

SENATE NO. 146



AN ACT RELATIVE TO THE ESTABLISHMENT AND POWERS OF SPECIAL DEVELOPMENT DISTRICTS

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

- 1 SECTION 1. The General Laws are hereby amended by inserting after Chapter 40S the following
2 chapter: -- CHAPTER 40T SPECIAL DEVELOPMENT DISTRICTS
- 3 Section 1. Definitions. As used in this chapter, the following words shall, unless the context clearly
4 requires otherwise, have the following meanings:-
- 5 “Agency”, the Massachusetts Development Finance Agency established pursuant to section 2 of
6 chapter 23G of the General Laws, as amended from time to time.
- 7 “Amended improvement plan” any change to the improvement plan with respect to the boundaries
8 of a development zone, method of assessing costs, description of improvements or method of
9 financing the improvements that is approved through the same procedures as the original
10 improvement plan adopted pursuant to this chapter.

11 “Assessing party”, shall mean the municipality, the agency or the local improvement district, if any,
12 as the party authorized in the improvement plan to assess any infrastructure assessments in the
13 development zone.

14 “Cost”, shall include the cost of: (a) construction, reconstruction, renovation, demolition and
15 acquisition of all lands, structures, real or personal property, rights, rights-of-way, utilities,
16 franchises, easements, and interests acquired or to be acquired by the public facilities owner; (b) all
17 labor and materials, machinery and equipment including machinery and equipment needed to
18 expand or enhance services from the municipality, the commonwealth or any other political
19 subdivision thereof to the development zone; (c) financing charges and interest prior to and during
20 construction, and for 1 year after completion of the improvements, interest and reserves for
21 principal and interest, including costs of municipal bond insurance and any other type of credit
22 enhancement or financial guaranty and costs of issuance; (d) extensions, enlargements, additions,
23 and enhancements to improvements; (e) architectural, engineering, financial and legal services; (f)
24 plans, specifications, studies, surveys and estimates of costs and of revenues; (g) administrative
25 expenses necessary or incident to the construction, acquisition, and financing of the improvements;
26 and (h) other expenses as may be necessary or incident to the construction, acquisition, and
27 financing of the improvements.

28 “Development zone”, one or more contiguous parcels of real estate in the municipality described in
29 the improvement plan and to be benefited by the improvements and subject to infrastructure
30 assessments as described in the improvement plan.

31 “Economic development project”, the acquisition, construction, expansion, improvement or
32 equipping of improvements serving any commercial, industrial or mixed use residential project not

33 qualifying as a local improvement project as certified by the agency after review of the
34 improvement plan submitted in connection with a project.

35 “Infrastructure assessments,” assessments, betterments, special assessments, charges or fees as
36 described in this chapter and assessed by the assessing party upon the real estate within the
37 development zone to defray the cost of improvements financed in accordance with this chapter.

38 “Improvement plan”, a plan approved in the petition for the establishment of a development zone
39 setting forth the proposed improvements, services and programs, revitalization strategy, the cost
40 estimates for said improvements, the boundaries of the development zone, and, if a local
41 improvement district is to be established, the specific powers the local improvement district shall
42 adopt from those listed in section 3(d), the analysis of any costs of financing said improvements, the
43 identification of the assessing party, the method and structure of the infrastructure assessments, the
44 selection of any or all of the assessing powers listed in section 5 that shall be utilized by the
45 assessing party within the development zone, the description of the project in a proposed
46 development zone in such detail so as to determine if it is either an economic development or local
47 improvement project, the proposed use of any bonds or notes to finance such project, provided that
48 any bonds or notes financing an economic development project shall only be issued by the agency,
49 and the designation of either the agency or the local improvement district as the issuer of any bonds
50 or notes financing a local improvement project, the participation of the agency, if any, in a district
51 improvement financing program as described in section 8, and if so, a description of any assessing
52 powers to be utilized, disclosures, if any, of potential conflicts of interest of members of a
53 prudential committee of a local improvement district, if any, and the estimates of the costs and
54 expenses to be levied and assessed on the real estate in the development zone.

55 “Improvements”, the acquiring, laying, constructing, improving and operating of capital
56 improvements to be owned by a public facilities owner, such as, but not limited to, storm drainage
57 systems, dams, sewage treatment plants, sewers, water and well systems, roads, bridges, culverts,
58 tunnels, streets, sidewalks, lighting, traffic lights, signage and traffic control systems, parking,
59 including garages, public safety and public works buildings, parks, landscaping of public facilities,
60 cultural and performing arts facilities, recreational facilities, marine facilities such as piers, wharfs,
61 bulkheads and sea walls, transportation stations and related facilities, shuttle transportation
62 equipment, fiber and telecommunication systems, facilities to produce and distribute electricity,
63 including alternate energy sources such as co-generation and solar installations, the investigation
64 and remediation associated with the cleanup of actual or perceived environmental contamination
65 within the development zone in accordance with applicable governmental regulations and provided
66 that no such investigation or remediation shall impair the rights of the public facilities owner or any
67 other person to contribution or reimbursement from any potentially responsible party for the costs
68 thereof, and other improvements provided that improvements shall not include any improvements
69 located in so-called “gated communities” that restrict access to the general public.

70 “Issuer”, either the local improvement district, if any, acting through its prudential committee or the
71 agency acting through its board of directors, as designated in the improvement plan, as the issuer of
72 notes or bonds financing the improvements, provided that the agency shall be the exclusive issuer
73 of all bonds or notes financing an economic development project.

