a qualified borrower incurred to finance a qualified project.

 "Highway Account", the highway account of the fund, established pursuant to section 7.

 "ISTEA," the Federal Intermodal Surface Transportation Efficiency Act of 1991, P.L. 102-240, as amended.

 "Lease", any form of capital or operating lease for all or a portion of a qualified project, between the trust and a qualified borrower.

 "Loan", any form of financial assistance subject to repayment which is provided by the trust to a qualified borrower for all or any part of the cost of a qualified project. A loan may (1) provide for planning, construction, bridge or permanent financing; and (2) be disbursed in anticipation of reimbursement for or direct payment of costs of a qualified project or take the form of a guarantee, line of credit or other form of financial assistance.

 "Loan agreement", any agreement entered into between the trust and a qualified borrower pertaining to a loan or lease. A loan agreement may contain, in addition to financial terms which may include, without limitation, provisions defining defaults thereunder and remedies therefor, provisions relating to the regulation and supervision of a qualified project and any other provision as the board may reasonably determine. The term "loan agreement" shall include, without limitation, a loan agreement, lease, trust agreement, trust indenture, security agreement, reimbursement agreement, guarantee agreement, bond or note resolution, or similar instrument whether secured or unsecured.

 "Local aid distributions", any receipts, distributions, reimbursements or other assistance payable by the commonwealth to or for the account of a governmental unit, including, without limitation, payments under sections 18B, 18C and 18D of chapter 58 and any other local reimbursement or assistance program described in section 25A of said chapter 58.

 “Massachusetts State Infrastructure Bank”, the program authorized by section 1602 of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005, and a cooperative agreement between the United States Department of Transportation and the executive office of Transportation.

 “Massachusetts Transportation Infrastructure Fund”, the fund established in this section.

 "NHS Act", the National Highway System Designation Act of 1995, P.L. 104-59, as amended.

 "Private enterprise", a private person or entity that has entered into a contract with a governmental unit to design, finance, construct or operate a qualified project that is within the jurisdiction of such governmental unit, provided that the governmental unit is responsible for complying with all applicable requirements of ISTEA or the NHS Act, with respect to such qualified project.

 "Program", the Transportation Infrastructure Revolving Fund Program established pursuant to this chapter.

 "Project revenues", all rates, rents, fees, assessments, charges, and other receipts derived or to be derived by a qualified borrower from a qualified project, and, if so provided in the applicable loan agreement pursuant to section 13, from any system of which such qualified project is a part and any other revenue producing facilities under the ownership or control of such qualified borrower, including, without limitation, proceeds of grants, gifts, appropriations and loans, including the proceeds of loans or grants made by the trust, investment earnings, reserves for capital and current expenses, proceeds of insurance or condemnation and the sale or other disposition of property; provided, however, the project revenues shall not include any ad valorem taxes levied directly by a governmental unit on any real and personal property.

 "Qualified borrower", any governmental unit or private enterprise which is authorized to construct, operate or own a qualified project.

 "Qualified project", any public or private highway, transit or transportation project, including, without limitation, the construction, reconstruction, resurfacing, rehabilitation or replacement of public or private transportation facilities including, without limitation, parking facilities within the commonwealth, or the study of the feasibility thereof; any highway, transit or transportation project eligible for financing or aid under any federal act or program; and any project involving the maintaining, repairing, improving or constructing of any city, town, county or state highway, including roads, streets and parkways, parking facilities, and any rights-of-way, bridges, tunnels, railroad highway crossings, drainage structures, signs, guardrails, and protective structures constructed or used in connection with highway or transit projects.

 “Regional governmental unit”, a governmental unit which is authorized to construct, own, or operate a qualified project on behalf of two or more other governmental units, or designated parts thereof, and which derives all or part of its general revenues or project revenues by assessment or other charge on such other governmental units.

 "Revenues", when used with respect to the trust, any receipts, fees, revenues or other payments received or to be received by the trust under the program, including without limitation receipts and other payments received by or deposited in the fund, payments of principal, interest or other charges on loans, leases, grants, appropriations or other financial assistance from the commonwealth or the United States or any political subdivision or instrumentality of either in connection with the program, investment earnings on its funds and accounts, including, without limitation, the fund, and any other fees, charges or other income received or receivable by the fund or the trust under the program.

 “Review Committee”, the house and senate chairmen of the joint committee on transportation and the directors, or their designees, of the metropolitan planning organizations of the commonwealth.

“SAFETEA-LU”, The Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users, 23 USC 610, P.L. 109-59, as amended.

"Secretary of administration and finance", the secretary of the executive office for administration and finance established under chapter 7.

 "Secretary of EOT", the secretary of the executive office of transportation established under chapter 6A.

 "State Contribution Account", the State Contribution Account of the fund, established pursuant to section 7.

 “State treasurer”, the treasurer and receiver-general of the commonwealth.

 “TEA-21”, the Transportation Equity Act for the 21st Century, P.L. 105-178, as amended.

 "Transit Account", the Transit Account of the fund, established pursuant to the provisions of section 7.

 "Trust", the Massachusetts transportation facilities and infrastructure trust established by this chapter.

 "Trust agreement", any agreement entered into by the trust and the state treasurer, providing for the issuance, security and payment of bonds issued pursuant to section 8. The term "trust agreement" shall include a trust agreement, trust indenture, security agreement, reimbursement agreement, currency or interest rate exchange agreement, bond or note resolution or other similar instrument.

