



Municipal Empowerment Act

Local Flexibility & Operational Efficiency

Healey-Driscoll Administration

Introduction

The Municipal Empowerment Act is designed to arm local governments with greater freedoms and flexibilities to serve Massachusetts residents – including provisions specifically designed to give localities greater control over local decision-making, such as **making permanent COVID-era hybrid public meeting flexibility**; providing relief from numerous administrative burdens, including **reforms to procurement rules** that raise thresholds for competitive bids and remove onerous posting requirements; and improving the efficiency of local operations by, for example, **updating borrowing rules for school projects** and **establishing enforcement mechanisms for double pole prohibitions**.

Bill Highlights

Municipal Flexibility

Cities and towns have a close nexus to the residents they serve, positioning local leaders with rich on-the-ground understanding of what programs and policies best reflect the unique needs and preferences of their residents. Throughout last Fall's listening sessions, local leaders raised numerous opportunities for the state to better empower cities and towns to build communities in which people want to live, work, play, and stay. As a result, the Municipal Empowerment Act contains numerous provisions designed to provide greater flexibility for local decision-making, including:

- **Making permanent COVID-era public meeting flexibilities:** Local governments were allowed to permit hybrid meetings during the pandemic – flexibilities that proved popular with residents and beneficial for civic engagement and participation. The Municipal Empowerment Act will make these popular Covid-era flexibilities permanent. In parallel, the state will make new capital resources available to municipalities to support the infrastructure necessary to support increased access to hybrid public meetings across the state.
- **Addressing double poles:** The bill extends the statutory prohibition against double poles from 90 days to 180 days while allowing municipalities to enforce penalties for failure to comply. Currently, there are no enforcement mechanisms for these violations, leaving many communities with aesthetic and public safety issues. The bill also confirms the ability of the Department of Public Utilities and Department of Telecommunications and Cable to promulgate regulations establishing a process ensuring that double poles are removed at the same time the new pole is installed, and ensures that labor unions are included in the

development of these regulation. The provision would go into effect 1 year after the passage of the bill. This proposal was updated from last session to reflect input from stakeholders about the need for additional time to prepare for, and act on, these new enforcement mechanisms.

- **Enabling one-time override for non-capital expenses:** The bill will provide an option for municipalities to adopt a one-year override for non-capital expenditures. This would be similar to a capital outlay exclusion (one-year only increase in the amount to be raised by taxation to pay for a capital item for which a municipality could borrow), except it would be for operating expenses.

Operational Efficiency and Modernization

Cities and towns are on the frontlines of providing services that impact residents' lives every day, but to deliver those services successfully, local leaders often need to navigate complex state-level rules, funding opportunities, and regulations. From relief from certain administrative burdens to new tools to make local management more efficient and effective, local leaders offered numerous suggestions during the Fall listening sessions on how to update state laws and processes that impede effective local government and service delivery.

Based on this feedback, the Municipal Empowerment Act includes numerous provisions designed to make local operations more efficient and modern, including:

- **Establishing central valuation of telecom and utility property:** The assessment of certain types of personal property is currently complicated for cities and towns, requiring the hiring of costly valuation experts. The Department of Revenue's Division of Local Services (DLS) already centrally values telephone and oil/natural gas pipelines, so extending this to all telecom and to utility companies would result in a more efficient and cost-effective process for both municipalities and industry.
- **Equalizing property tax appeals:** The bill will require all property taxpayers to pay in full to appeal. Currently, personal property taxpayers, such as utilities, need only pay half of the tax bills to preserve their right to appeal while residents and commercial taxpayers are required to pay in full.
- **Enabling easier spending of PEG Access Funds:** The bill provides an option for simplifying the process for spending PEG Access revenues by removing the need for appropriation.
- **Permitting more efficient setting of revolving fund spending caps:** Proposed changes would allow municipalities to maintain a previously approved spending cap for each departmental revolving fund until another vote, as opposed to the

current inefficient system that requires a new vote each year even if the cap has not changed.