74 “Local improvement district”, a body politic and corporate and a political subdivision of the
75 commonwealth created under this chapter pursuant to a petition to assist with economic or
76 community development and located in a municipality and granted by the improvement plan with
77 any of the following powers: to act as an assessing party, public facilities owner, or issuer of bonds

78 or notes to finance a local improvement project located in a development zone; provided, however,
79 that any local improvement district shall have the same boundaries as the development zone
80 described in the improvement plan and shall be included within the definition of a “local
81 governmental unit” as defined in chapter 29C and its bonds and notes shall be included within the
82 definition of “local governmental obligations” as defined in said statute; and provided that a local
83 improvement district shall be included within the definition of a “governmental entity” for purposes
84 of owning public infrastructure improvements pursuant to chapter 293 of the acts of 2006.
85 “Local improvement project”, the acquisition, construction, expansion, improvement or equipping
86 of improvements serving new or existing residential facilities and commercial facilities ancillary
87 thereto.
88 “Municipal governing body”, in a city, the city council with the approval of the mayor, and in a city
89 having a Plan D or E form of charter, the city council with the approval of the city manager, the
90 town council in a town with a town council form of government, or otherwise the town meeting
91 and the board of selectmen in a town with a town meeting form of government, except that in the
92 case of a town when a petition or amended improvement plan is signed by 100 percent of the
93 persons owning real estate in the development zone, the board of selectmen shall constitute the
94 municipal governing body.
95 “Municipality”, a city or town, or cities and towns, if the development zone, is located in multiple
96 municipalities.
97 “Person”, any natural or corporate person, including bodies politic and corporate, public
98 departments, offices, agencies, authorities and political subdivisions of the commonwealth,
99 corporations, trusts, limited liability companies, societies, associations, and partnerships and
100 subordinate instrumentalities of any one or more political subdivisions of the commonwealth.

101 “Petition”, the document initiating the creation of a development zone and a local improvement
102 district, if any, as described in section 2 (b).

103 “Project”, an economic development project or a local improvement project.

104 “Prudential committee” or “committee” established pursuant to this chapter in connection with
105 establishment of a local improvement district.

106 “Public facilities owner”, means a local improvement district, the agency, the municipality, the
107 commonwealth or any other political subdivision or public instrumentality, agency or public
108 authority of the commonwealth as identified in the improvement plan.

109 Section 2. (a) Each municipality in the commonwealth is authorized to establish 1 or more
110 development zones pursuant to this chapter. There is further authorized in each municipality in the
111 commonwealth, the establishment of 1 or more local improvement districts, each a body politic and
112 corporate and a political subdivision of the commonwealth; provided, however, that no local
113 improvement district shall be established, organized, transact any business, employ any personnel
114 or exercise any powers until the municipal governing body, pursuant to section 3, shall approve by
115 a majority vote the petition for the creation of a development zone and a local improvement district,
116 if so requested, and notice of such approval has been filed with the records of the clerk of the
117 municipality and the secretary of the commonwealth. In the event that 2 or more municipalities
118 wish to jointly establish or consolidate contiguous development zones, the municipal governing
119 body of each such municipality wherein said development zone or local improvement district shall
120 be located, shall approve by a majority vote the petition for the establishment of such a
121 development zone and a local improvement district, if so stated in the petition.

122 (b) The establishment of a development zone and the optional establishment of a local
123 improvement district shall both be initiated by a petition of the persons owning real estate within

124 the proposed development zone; provided further, that said petition shall be filed in the office of the
125 clerk of the municipality and the offices of the agency. The agency shall certify to the municipality
126 within 30 days of the filing of the petition with the agency, whether the project described in the
127 improvement plan is an economic development project or a local improvement project. The
128 petition, at a minimum, shall contain:

129 (1) a legal description of the boundaries of the development zone, and the local improvement
130 district, if any;

131 (2) the written consent to the establishment of the development zone, and the local improvement
132 district, if any, or any amended improvement plan, of both the persons with the record ownership
133 of at least 80 percent of the acreage to be included in the development zone and by persons owning
134 at least 80 per cent of the tax parcels within the development zone; provided that any real estate
135 owned by the commonwealth, or any agency thereof, or any political subdivision thereof included
136 in the boundaries of the district shall not be included in the count of persons owning tax parcels or
137 acreage of the development zone for the purposes of this clause;

138 (3) if a local improvement district is to be established, the designation by the petitioners of 5
139 persons that are either record owners of real estate within said development zone or designees of
140 said owner or owners to be the initial members of the prudential committee; provided further, that
141 initial members of the committee shall serve for a term not to exceed 5 years as specified in the
142 petition or until replaced by members appointed as provided hereafter; provided, however, that
143 successor members of the prudential committee shall be appointed by the city manager with the
144 approval of the city council in the case of a city under Plan D or E forms of government, by the
145 mayor with the approval of the city council in the case of all other cities, the town council in the
146 case of a town with a town council form of government or the board of selectmen in the case of a

147 town with a town meeting form of government upon the expiration of the member's term of office
148 for the term specified in the petition and shall serve until their successors are appointed and
149 qualified;

150 (4) the official name of the development zone and the local improvement district, if any;

151 (5) a map of the proposed development zone, and the local improvement district, if any, showing
152 the boundaries, and any current public improvements as are already in existence which may be
153 added to or modified by any improvements;

154 (6) based upon available data, the proposed timetable for construction of the improvements and the
155 estimated cost of completing said improvements;

156 (7) the improvement plan for the development zone and the local improvement district, if any; and

157 (8) the procedure by which the municipality will be reimbursed for any costs incurred by it in
158 establishing the development zone, or the local improvement district, if any, and for any
159 administrative costs to be incurred in the administration and collection of any infrastructure
160 assessments imposed on the development zone.