 Section 2. Massachusetts Transportation Facilities and Infrastructure Trust; Board of Trustees; Purpose, Powers and Duties

 (a) An unpaid board of trustees consisting of the secretary of administration and finance, ex officio, the secretary of transportation, ex officio, the state treasurer, ex officio, and a fourth member who shall be appointed by the governor for a term coterminous with that of the governor is hereby constituted as a public instrumentality of the commonwealth to be known as the Massachusetts transportation facilities and infrastructure trust to administer the Transportation Infrastructure Revolving Fund established pursuant to section 7. The trust is hereby designated as an instrumentality of the commonwealth to establish and administer within the fund the state infrastructure bank pursuant to section 1602 of SAFETEA-LU. The exercise by the trust, and by the board of trustees thereof, of the powers conferred by this chapter shall be deemed to be the performance of an essential public function.

 (b) The secretary of EOT shall serve as chairperson of the board. The board shall annually elect one of its members as vice-chairperson. Each member of the board may appoint a designee pursuant to section 6A of chapter 30. Three members of the board shall constitute a quorum and the affirmative vote of a majority of trustees present shall be necessary and shall suffice for any action taken by the board. Any action of the board may take effect immediately and need not be published or posted unless otherwise provided by law. No vacancy in the membership of the board shall impair the right of a quorum to exercise the powers of the board. Meetings of the board of trustees shall be subject to section 11A 1/2 of chapter 30A; provided, however, that the provisions of said section 11A 1/2 shall not apply to any meeting of trustees in the exercise of their duties as officers of the commonwealth so long as no matters relating to the official business of the trust are discussed and decided at such meeting. The trust shall be subject to all other provisions of said chapter 30A; provided, however, that the provisions of said chapter 30A shall not apply to rules, regulations, procedures and guidelines adopted by the board pursuant to this chapter, and records pertaining to the administration of the trust shall be subject to the provisions of section 42 of chapter 30 and section 10 of chapter 66. The fund and all other monies of the trust shall be deemed to be public funds for the purposes of chapter 12A. The operations of the trust shall be subject to the provisions of chapter 268A and chapter 268B to the same extent as the offices of the secretary of administration and finance and the secretary of transportation.

 (c) The purposes for which the trust is created and for which the fund shall be received, held, administered and disbursed by the board of trustees shall be the provision of financial assistance, in the manner contemplated by ISTEA, TEA-21, NHS Act, and SAFETEA-LUto qualified borrowers as beneficiaries of the trust to finance the costs of qualified projects, as provided in, and as necessary to implement the provisions of, this chapter. In accordance with the terms of any trust agreement entered into by the trust and the state treasurer with respect to the bonds secured by monies or revenues of the fund, the holders of such bonds also shall be beneficiaries of such trust. The board shall apply and disburse monies and revenues of the fund without appropriation or allotment by the commonwealth.

 (d) Without limiting the generality of the foregoing and other powers of the trust, the board shall have the power:

 (i) to adopt and amend by-laws and such rules, regulations and procedures for the conduct of the business of the trust as the board shall deem necessary to carry out the provisions of this chapter;

 (ii) to apply for, receive, administer and comply with the conditions and requirements respecting any grant, gift or appropriation of property, services or monies;

 (iii) to borrow and repay money by requesting the state treasurer to issue bonds on behalf of the trust in accordance with section 8, and to apply the proceeds thereof as provided in this chapter and to pledge or assign or create security interests in the fund and the receipts thereto to secure bonds;

 (iv) to make loans to or enter into loan agreements with qualified borrowers to acquire, hold and sell borrower obligations at such prices and in such manner as the board shall deem advisable, and to pledge borrower obligations to secure bonds issued pursuant to section 8;

 (v) to enter into guarantees secured by or purchase bond insurance or other credit enhancement through amounts on deposit in the fund;

 (vi) to enter into contracts, arrangements and agreements to provide any other form of financial assistance through amounts on deposit in the fund;

 (vii) to enter into contracts, arrangements and agreements with other persons and execute and deliver all trust agreements, loan agreements and other instruments necessary or convenient to the exercise of the powers granted hereunder, including without limitation, any contracts, arrangements or agreements required pursuant to ISTEA, TEA-21, the NHS Act, and SAFETEA-LUand any successor acts or reauthorizations of those acts;

 (viii) to enter into an agreement, contract or other arrangement directly or indirectly through any office or agency within the executive office of transportation pursuant to section 19 of chapter 6A, with a private enterprise in furtherance of and in accordance with the provisions of ISTEA, TEA-21, the NHS Act, SAFETEA-LU or any successor acts or reauthorizations of those acts, as applicable;

 (ix) to obtain insurance and enter into agreements of indemnification necessary or convenient to the exercise of the powers granted hereunder;

 (x) to sue and be sued and to prosecute and defend actions relating to the affairs of the trust and the fund; provided, however, that the trust is not authorized to become a debtor under the United States Bankruptcy Code;

 (xi) to engage accounting, management, legal, financial, consulting and other professional services necessary to the conduct of the program; and

 (xii) to establish a review committee consisting of the house and senate chairmen of the joint committee on transportation and the directors, or their designees, of the metropolitan planning organizations of the commonwealth.

