Commonwealth of Massachusetts

DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Supporting a Commonwealth of Communities

State House Note Modernization

August 18,2021

State House Notes Modernization

The documents sent to Bureau of Accounts and the review process will remain exactly the same.

Main changes:

- No mailing of any documents.
- Notes submitted in Gateway by city, town, district and county treasurers.
- The Public Finance (PF) Section will receive a scanned copy of the note via upload to Gateway.
- No signature on the actual note; Director's Approval Letter will take the place of the director's signature
  - will automatically be sent out with a scanned copy of the note in an email to the treasurer, accountant, financial advisor and bond counsel, if used, upon approval of the note.
- Treasurer responsible for sending the actual executed note to the winning bank.

Benefits:

- Upload to Gateway is more secure and faster than US mail or mail delivery service.
- Provides a safeguard against missing a note in the case of an absence.
- Any additional information can be added or changes made more quickly.
- Upload to Gateway is a process treasurers are familiar with.

On DLS website, go to State House Notes Program and Other Borrowing Guidelines for all State House Note information and instructions.

State House Note Program Filing Requirements

STATE HOUSE NOTE PROGRAM

Instructions by Category

Revenue Anticipation Notes - RANs

- **Clerk's Certificate** - Completed and signed by Clerk, Treasurer and Selectmen/Mayor
- **Notes** - Completed, signed and imprinted with City, Town or District Seal
- **Vote** - Counties & regional school districts only
- **Cash Flow Statement** - Completed for entire term of borrowing and signed
- **Audit Report** – An audit report must be submitted when required by the Director of Accounts
- **Note:** The RAN term may be up to one year. However, RANs may not be issued beyond fiscal year end without prior approval of the Debt Section.

Bond Anticipation Notes - BANs

- **Clerk's Certificate** - Completed and signed by Clerk, Treasurer and Selectmen/Mayor
- **Notes** - Completed, signed and imprinted with City, Town or District Seal
- **Vote** - Certified copies of vote, warrant article and debt exclusion results if applicable *(Note: All must be sent by Clerk or Secretary within 48 hours of passing. GL Ch. 44, Sec. 28.)*
- **Form DA-82** - Loan Authorization Report completed by Town and District Clerks
- **Municipal Purpose Loans** - MPL form is mandatory for all multi-purpose loans
- **Preliminary Legal Opinion** - From bond counsel if authorization is $500,000. or more
- **Department of Environmental Protection** - Approval if required (i.e.: landfill projects)

State Grant Anticipation Notes - SAANs
Federal Grant Anticipation Notes - FAANs

- **Clerk's Certificate** - See above plus grant numbers for each approved project
- **Notes** - Completed, signed and imprinted with City, Town or District Seal
- **Vote** - Certified copies of vote and warrant article if required
- **Grant Agreement** - Copy of completed grant agreement from state or federal agency submitted with the first borrowing against the grant
- **MFOB** – Approval by the Municipal Finance Oversight Board for all FAANs
- **Accountant's Letter** - Required for all SAAN and FAAN renewals.

Serial Loans - Permanent State House Notes

- **Requirements** are the same as BANs with the following additions:
- **Amount** - Limited to approximately $1,000,000 but may be more
- **Maturity Dates** - At least one note per maturity
- **Denomination** - Each note is generally in denominations of $5,000 or more
- **Term** - Limited to approximately 10 years but may be longer

Miscellaneous Information For all Issues

- Issue date of a renewal must be the same as the previous loan's due date
- The issue and due dates must not fall on a Saturday, Sunday or holiday (except Serial issues)

State House Notes Checklist

STATE HOUSE NOTE PROGRAM CHECKLIST

City/Town/County/District of:_____Dated:_____

Checklist for All Loans

- ☐ Legally authorized to borrow
- ☐ Treasurer's Record completed
- ☐ Clerk's Certificate completed
- ☐ Attach a certified copy of the vote and warrant article
- ☐ All required signatures on notes and both sides of Clerk's Certificate
- ☐ All notes imprinted with ***official seal***
- ☐ Issue date of a renewal must be the same as the previous loan's maturity date
- ☐ Did you include a voided State House Note?
- ☐ Issues date and due date should not be on a Saturday, Sunday or holiday (except serial issues)