161 Section 3. (a) Upon receipt of a petition pursuant to section 2 and the certification by the agency
162 that project qualifies as either an economic development or local improvement project, the city
163 council in the case of cities, the town council in the case of towns with a town council form of
164 government or the board of selectmen in the case of a town with a town meeting form of
165 government shall, within 60 days of said receipt, hold a public hearing on said petition; provided
166 further, that written notification of such hearing and a summary of the petition and the improvement
167 plan, shall be provided by the clerk of the municipality to the record owner of each parcel within the
168 boundaries of the proposed development zone no later than 14 days prior to such hearing, by
169 mailing notice to the address listed in the municipality's property tax records. Notification of the

170 hearing shall also be published for 2 consecutive weeks in a newspaper of general circulation in the
171 municipality at least 14 days prior to the date of such hearing. Such public notice shall contain the
172 proposed boundaries of the development zone and the local improvement district, if any, the
173 proposed basis for determining any infrastructure assessments as well as the proposed benefits to be
174 provided in the development zone and the local improvement district, if any, and the location or
175 locations for viewing and copying the petition including the improvement plan.

176 (b) A hearing pursuant to subsection (a) shall determine if the petition satisfies the purposes set
177 forth therein and the criteria of this chapter for a development zone and a local improvement
178 district, if any, and shall obtain public comment regarding the improvement plan and the effect that
179 the development zone and local improvement district, if any, will have on the record owners of real
180 estate within said development zone, its tenants, or others within the development zone, and the
181 municipality or adjacent communities; provided further, that within 60 days of said public hearing,
182 the city manager with the approval of the city council in the case of a city under Plan D or E forms
183 of government, the mayor with the approval of the city council in the case of all other cities, the
184 town council in the case of towns with a town council form of government or otherwise the board
185 of selectmen in the case of a town with a town meeting form of government shall issue
186 recommendations on the petition; provided, however, that said recommendations shall include, but
187 shall not be limited to, the following findings:-

188 (1) the establishment of the development zone and the local improvement district, if any, is in
189 compliance with the provisions of this chapter;

190 (2) the establishment of the development zone and the local improvement district, if any, is not
191 inconsistent with any applicable element or portion of any master plan of the municipality; and

192 (3) that the proposed improvements in the development zone will be compatible with the capacity
193 and uses of existing local and regional infrastructure services and facilities.

194 (c) Within 21 days of the receipt of the recommendation required pursuant to subsection (b), the
195 city council in the case of cities, the town council in the case of a town with a town council form of
196 government, or otherwise, in the case of a town with a town meeting form of government, at the
197 next available town meeting, except that in the case of a petition in a town that is signed by all the
198 persons owning parcels within the proposed development zone, the board of selectmen, without
199 town meeting approval, shall vote on the petition to establish the development zone and the local
200 improvement district, if any.

201 (d) Upon the approval of the petition, by majority vote of the municipal governing body, or of the
202 board of selectmen in the case of a petition in a town signed by all persons owning real estate within
203 the proposed development zone pursuant to this chapter, and notice of such approval has been filed
204 with the records of the clerk of the municipality, the agency, and the secretary of the
205 commonwealth, the development zone and the local improvement district, if any, shall be deemed
206 established and the local improvement district, if any, acting through its prudential committee, shall
207 have all the rights and powers necessary or convenient to carry out and effectuate this chapter, not
208 inconsistent with the improvement plan as approved by the municipal governing body including,
209 but without limiting the generality of the foregoing, the following:

210 (1) to adopt by-laws for the regulation of its affairs and the conduct of its business, to promulgate
211 rules, regulations and procedures in connection with the performance of its functions and duties,
212 and to fix, enforce and collect penalties for the violation thereof that relate to the operation, and
213 financing of the improvements: provided, however, that any by-laws, rules, regulations and

214 procedures shall be consistent with the powers conferred by this chapter and with other applicable
215 provisions of the General Laws;

216 (2) to adopt an official seal and alter the same at its pleasure;

217 (3) to maintain an office at such place or places within the development zone or the municipality as
218 it may determine;

219 (4) to make and enter into all manner of contracts and agreements necessary or incidental to the
220 exercise of any power granted to a local improvement district by this chapter including agreements
221 with the municipality, the commonwealth, the agency and any other city, town or political entity or
222 utility providing services that are necessary to the acquisition, construction, operation or financing
223 of the improvements within the development zone;

224 (5) to purchase or acquire by lease, lease-purchase, sale and lease-back, gift or devise, or to obtain
225 or grant options for the acquisition of any property, real or personal, tangible or intangible, or any
226 interest therein, in the exercise of its powers and the performance of its duties; provided that the
227 local improvement district may acquire real estate or any interest therein, within the boundaries of
228 the development zone itself, if authorized in the improvement plan, except that the local
229 improvement district, if authorized in the improvement plan, may acquire real estate or any interest
230 therein outside the boundaries of the development zone, necessary for the acquisition, construction,
231 and operation of the improvements or services relating thereto that are located within the
232 development zone or are related to, or provided by the local improvement district;

233 (6) to construct, improve, extend, equip, enlarge, repair and operate and administer the
234 improvements for the benefit of the development zone within, or without the development zone; to
235 acquire existing improvements or construct new improvements, including those located under or
236 over any roads, public ways or parking areas, and to enter upon and dig up any private land within