 (e) In its administration of the program as provided in this chapter, the board shall comply with applicable federal requirements under ISTEA and the NHS Act, SAFETEA-LU and other applicable federal programs. In addition, prior to entering into any loan agreement, contract, arrangement or other instrument for the purpose of carrying out the program, the board shall, within 30 days, obtain the approval of the state treasurer with respect to the financial terms and conditions of such agreement. The trust shall not be authorized or empowered to be or to constitute a bank or trust company within the jurisdiction or under the control of the department of banking and insurance of the commonwealth or the comptroller of the currency or the treasury department of the United States. The trust shall not be authorized or empowered to be or constitute a bank, banker or dealer in securities within the meaning of, or subject to the provisions of, any securities, securities exchange or securities dealers' law of the United States or the commonwealth.

 (f) The board may consult from time to time with the review board for purposes of establishing policies and procedures governing the program.

 Section 3. Receipt and Disbursement of Fund Monies.

 (a) The state treasurer, as treasurer-custodian of the fund, shall receive in trust, hold and disburse in and from the fund exclusively for the benefit of the beneficiaries thereof, at the direction of the board, the following monies: (i) subject to the applicable provisions of sections 9 through 10D of chapter 11 of the acts of 1997, as amended by section 1 of chapter 121 of the acts of 1998 and sections 4 through 7 of chapter 235 of the acts of 1998, federal grants and awards or other federal assistance received by the trust or the commonwealth and eligible for deposit therein under applicable federal law; (ii) amounts appropriated by the commonwealth to the fund for purposes of the program; (iii) amounts paid by the Massachusetts turnpike authority or any other state, local or regional agency or authority authorized by law to deposit monies in the fund for purposes of the program; (iv) proceeds of bonds issued pursuant to section 8; (v) loan and lease payments and other payments received by the trust in respect of providing financial assistance to qualified borrowers; (vi) investment earnings on monies in the fund; and (vii) any other amounts required to be credited to the fund by any law or by any resolution, loan agreement or trust agreement or which the commonwealth or the board shall otherwise determine to deposit therein.

 (b) Application of amounts in the fund shall be subject to the requirements of this chapter and applicable provisions of any loan agreement or trust agreement and, with respect to amounts held therein derived from grants or awards made under 23 USC section 101, et seq. or 49 USC section 5301, et seq., or any other federal law, to the applicable requirements of federal law. Whenever the board takes discretionary action, it shall be guided by the intention of best effecting the purposes of this chapter to implement financial assistance in support of qualified projects consistent with the responsibilities of the trust to its bondholders, qualified borrowers, and other beneficiaries of the trust. The provisions of section 6B and sections 7A to 7G, inclusive, of chapter 29 shall not apply to grants received by the trust from the United States for purposes of the fund. The state treasurer shall be the treasurer-custodian of the fund as provided in section 7, and, subject to any applicable trust agreement, the state treasurer is authorized to invest monies held in the fund in such investments as may be legal investments for funds of the commonwealth, subject, however, with respect to monies deposited in the fund pursuant to Section 350 of the NHS Act, to the provisions of Section 350(e)(3) of the NHS Act.

 (c) Subject to limitations under ISTEA, TEA-21, the NHS Act, SAFETEA-LU and other federal laws, other laws respecting the use of particular monies in the fund; and the provisions of any applicable trust agreement, amounts in the fund may be used only: (i) to pay the principal, including sinking fund payments of and premium, if any, and interest on bonds of the commonwealth issued pursuant to section 8 for the purpose of financing or refinancing any cost of a qualified project; (ii) to provide financial assistance, to finance or refinance the costs of qualified projects; (iii) to guarantee, or provide insurance or other credit enhancement for bonds of qualified borrowers issued to finance the costs of qualified projects; (iv) to provide reserves for or otherwise secure bonds issued pursuant to section 8 and to provide insurance or other credit enhancement for such bonds; (v) to provide a subsidy for, or to otherwise assist, qualified borrowers in the payment of debt service costs on loans made by the trust hereunder; (vi) to provide reserves for, or to otherwise secure, amounts payable by qualified borrowers on loans made by and leases with the trust in the event of default by a particular qualified borrower or, on a parity basis, by any qualified borrower; (vii) to earn interest on amounts in the fund; and (viii) for the costs of administering the program; provided, however, that not more than 2 per cent of the federal funds contributed to the fund pursuant to Section 350 of the NHS Act may be expended for such administrative costs.

 (d) For the necessary and convenient administration of the fund, the board shall direct the state treasurer to establish the highway account, the state contribution account, the transit account and the rail account as provided in section 7, and one or more additional accounts and sub-accounts within the fund as shall be necessary to meet the requirements of SAFETEA-LU and any other applicable federal law requirement or as the board shall otherwise deem necessary or desirable in order to implement the provisions of this chapter or to comply with any trust agreement. The board may also establish in any trust agreement or otherwise one or more other funds and accounts for revenues and other monies not required to be held in the fund, and to apply and disburse such monies and revenues for the purposes of the program.

 Section 4. Power and Duty of Trust to Secure Benefits of Federal Programs.

 The board, acting on behalf of the trust, is authorized and directed to take all necessary or incidental actions to secure for the commonwealth the benefits of ISTEA, TEA-21, the NHS Act, SAFETEA-LU any successor acts or reauthorizations of those acts, and any similar federal programs, including exercise of the powers:

 (a) to cooperate with appropriate federal agencies in all matters related to the administration of the fund as contemplated by 23 USC section 610 and section 1620 of SAFETEA-LU.