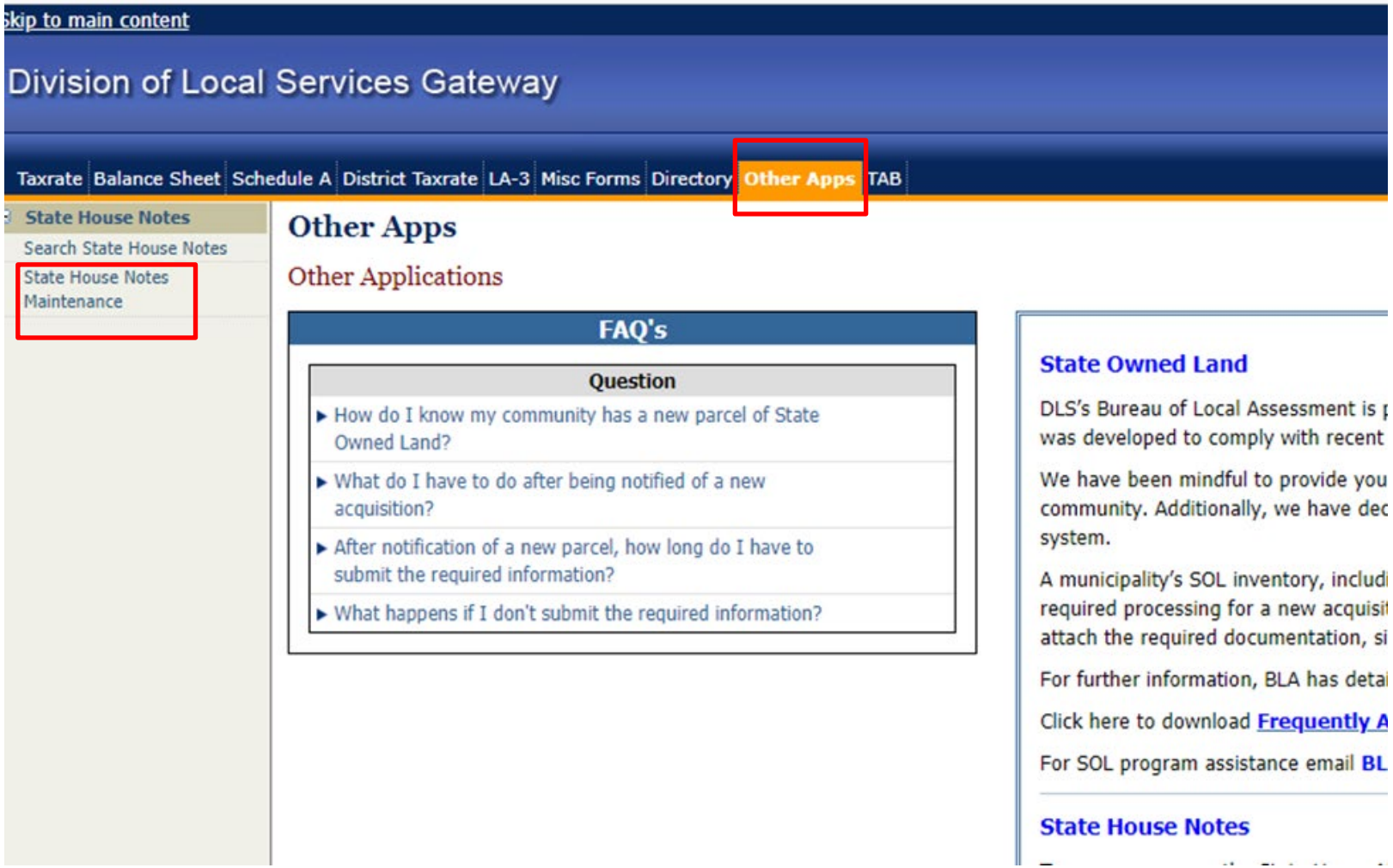
New Issues	Renewals
BANs	**BANs**
☐ Copy of vote and warrant article attached to Clerk's Certificate	☐ Article number and date of authorization on Clerk's Certificate
☐ DA-82 Loan Authorization Report required for Towns and Districts	☐ Calculate required paydowns on BANs outstanding more than 2 years (Ch.44, Sec.17) see IGR 17-21 for rules and certain exceptions
☐ Preliminary legal opinion if authorization (vote) is $500,000.00 or more	☐ Issue date of a renewal must be the same as the previous loan's due date
☐ Other state approvals if required (i.e. D.E.P.)	
☐ Municipal Purpose Loan form for all MPLs	☐ Municipal Purpose Loan form for all MPLs
SAANs	**SAANs**
☐ Copy of grant agreement signed by granting authority and the relevant municipal officials	☐ Accountant's Letter confirming grant amount, grant number, amount received and balance due
FAANs	**FAANs**
☐ Copy of grant agreement signed by granting authority and the relevant municipal officials	☐ Accountant's Letter confirming grant amount, grant number, amount received and balance due
☐ Approval by the Municipal Finance Oversight Board	
RANs	**RANs**
☐ Cash Flow Statement for entire term of borrowing	☐ Cash Flow Statement for entire term of borrowing
☐ Audit (if required by Director of Accounts)	
☐ School Assessments Form (regional schools only)	☐ School Assessments form (regional schools only)
☐ Vote (Counties and regional schools only)	☐ Vote (Counties and regional schools only)

Questions?