237 the development zone for the purpose of constructing said improvements and of repairing the same;
238 provided further, that chapter 30B of the General Laws shall apply to the local improvement district
239 and all its improvements as defined herein, except that section 16 of said chapter 30B shall not
240 apply; provided further, that chapter 31 shall not apply to any person employed or engaged by the
241 local improvement district under this chapter; provided further, that as relating to its improvements
242 and any construction or repair work undertaken by it pursuant to this clause, the local improvement
243 district shall be deemed to be a public agency for purposes of sections 26 to 27F, inclusive, and
244 sections 44A to 44H, and the violation and penalty provisions in Section 44J inclusive of
245 chapter 149; and provided further, that all other applicable provisions of the General Laws
246 protecting public health, welfare and safety shall apply;

247 (7) to accept gifts or goods of funds, property or services from any source, public or private, and
248 comply, subject to the provisions of this chapter and the terms and conditions hereof;

249 (8) to sell, lease, mortgage, exchange, transfer or otherwise dispose of, or grant options for any
250 such purposes with respect to any property, real or personal, tangible or intangible, of the local
251 improvement district, or any interest therein;

252 (9) to pledge or assign any money, infrastructure assessments or other revenues of the local
253 improvement district and any proceeds derived by the local improvement district;

254 (10) to borrow money and incur indebtedness and issue bonds or notes as hereinafter provided:

255 (11) to enter into contracts and agreements with the municipality, the agency, the commonwealth
256 or any political subdivisions thereof, the property owners of the development zone and any public
257 or private utility with respect to all matters necessary, convenient or desirable for carrying out the
258 purposes of this chapter including, without limiting the generality of the foregoing, the acquisition
259 of existing improvements (including utilities or infrastructure outside the development zone but

260 benefiting the development zone), collection of revenue, data processing, and other matters of
261 management, administration and operation; to make other contracts of every name and nature; and
262 to execute and deliver all instruments necessary or convenient for carrying out any of its purposes;
263 (12) to assess and collect infrastructure assessments as described in this chapter; to exercise the
264 powers and privileges of, and to be subject to the limitations upon, municipalities provided in
265 sections 38 to 42K, inclusive, of chapter 40, chapter 80 and chapter 83, in so far as such provisions
266 may be applicable and are consistent with the provisions of this chapter; provided, however, that
267 any requirement in said chapters for a vote by the governing body of a district, town or city or for a
268 vote by the voters of a town, city or district shall be satisfied by a vote or resolution duly adopted by
269 an annual or special meeting of the prudential committee in accordance herewith; provided that the
270 municipality or the agency may assume and exercise all of the assessing powers described in this
271 chapter to the exclusion of the local improvement district, if either is so authorized in the
272 improvement plan, and, if so authorized, it shall follow the same procedures that are applicable to
273 the local improvement district;

274 (13) to sue and be sued in its own name; provided, however, that neither the local improvement
275 district nor any member of the prudential committee, officer or employee thereof shall be liable in
276 tort except pursuant to the provisions of chapter 258; provided further, that the local improvement
277 district may indemnify its officers and employees to the extent provided in said chapter 258; and
278 provided further that the property of the local improvement district other than revenues pledged to
279 the payment of notes or bonds shall not be subject to attachment, or be levied upon by execution or
280 otherwise;

281 (14) to invest any funds of the local improvement district in such manner and to the extent
282 permitted under the General Laws for the investment of such funds by the treasurer of a
283 municipality;

284 (15) to employ such assistants, agents, employees and persons, including consulting experts as may
285 be deemed necessary in the prudential committee's judgment, and to fix their compensation;

286 (16) to procure insurance against any loss or liability that may be sustained or incurred in carrying
287 out the purposes of this chapter in such amount as the local improvement district shall deem
288 necessary and appropriate with 1 or more insurers who shall be licensed to furnish such insurance in
289 the commonwealth;

290 (17) to apply for any loans, grants or other type of assistance from the United States Government,
291 the commonwealth or any political subdivision thereof;

292 (18) to adopt an annual budget and to raise, appropriate, and assess funds in amounts necessary to
293 carry out the purposes for which the local improvement district is formed as described in this
294 chapter; and

295 (19) to do all things necessary, convenient or desirable for carrying out the purposes of this chapter
296 or the powers expressly granted or necessarily implied in this chapter.

297 Section 4. (a) Upon the majority vote of the municipal governing body approving a petition
298 establishing a local improvement district, or amended improvement plan, as the case may be, filed
299 pursuant to section 2, or the board of selectmen in the case of a town when a petition, or an
300 amended improvement plan, as the case may be, is signed by all the persons owning tax parcels
301 within the development zone, the prudential committee, after each member before entering upon his
302 duties shall have taken an oath before the clerk of the municipality to administer the duties of his

303 office faithfully, and a record of such oaths shall be filed in the office of the clerk of the
304 municipality, shall, within 14 days meet and shall take the following actions:

305 (1) elect a chairman and vice-chairman, who shall preside at all meetings of the prudential
306 committee in the absence of the chairman or in the event of his inability to act or because of a
307 conflict of interest and elect a clerk and treasurer; and, in addition, the prudential committee shall
308 appoint an auditor who shall have the powers and duties set forth in sections 50 and 51 of chapter
309 41 of the General Laws. The prudential committee may otherwise hire, supervise, suspend and
310 discharge such employees as the prudential committee shall deem necessary or appropriate for the
311 conduct of the work to be performed by the local improvement district including, but not limited to,
312 a local improvement district superintendent;