 (b) to prepare and submit to the appropriate federal agencies applications for grants and to enter into agreements with the United States relating to the purposes of the fund and the program; including, but not limited to, a cooperative agreement with the U.S. Secretary of Transportation for the establishment of the Massachusetts state infrastructure bank.

 (c) to prepare and submit to the appropriate federal agencies, the governor and the clerks of the senate and the house, annual and other reports and audits, in form and content satisfying federal requirements, relating to the program and the fund;

 (d) to establish and collect such fees, charges and interest rates in compliance with federal requirements and as the board shall determine to be reasonable, and to hold, apply and disburse such monies within or without the fund to the implementation of the purposes of this chapter;

 (e) to establish, jointly with the state treasurer and the state comptroller, fiscal controls and accounting procedures for the fund; and

 (f) to adopt regulations, procedures and guidelines for administration of the program and for maintenance of suitable accounting procedures by qualified borrowers for financial assistance and projects.

 (g) to enter into interstate compacts, as provided by SAFETEA-LU and other federal laws.

 Such regulations, procedures and guidelines shall be consistent with any applicable federal requirements.

 Section 5. Applications for Financial Assistance.

 Any qualified borrower may file an application with the trust to obtain financial assistance from the fund. The application shall be filed in such manner and contain or be accompanied by such information as the trust may require. In addition to other requirements prescribed by the trust, an application shall describe the nature and purpose of the proposed transportation project, including the need for the project and the reasons why the project is in the public interest, shall state the estimated costs of the project and the proposed sources of funding, if any, in addition to the financial assistance being sought from the fund, and shall include a letter of support from the representative or senator in whose district the project is located.

 The board shall prepare and adopt program guidelines and conditions for qualified projects seeking financial assistance from the trust. The board shall from time to time review, prioritize and certify all qualified projects that are eligible to receive financial assistance from the trust.

For projects in urbanized areas with a population of over 200,000 the metropolitan planning organization shall provide a letter of concurrence. In order to be eligible of financial assistance applications shall be approved by the review committee prior board certification.

 Section 6. Loan and Lease Terms.

 The secretary of administration and finance shall prepare and present to the board guidelines regarding the appropriate financial terms and conditions for qualified projects proposed to be financed under the program. The board shall determine the form and content of any borrower obligation, including the term and rate or rates of interest. Notwithstanding the foregoing, loans and leases financed through the application of federal monies pursuant to 23 USC section 129, or Section 350 of the NHS Act:

 (a) shall bear interest at or below market rates, as determined by the board, or otherwise as may be specified therein;

 (b) shall have a repayment term of not longer than 30 years from the date of the first payment, as required by clause (c) of this section;

 (c) shall be subject to repayment commencing not later than five years after the qualified project financed with the proceeds of such loan has been completed or, in the case of a highway project, the facility has opened to traffic;

 (d) may be subordinated to any other debt incurred to finance the qualified project, except any other loans made by the commonwealth or any other public agency thereof; and

 (e) shall be made only after all federal environmental requirements applicable to the qualified project have been complied with.

 Notwithstanding any provision of this chapter to the contrary, the board may waive any of the requirements contained in this section if such waiver would not cause the loan or the program to violate the requirements of ISTEA or the NHS Act or any other applicable federal or commonwealth requirement.

 Section 7. Establishment of Fund; Accounts.

 There shall be established and set up on the books of the commonwealth a separate fund, to be known as the Transportation Infrastructure Revolving Fund, and within such fund a highway account, a state contribution account, a transit account and a rail account. Additional accounts or sub-accounts may be established by the state treasurer at the direction of the board. Amounts required under Section 1620 of SAFETEA-LU or any other federal law or program to be deposited in the highway account shall be so deposited and shall not be commingled with any other amounts on deposit in the fund. Amounts required under Section 1620 of SAFETEA-LU or any other federal law program to be deposited in the transit account shall be so deposited and shall not be commingled with any other amounts on deposit in the fund. Amounts required under Section 1620 of SAFETEA-LU or any other federal law program to be deposited in the rail account shall be so deposited and not be commingled with any other amounts on deposit in the fund. Any amounts required under any law of the commonwealth to be deposited in the state contribution account shall be so deposited and shall not be commingled with any other amounts on deposit in the fund. Any monies held in the fund shall be used solely as provided in this chapter, subject to applicable federal requirements. The state treasurer shall be treasurer-custodian of the fund and shall have the custody of its monies and securities.

 Section 8. Issuance of Bonds.

 (a) At the request of the board, the state treasurer shall issue bonds on behalf of the trust to finance or refinance any cost of a qualified project or provide other financial assistance, the proceeds of which bonds are to be deposited in the fund. Bonds may be issued in such manner and on such terms and conditions as the board, after consultation with the state treasurer may determine in accordance with the provisions of this section and, to the extent not inconsistent with the provisions hereof, the provisions of any other general or special law, including without limitation, the provisions of chapter 29, applicable to bonds or notes of the commonwealth, subject to any applicable federal requirements.

 (b) Bonds may be secured by a trust agreement entered into by the trust and the state treasurer, which trust agreement may pledge or assign, in whole or in part, any loan agreements or borrower obligations, and all or any part of monies credited to the fund, subject to applicable federal requirements, and any funds or accounts established under a trust agreement and any contract or other rights to receive the same, whether then existing or coming into existence and whether then held or thereafter acquired, and the proceeds thereof.