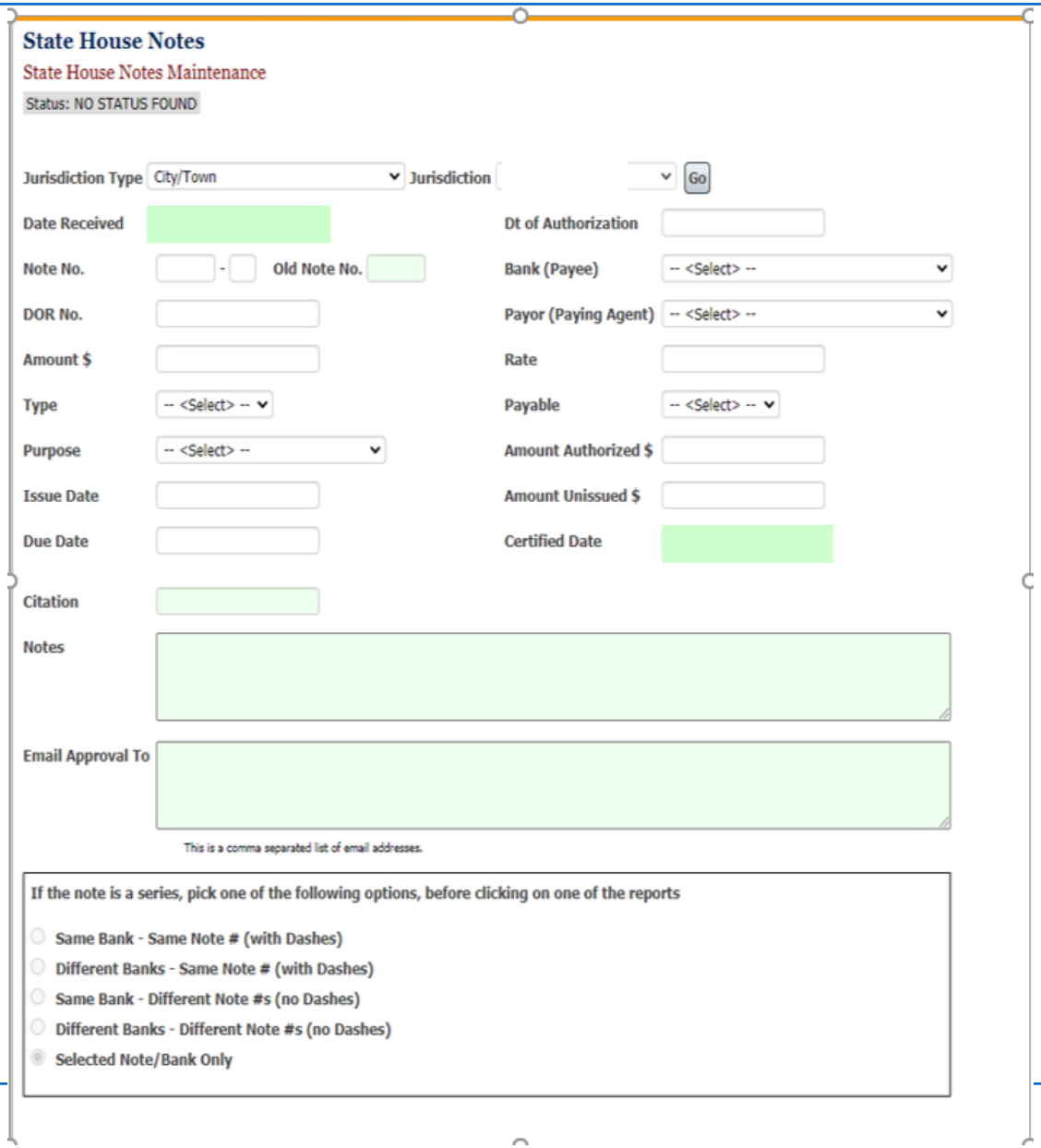
Bill Arrigal

arrigal@dor.state.ma.us

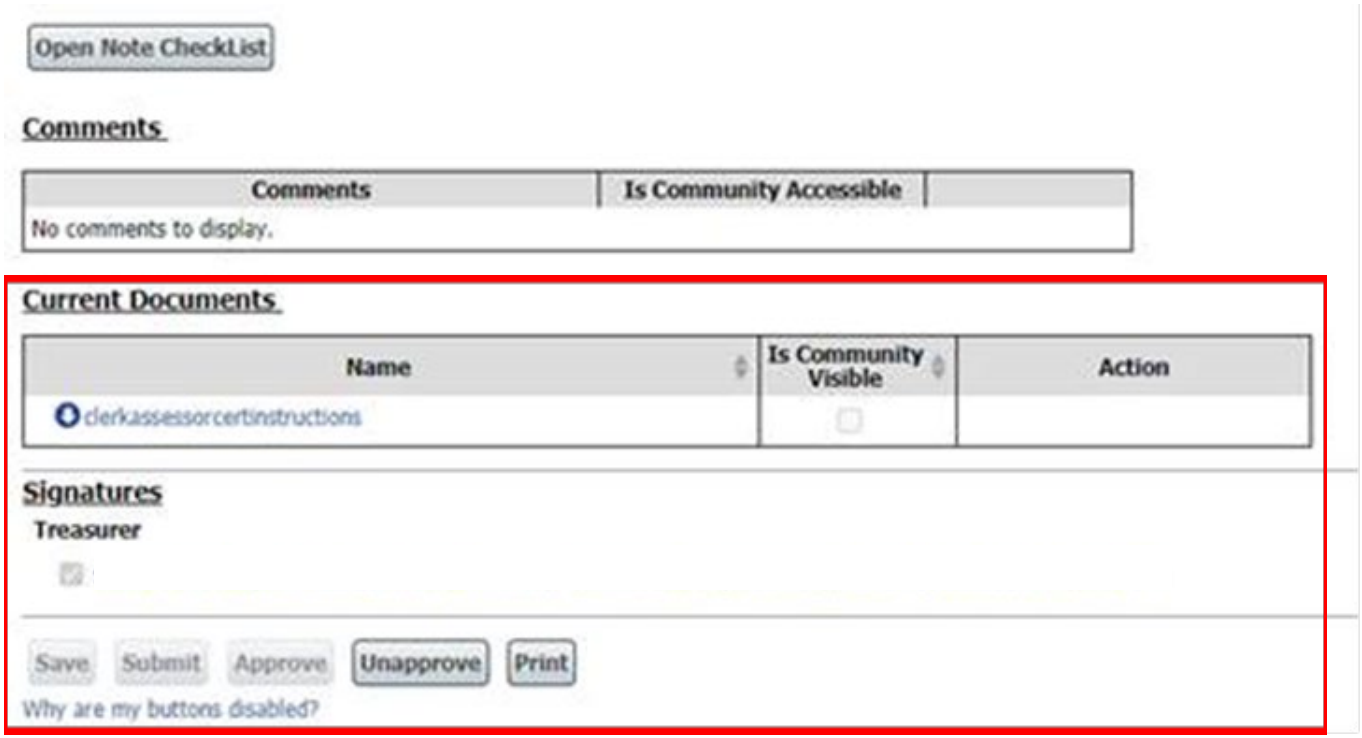
Getting into Gateway



State House Notes Maintenance



State House Notes Maintenance, cont'd.



Treasurer's Confirmation Email

Event notification from DLSGateway

Massachusetts Department of Revenue Division of Local Services

Geoffrey E. Snyder, Commissioner
Sean R. Cronin, Senior Deputy Commissioner of Local Services

City/Town/District name:

This email notification has been sent to advise you that the following activity has occurred in DLS Gateway:

Jurisdiction :
Fiscal year : N/A
Process : State House Notes
Action : FORM SUBMIT
By user :
On : 8/13/2021

This is a system generated email. Please do not reply as it will not be seen by DLS.

Director's Approval Letter

Director of Accounts State House Note Approval Letter

Geoffrey E. Snyder, Commissioner of Revenue
Sean R. Cronin, Senior Deputy Commissioner of Local Services
Date: 8/13/2021

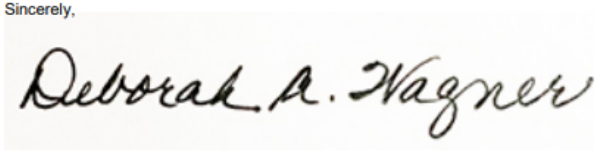
The Commonwealth of Massachusetts, Department of Revenue, Boston
Director of Accounts Approval Letter

We have examined note # 2021-10 in the amount of $125,000.00 with an interest rate of 2% and a due date of 11/1/2021 and the supporting documents for the Town of Upon examination, the Director of Accounts has determined that the note appears to have been issued in accordance with the provisions of Chapter 44 of the General Laws, and has on file certifications of the Town treasurer's record of the issue of this note and, where applicable, a true copy of the vote of the Town authorizing it, or in accordance with an act of the general court, together with certifications that the signatures upon the note appear to have been signed by the duly qualified officials of such Town.

Treasurer: please deliver the original note to the winning bank immediately.

CC:

Sincerely,



Deborah A. Wagner
Director of Accounts
Massachusetts Department of Revenue

Questions?

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A copy of this webinar and a copy of these slides will be posted to the Division of Local Services State House Notes page.