313 (2) to appoint other local improvement district officers, adopt local improvement district by-laws
314 and other rules for the general conduct of its business; provided further, that said by-laws shall
315 include a description of the duties and responsibilities of the local improvement district officers and
316 a requirement that all meetings of the prudential committee shall be posted in the offices of the
317 clerk of the municipality at least 48 hours prior to said meeting;

318 (3) adopt a local improvement district seal;

319 (4) adopt a budget for the fiscal year and appropriate monies to be raised pursuant to this chapter in
320 support thereof; and include in its initial and in all subsequent annual appropriations, compensation,
321 if any, for the municipality's assessors and tax collector, pursuant to the provisions of section 108B
322 of chapter 41 of the General Laws, with respect to their duties and expenses hereunder; and

323 (5) consider such other business as shall be consistent with the power and authority conferred by
324 this chapter.

325 (b) Said prudential committee shall meet not less than once every 6 months; provided further, that a
326 minimum of 3 members of the prudential committee shall be required for a quorum and that a
327 quorum of the prudential committee shall be required for the conduct of any business; provided
328 further, that all actions permitted to be taken by the prudential committee shall require a majority
329 vote of its members present at said meeting who shall constitute a quorum in accordance with this
330 chapter or the by-laws of the local improvement district; and provided further, that meetings of the
331 prudential committee shall be governed by chapter 39 of the General Laws except as otherwise
332 provided in this chapter and any action by the prudential committee shall take effect immediately
333 unless otherwise provided and need not be published or posted. Any member of the prudential
334 committee may be removed from office for just cause by the municipality acting through its city
335 council, town council or board of selectmen as the case may be.

336 Section 5. (a) Consistent with the improvement plan, the assessing party is authorized and
337 empowered to fix, revise, charge, collect and abate infrastructure assessments for the cost, and
338 administration of the improvements imposed on the real estate, leaseholds or other interests therein,
339 located in the development zone. In providing for the payment of the cost of the improvements or
340 for the use of the improvements, the assessing party may avail itself of the provisions of the General
341 Laws relative to the assessment, apportionment, division, fixing, reassessment, revision, abatement
342 and collection of infrastructure assessments by cities and towns, or the establishment of liens
343 therefore and interest thereon, and the procedures set forth in sections 5 and 6 of chapter 254 of the
344 General Laws for the foreclosure of liens arising under section 6 of chapter 183A of the General
345 Laws, as it shall deem necessary and appropriate for purposes of the assessment and collection of
346 infrastructure assessments. Notwithstanding any general or special law to the contrary, the issuer
347 may pay the entire cost of any improvements, including the acquisition thereof, during construction

348 or after completion, or the debt service of notes or bonds used to fund such costs, from
349 infrastructure assessments, and may establish said infrastructure assessments prior to, during, or
350 within 1 year after completion of construction or acquisition of any improvements. The assessing
351 party may establish a schedule for the payment of infrastructure assessments not to exceed 35
352 years. The assessing party may determine the circumstances under which the infrastructure
353 assessments may be increased, if at all, as a consequence of delinquency or default by the owner of
354 that parcel or any other parcel within the development zone. To provide for the collection and
355 enforcement of its infrastructure assessments, the assessing party is hereby granted all the powers
356 and privileges with respect thereto held by the municipality on the effective date of this chapter or
357 as otherwise provided in this chapter, to be exercised concurrently with the municipality.

358 The infrastructure assessments of general application authorized by this chapter may only be
359 increased for administrative expenses in excess of the infrastructure assessments described in the
360 improvement plan, and shall be in accordance with the procedures to be established by the assessing
361 party for assuring that interested persons are afforded notice and an opportunity to present data,
362 views and arguments. The assessing party shall hold at least 1 public hearing on its schedule of
363 infrastructure assessments or any revision thereof prior to adoption by the assessing party, notice of
364 which shall be delivered to the municipality and be published in a newspaper of general circulation
365 in the municipality at least 1 month in advance of the hearing. No later than the date of such
366 publication, the assessing party shall make available to the public and deliver to the municipality
367 the proposed schedule of infrastructure assessments.

368 The infrastructure assessments established by the assessing party shall not be subject to supervision
369 or regulation by any department, division, commission, board, bureau, or agency of the
370 commonwealth or any of its political subdivisions, including without limitation, the municipality, if

371 it is not the assessing party, nor shall the assessing party be subject to the provisions of sections
372 20A and 21C of chapter 59.

373 Notwithstanding any general or special law to the contrary, the assessing party may contract with
374 one or more persons for any services required by the assessing party regarding the assessment,
375 apportionment, division, fixing, reassessment, revision, collection and enforcement of infrastructure
376 assessments hereunder, and the fees, costs and other expenses thereof shall be included in the
377 calculation of the infrastructure assessments levied by the assessing party hereunder.

378 The infrastructure assessments established by the assessing party in accordance with this chapter
379 shall be fixed and adjusted in respect of the aggregate thereof so as to provide revenues at least
380 sufficient to: (i) to pay the administrative expenses of the assessing party, and the local
381 improvement district, if any; (ii) to pay the principal of, premium, if any, and interest on bonds,
382 notes or other evidences of indebtedness of the issuer under this chapter as the same becomes due
383 and payable; (iii) to create and maintain such reasonable reserves as may be reasonably required by
384 any trust agreement or resolution securing bonds; (iv) to provide funds for paying the cost of
385 necessary repairs, replacements and renewals of the improvements; and (v) to pay or provide for
386 any amounts that the issuer may be obligated to pay or provide for by law or contract, including any
387 resolution or contract with or for the benefit of the holders of its bonds and notes, provided that the
388 assessing party shall not be required to increase any infrastructure assessments by virtue of any
389 individual property owner delinquencies.