 (c) At the request of the board, the state treasurer shall also issue refunding bonds on behalf of the trust for the purpose of paying any bonds issued pursuant to this section at or prior to maturity. Refunding bonds may be issued at any time or prior to the maturity or redemption or purchase of the refunded bonds. The issuance of any such refunding bonds shall not be subject to the provisions of section 53A of chapter 29. Refunding bonds may be issued in sufficient amounts to pay or provide for payment of the principal of the bonds being refunded, together with any redemption premium thereon, any interest or discount accrued or to accrue to the date of payment, costs of issuance and other expenses and reserves reasonably necessary to achieve the refunding.

 (d) The state treasurer is further authorized, with the concurrence of the board, to enter into additional security, insurance or other forms of credit enhancement which may be secured on a parity basis with the bonds or on a subordinate basis. A pledge in any such trust agreement or credit enhancement agreement shall be valid and binding from the time such pledge shall be made without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice thereof. Any such pledge shall be perfected by filing of the trust agreement or credit enhancement agreement in the records of the state treasurer and no filing need be made under any other provision of law. Any such trust agreement or credit enhancement agreement may establish provisions defining defaults and establishing remedies and other matters relating to the rights and security of the holders of the bonds or other secured parties, including without limitation, provisions relating to the establishment of reserves, the issuance of additional or refunding bonds, whether or not secured on a parity basis, the application of receipts, monies or funds pledged pursuant to such agreement, hereinafter referred to as "pledged funds”, and other matters deemed necessary or desirable by the board or state treasurer for the security of such bonds, and may also regulate the custody, investment and application of monies.

 (e) Any bonds issued under this section shall be special obligations of the commonwealth payable solely from revenues credited to the fund. Notwithstanding the provisions of any general or special law to the contrary, such bonds shall not be general obligations of the commonwealth.

 (f) Any such bonds shall be deemed to be investment securities under applicable laws, shall be securities in which any public officer, fiduciary, insurance company, financial institution or investment company may properly invest funds and shall be securities which may be deposited with any public custodian for any purpose for which the deposit of bonds is authorized by law. Any such bonds, their transfer and the income therefrom, including profit on the sale thereof, shall at all times be exempt from taxation by and within the commonwealth.

 (g) In order to increase the marketability of any bonds issued pursuant to this section, and in consideration of the acceptance of payment of any such bonds, the commonwealth covenants with the purchasers and all subsequent holders and transferees of any such bonds that while any such bond shall remain outstanding, and so long as the principal of or interest on any such bond shall remain unpaid, (i) revenues allocable to the fund shall not be diverted from the purposes identified herein, and (ii) no pledged funds shall be diverted from the fund, except as expressly permitted or authorized by the terms of any trust agreement relating to the bonds.

 Section 9. Monies Appropriated by the Commonwealth to be Paid to Fund by State Treasurer; Agreements Establishing Payment Procedures.

 Upon request of the board, the state treasurer shall deposit in the fund any monies appropriated by the commonwealth for the program or the fund or any account therein, including any commonwealth funds required to be deposited in the fund pursuant to 23 USC section 101, et seq., 49 USC section 5301, et seq., ISTEA, the NHS Act, any successor acts or reauthorizations of those acts, or any other federal law or program. The state treasurer and the trust may enter into agreements establishing procedures for payment of amounts appropriated by the commonwealth for the program or the fund. An agreement may include such covenants and undertakings of the commonwealth, the trust, the secretary of administration and finance and the secretary of transportation as the parties thereto may deem necessary or desirable, subject to applicable federal requirements, including without limitation, provision for payments by the commonwealth with respect to federal grants or other monies or the execution and delivery of loan agreements by the trust. Notwithstanding any law to the contrary, unless otherwise specified therein, any act duly enacted by a vote, taken by the yeas and nays of two-thirds of each house of the general court present and voting thereon, and approved by the governor, authorizing the state treasurer to issue bonds or notes of the commonwealth or otherwise authorizing the commonwealth to borrow money for the purposes of providing monies to meet any appropriation for purposes of the program or the fund shall be deemed to authorize the state treasurer, with the approval of the governor, to enter into an agreement with the trust pledging the full faith and credit of the commonwealth to a schedule of payments to the fund of the amounts therein appropriated, including, without limitation, the amount, time and manner of such payments. The agreements of the commonwealth and the rights of the trust thereunder may be assigned and pledged as security for bonds issued pursuant to section 8. Notwithstanding any general or special law to the contrary, in the discretion of the state treasurer, with the approval of the governor, payments to the trust of amounts authorized pursuant to the issuance of bonds by the commonwealth, as provided in this section, may be met by the deposit in the fund of bonds of the commonwealth which are so authorized to meet such appropriation. Bonds so deposited may be assigned and pledged as security for bonds issued pursuant to section 8 and may mature or be redeemable on such dates and in such amounts, may bear interest at such rate or rates or be deposited in the fund at such discount or premium, may bear such limitations on negotiation or resale by the trust, and may bear such other terms and conditions as the state treasurer shall determine to be in the best interests of the commonwealth; provided, however, that the effective yield on such bonds shall not exceed the greater of the effective yield on the bonds secured thereby and the effective yield on comparable bonds not so deposited in the fund, as determined by the state treasurer after consultation with the secretary of administration and finance. For purposes of section 49 of chapter 29, the net proceeds of bonds deposited in the fund as instruments the principal amount of which increases during the life of such instrument shall be deemed to be the present value of the amount payable thereon at maturity discounted to the date of deposit at the yield on such bonds.

