

DIVISION OF LOCAL SERVICES GUIDELINES
ASSET USEFUL LIFE SCHEDULES AND MAXIMUM BORROWING TERMS
Effective November 7, 2016

ABBREVIATIONS USED IN SCHEDULES

CEO – Mayor in city and board of selectmen in town unless charter designates other chief executive officer; prudential committee in improvement district; regional school committee in regional school district

DEP – Department of Environmental Protection

DHCD – Department of Housing and Community Development

DLS – Division of Local Services, Department of Revenue

EQV – Equalized Valuation

MFOB – Municipal Finance Oversight Board

MDOT – Massachusetts Department of Transportation (Highway Division)

MOBD – Massachusetts Office of Business Development

DLS AUTHORIZED MAXIMUM TERM COLUMN KEY

No change - No Alternative Term Set by DLS for Purpose

Shaded Cell – DLS Not Authorized to Set Alternative Term for Purpose

BORROWING WITHIN DEBT LIMIT – [G.L. c. 44, § 7](#)

Maximum Term is Statutory Maximum Term, or DLS Authorized Maximum Term if longer

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
1	<p>Acquisition of an interest in land for any purpose a city or town is authorized to acquire land or interests in land, provided the land or the interest in land has a useful life of at least 5 years</p> <p>Landscaping, alteration, remediation, rehabilitation or improvement of land owned by a city or town, provided the project has a useful life of at least 5 years</p> <p>Dredging, improvement, restoration, preservation or remediation of public waterways, lakes or ponds, provided the project has a useful life of at least 5 years</p>		Useful life of asset or project, not to exceed 30 years	30 years
1	Acquisition of equipment or other assets, provided the equipment or asset has a useful life of at least 5 years		Useful life of asset, not to exceed 30 years	<p>20 years</p> <p>Equipment or asset must cost \$5,000 or more per unit</p> <p>CEO determines 5-20 maximum term based on useful life of equipment or asset</p>

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
1	Construction, reconstruction, rehabilitation, improvement, alteration, remodeling, enlargement, demolition, removal or extraordinary repair of municipally-owned buildings, facilities, assets, works or infrastructure, provided the project has a useful life of at least 5 years, including (i) the cost of original equipment and furnishings of the buildings, facilities, assets, works or infrastructure, (ii) damages under chapter 79 resulting from any such acquisition or project, and (iii) the cost of engineering, architectural or other services for feasibility studies, plans or specifications as part of any acquisition or project		Useful life of project, not to exceed 30 years	<p>For projects relating to construction, reconstruction, rehabilitation, improvement, alteration, remodeling, enlargement, demolition, removal or extraordinary repair of municipal buildings, facilities, works or infrastructure – 30 years</p> <p>For projects relating to construction, surfacing, reconstruction, improvement, repair, paving, repaving, resurfacing, extending or widening public ways or municipally-owned parking lots – 15 years</p> <p>For projects relating to construction, reconstruction, rehabilitation, improvement, alteration, remodeling, enlargement, demolition, removal or extraordinary repair of other municipal assets not described above – 5 years</p>
2	Funding the revolving loan fund established under G.L. c. 44, § 53E3/4 to assist in the development of renewable energy and energy conservation projects on privately-held buildings, property or facilities within the city or town		20 years	
3	Paying final judgments		1 year or longer if approved by MFOB	

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
4	In Boston only, constructing (original), extending or widening ways other than public ways, within, bounding or connecting with public park in the city by the board of park commissioners of the city, with permanent pavement of a lasting character conforming to specifications approved by MDOT, including land damages and cost of pavement and sidewalks laid at the time of the construction; or constructing the ways with stone, block, brick, cement concrete, bituminous concrete, bituminous macadam or other permanent pavement of similar lasting character under specifications approved by MDOT		10 years	No change
5	Cost of repairs to private ways open to the public under section 6N of chapter 40		5 years	No change
6	Making payments under contracts with the Commonwealth under G.L. c. 40, § 4D for purposes for which loans may be authorized under this section	Same as borrowing purpose	Same as borrowing purpose	
7	Paying for feasibility studies or engineering or architectural services for plans and specifications for any proposed project for which a city, town or district is authorized to borrow		5 years if issued before debt for project authorized Otherwise, same as project debt	
8	Paying for energy audits as defined in G.L. c. 25A, § 3, if authorized separately from debt for energy conservation or alternative energy projects		5 years	No change
9	Development, design, purchase and installation of computer hardware or software and computer-assisted integrated financial management and accounting systems		10 years	No change
10	Cleaning up or preventing pollution caused by existing or closed municipal facilities not referenced in clause (20) of section 8, including cleanup or prevention activities taken pursuant to chapter 21E or chapter 21H	DEP must approve project plans before debt issued	10 years	No change
11	For other public work, improvements or asset not specified in this section with a maximum useful life of at least 5 years		5 years	No change