390 (b) As an alternative to levying infrastructure assessments under any other provisions of this
391 chapter or the General Laws, the assessing party may levy special assessments on real estate,
392 leaseholds, or other interests therein within the development zone to finance the cost, and
393 administration of the improvements. In determining the basis for and amount of the special

394 assessment, the cost, and administration of the improvements, including the cost of the repayment
395 of the debt issued or to be issued by the issuer to finance the improvements, may be calculated and
396 levied using any of the following methods that result in fairly allocating the costs of the
397 improvements to the real estate in the development zone:

398 (1) equally per length of frontage, or by lot, parcel, or dwelling unit, or by the square footage of a
399 lot, parcel or dwelling unit;

400 (2) according to the value of the property as determined by the municipality's board of assessors;
401 or

402 (3) in any other reasonable manner that results in fairly allocating the cost, administration and
403 operation of the improvements, according to the benefit conferred or use received including, but not
404 limited to, by classification of commercial or residential use or distance from the improvements.

405 The assessing party, consistent with the improvement plan, may also provide for the following:

406 (1) a maximum amount to be assessed with respect to any parcel;

407 (2) a tax year or other date after which no further special assessments under this section shall be
408 levied or collected on a parcel;

409 (3) annual collection of the levy without subsequent approval of the assessing party;

410 (4) the circumstances under which the special assessment levied against any parcel may be
411 increased, if at all, as a consequence of delinquency or default by the owner of that parcel or any
412 other parcel within the development zone;

413 (5) the circumstances under which the special assessments may be reduced or abated; and

414 (6) the assessing party may establish procedures allowing for the prepayment of infrastructure

415 assessments under this chapter.

416 (c) Infrastructure assessments, levied under this chapter shall be collected and secured in the same
417 manner as property taxes, betterments, and assessments and fees owed to the municipality unless
418 otherwise provided by the assessing party and shall be subject to the same penalties and the same
419 procedure, sale, and lien priority in case of delinquency as is provided for such property taxes,
420 betterments and liens owed to the municipality. Any liens imposed by the municipality for the
421 payment of property taxes, betterments and assessments shall have priority in payment over any
422 liens placed on real estate within the development zone.

423 (d) Notwithstanding any general or special act to the contrary, the agency, the municipality, the
424 local improvement district, if any, or any other public facilities owner are each authorized to
425 contract with 1 or more owners of real estate within a development zone to acquire or undertake
426 improvements within the development zone. Upon completion, such improvements shall be
427 conveyed to the public facilities owner, provided that the consideration for said conveyance shall be
428 limited to the cost of said improvements.

429 Section 6. (a) In addition to the powers granted pursuant to chapter 23G and Chapter 40D of the
430 General Laws, the agency, if it is designated as an issuer in the improvement plan, and if its board
431 of directors accepts such designation, is hereby authorized to borrow money and issue and secure its
432 bonds for the purpose of financing improvements as provided in and subject to, the provisions of
433 this chapter; provided further that the provisions of said chapters 23G and 40D of the General Laws
434 shall apply to bonds issued under this section, except that the provisions of subsection (b) of section
435 8 of said chapter 23G and section 12 of said chapter 40D shall not apply to bonds issued pursuant to
436 this chapter or the improvements financed thereby; and provided further, that the improvements
437 financed by the agency pursuant to this chapter shall constitute a project within the meaning of
438 section 1 of said chapter 23G and section 1 of said chapter 40D, but shall not be considered

439 facilities to be used in a commercial enterprise. With respect to the issuance of bonds or notes for
440 the purposes of this chapter in the event of a conflict between this chapter and chapter 23G, this
441 chapter shall control.

442 Nothing in this chapter shall be construed to limit or otherwise diminish the power of the agency to
443 finance the costs of projects authorized pursuant to said chapter 23G and said chapter 40D within
444 the development zone or the municipality upon compliance with the provisions of said chapter 23G
445 and said chapter 40D.

446 (b) The issuer is hereby authorized and empowered to provide by resolution of its prudential
447 committee, in the case of a local improvement district, or its board of directors, in the case of the
448 agency, from time to time, for the issuance of bonds or notes of the issuer for any of the purposes
449 set forth in this chapter. Bonds issued hereunder shall be special obligations payable solely from
450 particular funds and revenues generated from infrastructure assessments levied pursuant to this
451 chapter as provided in such resolution. No bonds or notes shall be issued by the agency or the local
452 improvement district pursuant to this chapter until the agency's board of directors has determined
453 that the bonds or notes, trust agreement and any related financing documents are reasonable and
454 proper and comply with this chapter. The agency may charge a reasonable fee in connection with
455 the review of such documentation by its staff and board of directors. Without limiting the generality
456 of the foregoing, such bonds may be issued to pay or refund notes issued pursuant to this chapter, to
457 pay the cost of acquiring, laying, constructing, and reconstructing the improvements. The bonds of
458 each issue shall be dated, shall bear interest at the rates, including rates variable from time to time,
459 and shall mature at the time or times not exceeding 35 years from their date or dates, as determined
460 by the issuer, and may be redeemable before maturity, at the option of the issuer or the holder
461 thereof, at the price or prices and under the terms and conditions fixed by the issuer before the

462 issuance of the bonds. The issuer shall determine the form of the bonds, and the manner of
463 execution of the bonds, and shall fix the denomination or denominations of the bonds and the place
464 or places of payment of principal and interest, which may be at any bank or trust company within or
465 without the commonwealth and such other locations as designated by the issuer. In the event an
466 officer whose signature or a facsimile of whose signature shall appear on any bonds shall cease to
467 be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid
468 and sufficient for all purposes the same as if he had remained in office until the delivery. The
469 bonds shall be issued in registered form. The issuer may sell the bonds in a manner and for a price,
470 either at public or private sale, as it may determine to be for the best interests of the development
471 zone.