 Section 10. Loans to Qualified Borrowers to Finance Qualified Projects.

 (a) Any qualified borrower may apply to the trust for a loan to assist in financing the cost of a qualified project. At the option of the trust, and subject to applicable federal requirements, loans may be made as secured loans or as unsecured general obligations of a qualified borrower. Each loan shall be made pursuant to a loan agreement between the trust and the qualified borrower acting by and through the officer or officers, board, committee or other body authorized by law, or otherwise its chief executive officer.

 (b) A qualified borrower may receive, apply, pledge, assign and grant security interests in project revenues, and, in the case of a governmental unit, its general revenues to secure its obligations under loan agreements and borrower obligations as provided in this chapter and may fix, revise, charge and collect fees, rates, rents, assessments and other charges of general or special application for the operation or services of any qualified project, the system of which it is a part and any other revenue producing facilities from which the qualified borrower derives project revenues to meet its obligations under any loan agreement or borrower obligation, or otherwise to provide for the construction, maintenance and operation of a qualified project.

 (c) For entering into a loan and establishing the authorized terms and conditions thereof and for issuing any governmental obligations, a governmental unit shall be deemed to have the powers expressly granted to governmental units in this chapter and the powers granted to that governmental unit in any bond act applicable to it specifically or as a member of a class of governmental instrumentalities. Liberal construction shall be given in support of the broadest interpretation of government unit powers derived from either this chapter or any bond act, provided that nothing in this chapter shall be construed as affecting the manner of voting and other procedures relating to, or otherwise required by any bond act for, the authorization of indebtedness of any governmental unit by the governing body thereof or any limitations on indebtedness of governmental units.

 (d) The secretary of administration and finance shall review and evaluate, on a semiannual basis, the compliance by qualified borrowers with the terms of the applicable loan agreements with the trust and shall report to the board the results of such review and evaluation. The secretary of administration and finance shall promptly recommend enforcement, collection or other actions to be taken with respect to any qualified borrower that is in default under a loan agreement, which actions shall thereafter be taken only with the approval of the board.

 Section 11. Powers and Privileges of Governmental Units.

 (a) In order to provide for the collection and enforcement of fees, rates, rents, assessments and other charges for the operation of any qualified project, the system of which it is a part and any other revenue producing facilities from which the governmental unit derives project revenues, in addition to any other authority provided by law or any applicable bond act, governmental units are hereby granted all the powers and privileges granted to them by law with respect to any similar fee, rate, rent, assessment or other charge.

 (b) Any governmental unit may enter into agreements with the trust regarding the operation of a pricing system for the services provided by any qualified project and any other revenue producing facilities from which the governmental unit derives project revenues. Such agreements may include, without limitation, provisions defining the costs of such services, the qualified project and such other facilities, and covenants or agreements and other charges for such costs and the maintenance of such pricing system at levels sufficient to pay or provide for all such costs and any payments due the trust under any loan agreement or governmental obligations.

 (c) In addition to other remedies of the trust under any loan agreement, if any governmental unit shall fail to pay to the trust when due and after demand any principal, interest or other charges payable under a loan agreement, the board may certify to the state treasurer the amount owing to the trust by said governmental unit. The state treasurer shall promptly pay over to the trust for deposit in the fund without further appropriation any local aid distributions otherwise certified to the state treasurer as payable to the governmental unit. Payment by the state treasurer under this section shall continue to be made until any deficiency in the governmental unit's payment to the trust shall have been offset by the payments from the state treasurer. Any amount paid to the trust by the state treasurer under this section which is later determined, upon audit, to be in excess of the actual amount due the trust shall, upon demand of the governmental unit or city or town, be repaid from the fund to the state treasurer.

(d) The trust may also recover from a governmental unit in an action in superior court any amount due to the fund together with any other actual damages the trust or the fund shall have sustained from the failure or refusal of the governmental unit to make payments owing to the fund.

 Section 12. Borrower Obligations.

 (a) Subject to the provisions of section 5, governmental obligations issued by a governmental unit shall be dated, may bear interest at such rate or rates, including rates variable from time to time subject to such minimum or maximum rate, if any, as may be determined by such index or other method of determination provided in the applicable loan agreement, shall mature in such amount or amounts and at such time or times, not later than the maximum dates, if any, provided herein, and may be made redeemable, in whole or in part, before maturity at the option of the governmental unit or at the option of the trust at such price or prices and under such terms and conditions as may be fixed in the loan agreement prior to the issuance of the governmental obligations. The governmental obligations may be issued as serial bonds or term bonds or any combination thereof with such provisions, if any, for sinking funds for the payment of bonds as the governmental unit and the trust may agree. Governmental obligations may be in such form, payable to the bearer thereof or the registered owner, be certificated or uncertificated, be in such denominations, payable at such place or places, within or without the commonwealth, and otherwise bear such terms and conditions, not inconsistent with this chapter and the applicable bond act, as provided in the applicable loan agreement or as the trust and the governmental unit shall otherwise agree. Governmental obligations may be issued in principal amount equal to the loan evidenced thereby or at such discount as the board and the governmental unit shall agree. Subject to the provisions of section 5, borrower obligations other than governmental obligations shall be dated, may bear interest at such rate or rates, including rates variable from time to time subject to such minimum or maximum rate, if any, as may be determined by such index or other method of determination provided in the applicable loan agreement, shall mature in such amount or amounts and at such time or times, not later than the maximum dates, if any, provided herein, and may be made prepayable, in whole or in part, before maturity at the option of the qualified borrower or at the option of the trust at such price or prices and under such terms and conditions as may be fixed in the loan agreement prior to the issue of the borrower obligations.