BORROWING OUTSIDE DEBT LIMIT – [G.L. c. 44, § 8](#)

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Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
1	Temporary loans under G.L. c. 44, §§ 4, 6, 6A, 17		Per applicable § 4, 6, 6A, 17	
2	Providing and distributing food, temporary shelter and other necessities of life during emergencies under G.L. c. 40, § 19		2 years	
3	Establishing or purchasing a water supply system; taking or purchasing water sources, either from public land or private sources, water or flowage rights, or land for the protection of water system		30 years	
3A	Conducting groundwater inventory and analysis of the water supply, including pump tests and quality tests, in connection with development of new or additional water supply sources		10 years	
4	Constructing or enlarging reservoirs; constructing filter beds, construction or reconstruction or making extraordinary repairs to standpipes, buildings for pumping stations including original pumping station equipment, and buildings for water treatment, including original equipment; and acquiring land or any interest in land necessary in connection with those purposes		30 years	
4A	Remodeling, reconstructing or making extraordinary repairs to reservoirs and filter beds	DEP must approve project plans before debt issued	30 years	
5	Constructing or reconstructing, laying or relaying aqueducts or water mains, or for lining or relining such mains and for the development or construction of additional well fields and for wells		40 years	
6	Purchasing and installing water meters		10 years	No change
7	Paying share of municipality's cost to increase the storage capacity of any reservoir, including land acquisition, constructed by the water resources commission for flood prevention or water resources utilization		20 years	30 years
7A	Purchasing, replacing or rehabilitating water departmental equipment		10 years	No change
8	Establishing, purchasing, extending, or enlarging a municipally-owned gas or electric lighting plant, community antenna television system or a telecommunications system		20 years	No change
8A	Remodeling, reconstructing, or making extraordinary repairs to a municipally-owned gas or electric lighting plant, community antenna television system or telecommunications system	MFOB must approve debt and term	10 years	No change

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
9	<p>Emergency appropriations approved by Director of Accounts</p> <p>Borrowing may be authorized by (1) treasurer, with approval of chief executive officer, of city, town or district under expedited procedure or (2) regular procedure</p> <p>Emergency means a sudden, unavoidable event or series of events which could not reasonably have been foreseen or anticipated at the time of submission of the annual budget for approval and does not include funding of collective bargaining agreements or items previously disapproved by the appropriating authority for the fiscal year in which the borrowing is sought</p>	Director of Accounts must approve debt	<p>2 years</p> <p>Director of Accounts may approve term up to 10 years based on evaluation of city, town or district financial ability</p>	
9A	<p>Emergency appropriations for capital purposes authorized by treasurer, with approval of chief executive officer, of city, town or district under expedited procedure</p> <p>Emergency means a sudden, unavoidable event or series of events which could not reasonably have been foreseen or anticipated at the time of submission of the annual budget for approval</p>	<p>MFOB must approve debt</p> <p>City, town or district must demonstrate use of regular debt authorization process poses undue hardship in meeting emergency</p>	MFOB approved term that may not exceed term for borrowing purpose	
10	Acquiring land or constructing buildings or other structures, including the cost of original equipment, as memorials to members of the army, navy, marine corps, coast guard, or air force		20 years	30
11	Acquiring street railway property under G.L. c. 161, §§ 143-158 operating the same, or contributing toward the capital expenses of a transportation area		10 years	No change
12	Acquiring, constructing, establishing, enlarging, improving or protecting public airports, including acquiring land, including those airports jointly owned by two or more municipalities		10 years	30
13	Eradicating Dutch elm disease, including payment of assessments and charges made under G.L. c. 132		5 years	No change
14	Constructing sewers, sewerage systems and sewage treatment and disposal facilities; or making a lump sum payment of the cost of tie-in to those services in a contiguous city or town	MFOB must approve debt unless city or town has self-supporting sewer enterprise or special revenue fund, as certified by municipal accounting officer	30 years	No change