472 Before the preparation of definitive bonds, the issuer may, under like restrictions, issue interim
473 receipts or temporary bonds exchangeable for definitive bonds when the bonds have been executed
474 and are available for delivery. The issuer may also provide for the replacement of any bonds that
475 shall become mutilated or shall be destroyed or lost. The issue of the bonds, the maturities, and
476 other details thereof, the rights of the holders thereof, and the duties of the local improvement
477 district, if any, and the agency in respect of the same shall be governed by this chapter insofar as the
478 same may be applicable.

479 While any bonds or notes issuer remain outstanding, its powers, duties or existence shall not be
480 diminished or impaired in any way that will affect adversely the interests and rights of the holders
481 of such bonds or notes. Bonds or notes issued under this chapter, unless otherwise authorized by
482 law, shall not be deemed to constitute a debt of the commonwealth or the municipality, or a pledge
483 of the faith and credit of the commonwealth or of the municipality, but the bonds or notes shall be
484 payable solely by the issuer as special obligations payable from particular funds collected from

485 infrastructure assessments levied pursuant to this chapter. Any bonds or notes issued by the issuer
486 under this chapter, shall contain on the face thereof a statement to the effect that neither the
487 commonwealth nor the municipality shall be obliged to pay the same or the interest thereon, and
488 that neither the faith and credit nor taxing power of the commonwealth or of the municipality is
489 pledged to the payment of the bonds or notes. All bonds or notes issued under this chapter shall
490 have and are hereby declared to have all the qualities and incidents of negotiable instruments as
491 defined in sections 3-104 of chapter 106 of the General Laws.

492 Issuance by the issuer of 1 or more series of bonds or notes for 1 or more purposes shall not
493 preclude it from issuing other bonds or notes in connection with the same project or any other
494 project; provided, however, that the resolution or trust indenture wherein any subsequent bonds or
495 notes may be issued shall recognize and protect any prior pledge made for any prior issue of bonds
496 or notes unless in the resolution or trust indenture authorizing such prior issue the right is reserved
497 to issue subsequent bonds on a parity with such prior issue.

498 (c) In the discretion of the issuer, bonds issued pursuant to this chapter may be secured by a trust
499 agreement between the issuer and the bond owners or a corporate trustee which may be any trust
500 company or bank having the powers of a trust company within or without the commonwealth. A
501 trust agreement may pledge or assign, in whole or in part, the revenues, funds and other assets or
502 property held or to be received by the assessing party, or the issuer including without limitation all
503 monies and investments on deposit from time to time in any fund of the assessing party or the issuer
504 or any account thereof and any contract or other rights to receive the same, whether then existing or
505 thereafter coming into existence and whether then held or thereafter acquired by the assessing party
506 or the issuer, and the proceeds thereof. A trust agreement may pledge or assign, in whole or in part,
507 development zone revenues, funds and other assets or property relating to the development zone

508 held or to be received by the assessing party or the issuer. A trust agreement may contain, without
509 limitation, provisions for protecting and enforcing the rights, security and remedies of the
510 bondholders, provisions defining defaults and establishing remedies, which may include
511 acceleration and may also contain restrictions on the remedies by individual bondholders. A trust
512 agreement may also contain covenants of the issuer concerning the custody, investment and
513 application of monies, the issue of additional or refunding bonds, the use of any surplus bond
514 proceeds, the establishment of reserves and the regulation of other matters customarily treated in
515 trust agreements. It shall be lawful for any bank or trust company to act as a depository of any fund
516 of the assessing party or the issuer or trustee under a trust agreement, provided it furnishes
517 indemnification and reasonable security as the issuer may require. Any assignment or pledge of
518 revenues, funds and other assets and property made by the assessing party or the issuer shall be
519 valid and binding and shall be deemed continuously perfected for the purposes of chapter 106 and
520 other laws when made. The revenues, funds and other assets and property, rights therein and
521 thereto and proceeds so pledged and then held or thereafter acquired or received by the assessing
522 party or the issuer shall immediately be subject to the lien of such pledge without any physical
523 delivery or segregation or further act, and the lien of any such pledge shall be valid and binding
524 against all parties having claims of any kind in tort, contract or otherwise against the trust, whether
525 or not such parties have notice thereof. The trust agreement by which a pledge is created need not
526 be filed or recorded to perfect the pledge except in the records of the issuer and no filing need be
527 made pursuant to said chapter 106. Any pledge or assignment made by the issuer is an exercise of
528 its political and governmental powers, and revenues, funds, assets, property and contract or other
529 rights to receive the same and the proceeds thereof which are subject to the lien of a pledge or

530 assignment created under this chapter shall not be applied to any purposes not permitted by the
531 pledge or assignment.