 (b) Subject to the provisions of sections 5 and 6, borrower obligations shall be payable within a period not exceeding the greater of the period, if any, specified in any applicable bond act or the useful life of the qualified project financed by such obligations, as determined by the trust, or, if incurred to finance more than one project, the average useful life of such projects. Except as otherwise provided in this chapter, borrower obligations shall be payable by such installments of principal, annual or otherwise, as will extinguish the same at maturity, such installments to be in such amounts and payable on such dates as the trust and the qualified borrower shall agree.

 (c) Notwithstanding the provisions of section 17 of chapter 44 to the contrary, if a governmental unit has authorized a loan in accordance with this chapter and the issuance of governmental obligations under any bond act, the governmental unit may, subject to the loan agreement and with the approval of the trust, issue notes to the trust or any other person in anticipation of the receipt of the proceeds of the loan. The issuance of such notes shall be governed by the provisions of this chapter relating to the issuance of governmental obligations other than such notes, to the extent applicable, provided the maturity date of such notes shall not exceed three years from the date of issue of such notes or the expected date of completion of the project financed thereby, as determined by the trust, if later. Notes issued for less than the maximum maturity date may be renewed by the issuance of other notes maturing no later than the maximum maturity date.

 (d) A governmental unit may issue governmental obligations to refund or pay at maturity or earlier redemption any governmental obligations outstanding under any loan agreement or to refund or pay any other debt of the governmental unit issued to finance the qualified project to which such loan agreement pertains. Governmental obligations for refunding may be issued in sufficient amounts to pay or provide for the principal of the obligations refunded, any redemption premium thereon, any interest accrued and to accrue to the date of payment of such obligations, the costs of issuance of such refunding obligations and any reserves required by the applicable loan agreement. An issuance of refunding governmental obligations, the amount and dates of maturity or maturities and other details thereof, the security therefore and the rights, duties and obligations of the governmental unit with respect thereto shall be governed by the provisions of this chapter relating to the issuance of governmental obligations other than refunding obligations as the same may be applicable.

 (e) Except as otherwise provided in section 13, applicable law, or by agreement between the trust and a governmental unit, all governmental obligations shall be general obligations of the governmental unit issuing the same for which its full faith and credit are pledged and for the payment of which all taxable property in the governmental unit shall be subject to ad valorem taxation without limitation as to rate or amount except as otherwise provided by law.

 Section 13. Borrower Obligations Issued as Limited Obligations Payable Solely from Project Revenues.

 Notwithstanding any general or special law to the contrary, when authorized by a two-thirds vote as defined in section 1 of chapter 44 or by such other vote as is authorized by the applicable law or when authorized in accordance with the applicable provisions of any charter or bylaws of any qualified borrower other than a governmental unit, borrower obligations may be issued as limited obligations payable solely from project revenues pledged to their payment in accordance with section 14. Unless otherwise provided in the applicable loan agreement, borrower obligations issued in accordance with this section shall not be general obligations of the qualified borrower or a pledge of its full faith and credit and, in the case of a governmental unit, notwithstanding any general or special law to the contrary, the amount of principal and premium, if any, of and interest on such obligations shall not be included in the computation of any limit on the indebtedness of such governmental unit or on the total taxes assessable by such governmental unit in any year or on any assessment, levy or other charge made by such governmental unit on any other political subdivision or instrumentality of the commonwealth. Any borrower obligation issued in accordance with this section shall recite on its face that it is a limited obligation payable solely from project revenues pledged to its payment.

 Section 14. Security Agreements Securing Borrower Obligations; Pledges of General Revenues or Project Revenues.

 (a) Notwithstanding any general or special law to the contrary, when authorized by a two-thirds vote as defined in section 1 of chapter 44 or by such other vote as is authorized by applicable law, any governmental obligations may be secured by one or more security agreements between the governmental unit and a corporate trustee, which may be a trust company or bank having the powers of a trust company within or without the commonwealth, or directly between the trust and the governmental unit. A borrower obligation, other than a governmental obligation, may be secured by one or more security agreements between the trust and the qualified borrower. Any security agreements entered into pursuant to this paragraph shall be in such form and shall be executed as provided in the applicable loan agreement or as otherwise agreed to between the trust and the qualified borrower.