- **Closing unemployment insurance loopholes:** The bill will also clarify state law to treat employees who provide services to or on behalf of schools, such as bus drivers and crossing guards, the same as teachers and other full-time staff for unemployment purposes.
- **Reform procurement laws:** The Municipal Empowerment Act also responds to municipal leaders' requests for common-sense procurement reform, including:
 - Clarifying that Chapter 30B enables groups of cities and towns to award multiple contracts through the RFP process and purchase both supplies and services from collectively bid contracts;
 - Equalizing thresholds for advertised procurements to \$100 k for all municipal purchasing – not just schools;
 - Eliminating the requirement to publish notice of invitations for competitive bids on COMMBUYS;
 - Exempt snow hauling from 30B, consistent with the treatment of snow removal.
- **Simplifying election cost reimbursements from the state:** The bill will allow state funds for Early Voting and Extended Polling Hours to be treated the same way at the local level to simplify the budgeting process for elections (currently, the former treated as General Fund revenue and the latter accounted for in a special revenue fund).
- **Making it easier to accept and expends gifts and grants:** The legislation will also clarify the law so it is clear that these funding sources can be spent after having them accepted by the select board (town) or council (city).
- **Updating borrowing rules for school projects:** The legislation will increase from 30 years to 40 the bond term for school projects so that the costs are realized in a manner that more closely reflects the life expectancy of the project.
- **Improving notification and response of cybersecurity incidents:** Additionally, the bill will require municipalities to report cybersecurity incidents to EOTSS to unlock prompt resources, guidance and assistance from subject-matter experts across several state agencies, including law enforcement.
- **Helping prevent overdoses by declassifying fentanyl test strips as drug paraphernalia:** Building on progress in the recently passed [Substance Abuse Disorder bill](#), this legislation would ensure that anyone who administers fentanyl strips, including local public safety officials, will not be subject to criminal or civil liability,

Additional Reforms and Innovations

Outside of the Municipal Empowerment Act, the Administration is pursuing, or has made, other actions to make it easier for local leaders to learn about and access critical resources:

- **Increased funding and formula changes for Chapter 90:** Side-by-side with Municipal Empowerment Act the Administration is filing a \$1.5 billion five-year Chapter 90 bond bill to enable cities and towns sufficient time to put funds to work given the planning and coordination required to complete infrastructure projects. This proposal will increase annual Chapter 90 funding by 50 percent, to \$300 million a year, for the next five years. This long-term funding increase will also allow the funding distribution formula to be updated, ensuring all cities and towns see a significant increase but recognizing that construction inflation in recent years has particularly eroded the buying power of smaller and rural communities that need extra support to complete road projects. These changes are the direct result of the Chapter 90 Advisory Group established last year. For more information see the [Chapter 90 Funding and Reform brief](#).
- **Sustaining the doubling of the Municipal Fiber Grant Program** – maintaining **\$10 million** to match the anticipated high-demand for this impactful, popular program.
- **Advisory Group on reducing costly school bus services:** The cost of school bus contracts is creating increasing pressures on local budgets. Lt. Governor Driscoll has asked the Executive Office for Administration and Finance to assemble an advisory group of state and local officials to review current school bus contracting rules and practices and advise on best practices and potential actions to increase competition and reduce costs.
- **Federal matching funds and technical assistance:** Last session, the Governor signed into law An Act to Provide for Competitiveness and Infrastructure in Massachusetts to create a Capital Investment and Debt Reduction Fund, which makes \$750 million in additional state funding available over the next three years to pursue federal grants. The bill dedicates \$50 million of this new funding pool to ensuring the competitiveness of local and regional partners through municipal matching grants and financial assistance. To request these funds, please go [here](#). The Fund also includes \$12 million for local government technical assistance to help municipalities successfully apply for federal funding opportunities and implement successful awards. Over the coming months, the administration will be conducting a local road show to increase awareness about these funds and to continue refining its approach to technical assistance to best meet local needs.
- **Identifying ways to improve administration of the boat excise tax:** The boat excise is an existing local revenue generator to support municipal waterways improvements and maintenance. The assessment process for this excise is

cumbersome, creating headaches for local officials and causing some municipalities to forgo collection of this revenue source. The Executive Office for Administration and Finance will be convening an advisory group of local officials to develop recommendations on how to streamline this assessment process to make it easier for municipalities to take advantage of this existing revenue source.

- **Other victories from last session:** Several other muni-focused proposals from last session have already become law, including:
 - Streamlining procurement for electric school buses and charging infrastructure by allowing single procurements for both under Chapter 30B.
 - Making permanent COVID-era flexibilities related to outdoor dining and takeaway liquor sales.
 - Passage of the most sweeping civil service system reforms in 50 years, which will enable local police and fire departments more options for recruiting key personnel.