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
15	Constructing and rehabilitating municipal golf courses, including acquiring and reconstructing land, installing and replacing irrigation systems, constructing and rehabilitating buildings and paying for equipment and furnishings		20 years	No change
16	Making payments under contracts with the Commonwealth under G.L. c. 40, § 4D for purposes for which loans may be authorized under this section	Same as borrowing purpose	Same as borrowing purpose	No change
17	Constructing a regional incinerator for disposal of solid waste, refuse and garbage by two or more communities		20 years	No change
18	Lending or granting funds to industrial development financing authorities and economic development and industrial corporations	MOBD and DHCD must approve debt	20 years	
19	Undertaking projects fully or partially financed by the Farmers Home Administration of the United States Department of Agriculture under Chapter 50 of Title 7 of the United States Code		40	
20	Cleaning up or preventing pollution caused by existing or closed landfills or other solid waste disposal facilities, including clean-up activities under G.L. c. 21E or G.L. c. 21H	DEP must approve project plans before debt issued	30	
21	Constructing incinerators, refuse transfer facilities, recycling facilities, composting facilities, resource recovery facilities or other solid waste disposal facilities, other than landfills, for disposing of waste, refuse and garbage	DEP must approve project plans before debt issued	25	No change
22	Remodeling, reconstructing or making extraordinary repairs to incinerators, refuse transfer facilities, recycling facilities, resource recovery facilities or other solid waste disposal facilities, other than landfills, owned by the city, town or district, and used for disposing of waste, refuse and garbage	DEP must approve project plans before debt issued	10	No change
23	Closing out a landfill area, opening a new landfill area, or making improvements to an existing landfill area	DEP must approve project plans before debt issued	25	No change
24	Acquisition of a dam or the removal, repair, reconstruction and improvements to a dam owned by a municipality, as may be necessary to maintain, repair or improve such dam. Includes dams, as defined by G.L. c. 253, § 4, and appurtenant real property, acquired by gift, purchase or eminent domain not owned or held in trust by the Commonwealth when the municipality acquires them		40	

SCHOOL PROJECT APPROVED BY SCHOOL BUILDING AUTHORITY – [G.L. c. 70B § 6](#)

Maximum Term is Statutory Maximum Term, or DLS Authorized Maximum Term if longer

Borrowing Purpose	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life	
Undertaking a school construction project approved for school facility grant	25	30	Same as G.L. c. 44, §7(1)
Undertaking a feasibility study required to apply for school facility grant	5		

REGIONAL SCHOOL DISTRICTS – [G.L. c. 71 § 16\(d\) and \(n\)](#)

Maximum Term is 30 years, or DLS Authorized Maximum Term if shorter

Borrowing Purpose	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life	
Acquiring land	30, or DLS term if shorter	No change	Same as G.L. c. 44, §7(1)
Constructing, reconstructing, adding to and equipping school building	30, or DLS term if shorter	No change	Same as G.L. c. 44, §7(1)
Remodeling and making extraordinary repairs to school building	30, or DLS term if shorter	No change	Same as G.L. c. 44, §7(1)
Constructing sewerage systems and sewerage treatment and disposal facilities; purchasing or using municipal sewer system capacity	30, or DLS term if shorter	No change	Same as G.L. c. 44, §7(1); c. 44, § 8(14)
Acquiring departmental equipment	30, or DLS term if shorter	20 years Equipment or asset must cost \$5,000 or more per unit CEO determines 5-20 maximum term based on useful life of equipment or asset	Same as G.L. c. 44, § 7(1)
Constructing, reconstructing or making improvements to outdoor playground, athletic or recreational facilities	30, or DLS term if shorter	30	Same as G.L. c. 44, § 7(1)
Constructing, reconstructing or resurfacing roadways and parking lots	30, or DLS term if shorter	15	Same as G.L. c. 44, § 7(1)
Constructing other public works or improvements of a permanent nature	30, or DLS term if shorter	30	Same as G.L. c. 44, § 7(1)
Paying for planning, architectural or engineering services related to any of purposes above if issued before debt for project authorized	30, or DLS term if shorter	5	Same as G.L. c. 44, § 7(7)
Paying for planning, architectural or engineering services related to any of purposes above	30, or DLS term if shorter	Same as project debt	Same as G.L. c. 44, § 7(7)