 (b) Any security agreement directly or indirectly securing governmental obligations, other than governmental obligations issued in accordance with section 13 may pledge or assign, and create security interests in all or any part of the general revenues of the governmental unit. Any security agreement securing borrower obligations issued in accordance with said section 13 may pledge or assign, and create security interests in, all or any part of the project revenues of the qualified borrower, but, in the case of a governmental unit, shall not otherwise pledge or assign any other general revenues of the governmental unit unless otherwise authorized by the applicable law. Any security agreement may contain such provisions for protecting and enforcing the rights, security and remedies of the trust, or other holders of the borrower obligations, as may be determined by the trust and the qualified borrower, including, without limitation, (1) provisions defining defaults and providing for remedies, including the acceleration of maturities and, (a) in the case of borrower obligations issued under said section 13, the appointment of a receiver of the project financed thereby and the system of which it is a part, and (b) in case of governmental units, the use of a local aid intercept mechanism; and (2) covenants setting forth the duties of, and limitations on, the qualified borrower in relation to the custody, safeguarding, investment and application of monies, including general revenues and project revenues, the issue of additional and refunding borrower obligations and other bonds, notes or obligations on a parity basis or superior thereto, the establishment of reserves, the establishment of sinking funds for the payment of borrower obligations, and the use of surplus proceeds. A security agreement securing borrower obligations issued in accordance with said section 13 also may include covenants and provisions not in violation of law regarding the acquisition, construction, operation and carrying out of the qualified project financed by such obligations, the system of which it is a part and any other revenue-producing facilities from which the qualified borrower may pledge or assign any of its project revenues, as appropriate, as security for payments made thereon.

 (c) Any pledge of general revenues or project revenues made by a qualified borrower shall be valid and binding and shall be deemed continuously perfected for the purpose of chapter 106 and any other law from the time made. The general revenues, project revenues, monies, rights and proceeds so pledged and then held or thereafter acquired or received by the qualified borrower shall immediately be subject to the lien of such pledge without any physical delivery or segregation thereof or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, regardless of whether such parties have notice thereof. Neither the security agreement nor any other agreement by which a pledge is created need be filed or recorded except in the records of the governmental unit and no filing need be made under the provisions of said chapter 106.

 (d) In the case of a governmental unit, a pledge of general revenues or project revenues in according with this chapter shall constitute a sufficient appropriation thereof for the purposes of any provisions for appropriation for so long as such pledge shall be in effect and, notwithstanding any general or special law to the contrary, such revenues shall be applied as required by the pledge and the security agreement evidencing the same without further appropriation.

 Section 15. Guarantees; Other Credit Enhancement.

 (a) The trust may provide guarantees or other forms of credit enhancement to qualified borrowers on terms and conditions established by the board.

 (b) The trust may charge and collect premiums or other fees for the guarantees or other credit enhancement provided pursuant to this chapter, including fees for services performed in connection with the approval and processing of the guarantees or other credit enhancement provided pursuant to this chapter.

 Section 16. Termination of the Program; Remaining Assets and Liabilities.

 The program shall continue until terminated by law; provided, however, that no such law shall take effect so long as there shall be outstanding any bonds secured by the fund unless adequate provision has been made for the payment or satisfaction thereof. Upon termination of the program, the title to the fund and any amounts remaining therein and all other program assets which remain after provision for the payment or satisfaction of all bonds issued pursuant to section 8 shall vest in the commonwealth. The obligations, debts and liabilities of the trust shall be assumed by and imposed upon the commonwealth, and shall be transferred to the treasurer or to such other successor as the general court may designate.

 Section 17. Records of Receipts, Expenditures and Disbursements; Annual Reports.

 The trust, in cooperation with the state treasurer and state comptroller, shall, at all times keep full and accurate accounts of all receipts, expenditures and disbursements from the fund and all assets and liabilities of the trust incurred pursuant to this chapter which shall be open to inspection by any officer or duly appointed agent of the commonwealth. The trust shall submit an annual report, in writing, to the governor and clerks of the senate and house of representatives. Said report shall include financial statements relating to the operations, property, and expenditures of the trust maintained in accordance with generally accepted accounting principles so far as applicable and audited by an independent certified public accountant firm.

 SECTION 2. Section 7E of chapter 81 of the General Laws, as appearing in the 2004 Official Edition, is hereby amended by adding the following 2 sentences:- Any fees, receipts, or other revenues in excess of $2,000,000 collected by the department in any fiscal year from the sale, lease or rental of land or any interest in land pursuant to this section and sections 7H and 7L of this chapter, including fees, receipts or other revenues from the leases or rentals of land which were entered into prior to June 30, 1999, shall be credited to the Massachusetts Infrastructure Revolving Fund established in Chapter 29E. The department shall file an account of the collection so any such revenues with the secretary of administration and finance and the house and senate committees on ways and means at the end of each fiscal year.

 SECTION 3. Said chapter 81, as so appearing, is hereby amended by adding after section 7M the following new section:--

 Section 7N. Notwithstanding the provisions of sections 7E, 7H, 7L, or any other law to the contrary, any fees collected by the department in association with the Wiring Massachusetts Public/Private Initiative as it may be amended shall be credited to the Massachusetts Transportation Infrastructure Revolving Fund established in chapter 29E of the General Laws. This section shall not preclude the use of the access fee provided by the lead company and participants to offset the cost of tower construction, as set forth in the Standard Lead Company Agreement of October 3, 1997, as it may be amended.

 SECTION 3. The Massachusetts Turnpike Authority is hereby authorized to deposit funds of the authority from any available source, with the exception of revenues or proceeds of the issuance of notes or bonds, as defined in chapter 81A of the General Laws, the authority or otherwise, in the Transportation Infrastructure Revolving Fund revolving fund established pursuant to chapter 29E of the General Laws, which amounts may be used for any purpose as provided in said chapter 29E; provided, that said deposit does not violate the provisions of any bond resolution, trust agreement or other agreement of the authority entered into pursuant to section 6 of said chapter 81A.