532 (d) The issuer is hereby authorized and empowered to issue, from time to time, notes of the issuer
533 in anticipation of federal, state or local grants for the cost of acquiring, constructing or improving
534 the development zone's improvements or in anticipation of bonds to be issued pursuant to this
535 chapter. Said notes shall be authorized, issued and sold in the same manner as, and shall otherwise
536 be subject to the other provisions of this chapter. Such notes shall mature at such time or times as
537 provided by the issuing resolution of the issuer and may be renewed from time to time; provided,
538 however, that all such notes and renewals thereof shall mature on or prior to 20 years from their
539 date of issuance.

540 (e) In addition to other security provided herein, or otherwise by law, bonds, notes or obligations
541 issued by the issuer under any provision of this chapter, may be secured, in whole or in part, by a
542 letter of credit, line of credit, bond insurance policy, liquidity facility or other credit facility for the
543 purpose of providing funds for payments in respect of bonds, notes or other obligations required by
544 the holder thereof to be redeemed or repurchased prior to maturity or for providing additional
545 security for such bonds, notes or other obligations. In connection therewith, the issuer may enter
546 into reimbursement agreements, remarketing agreements, standby bond purchase agreements and
547 any other necessary or appropriate agreements. The assessing party may pledge or assign any of its
548 revenues as security for the reimbursement by the it to the issuers or providers of such letters of
549 credit, lines of credit, bond insurance policies, liquidity facilities or other credit facilities of any
550 payments made under the letters of credit, lines of credit, bond insurance policies, liquidity facilities
551 or other credit facilities.

552 (f) In connection with, or incidental to, the issuance of bonds, notes or other obligations, the issuer
553 may enter into such contracts as the issuer may determine to be necessary or appropriate relative to
554 the issuance thereof and the interest payable thereon or to place the bonds, notes or other
555 obligations of the issuer, as represented by the bonds or notes, or other obligations in whole or in
556 part, on such interest rate or cash flow basis as the issuer may determine appropriate, including
557 without limitation, interest rate swap agreements, insurance agreements, forward payment
558 conversion agreements, futures contracts, contracts providing for payments based on levels of, or
559 changes in, interest rates or market indices, contracts to manage interest rate risk, including without
560 limitation, interest rate floors or caps, options, puts, calls and similar arrangements. Such contracts
561 shall contain such payment, security, default, remedy and other terms and conditions as the district
562 may deem appropriate and shall be entered into with such party or parties as the district may select,
563 after giving due consideration, where applicable, for the credit worthiness of the counter party or
564 counter parties, including any rating by a nationally recognized rating agency, the impact on any
565 rating on outstanding bonds, notes or other obligations or any other criteria the issuer may deem
566 appropriate.

567 (g) The issuer shall have the power out of any funds available therefore to purchase its bonds or
568 notes. The issuer may hold, pledge, cancel or resell such bonds or notes, subject to and in
569 accordance with agreements with bondholders. The issuer may issue refunding bonds for the
570 purpose of paying any of its bonds at maturity or upon acceleration or redemption. Refunding
571 bonds may be issued at such time or times prior to the maturity or redemption of the refunded bonds
572 as the issuer deems to be in the public interest. Refunding bonds may be issued in sufficient
573 amounts to pay or provide for the principal of the bonds being refunded, together with any
574 redemption premium thereon, any interest accrued or to accrue to the date of payment of such

575 bonds, the expense of issuing the refunding bonds, the expense of redeeming bonds being refunded
576 and such reserves for debt service or other capital from the proceeds of such refunding bonds as
577 may be required by a trust agreement or resolution securing the bonds and, if considered advisable
578 by the issuer, for the additional purpose of the acquisition, construction or reconstruction and
579 extension or improvement of improvements. All other provisions relating to the issuance of
580 refunding bonds shall be as set forth in this chapter insofar as the same may be applicable.

581 (h) All moneys received pursuant to the provisions of this chapter, whether as proceeds from the
582 issue of bonds or notes, or as revenue or otherwise, shall be deemed trust funds to be held and
583 applied solely as provided in this chapter.

584 (i) Bonds or notes issued under this chapter are hereby made securities in which all public officers
585 and public bodies of the commonwealth and its political subdivisions, all insurance companies, trust
586 companies in their commercial departments and within the limits set by the General Laws, banking
587 associations, investment companies, executors, trustees and other fiduciaries, and all other persons
588 whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a
589 similar nature may properly and legally invest funds, including capital in their control and
590 belonging to them; and the bonds are hereby made obligations that may properly and legally be
591 made eligible for the investment of savings deposits and income thereof in the manner provided by
592 section 2 of chapter 167E. The bonds or notes are hereby made securities that may properly and
593 legally be deposited with and received by any state or municipal officer or any agency or political
594 subdivision of the commonwealth for any purpose for which the deposit of bonds or other
595 obligations of the commonwealth is now or may hereafter be authorized by law.

596 Notwithstanding any general or special law to the contrary, or any provision in their respective
597 charters, agreements of associations, articles of organization, or trust indentures, domestic

598 corporations organized for the purpose of carrying on business within the commonwealth, including
599 without implied limitation any electric or gas company as defined in section 1 of chapter 164,
600 railroad corporations as defined in section 1 of chapter 160, financial institutions, trustees and the
601 municipality may acquire, purchase, hold, sell, assign, transfer, or otherwise dispose of any bonds,
602 notes, securities or other evidence of indebtedness of the issuer provided that they are rated
603 similarly to other governmental bonds or notes, and to make contributions to the issuer, all without
604 the approval of any regulatory authority of the commonwealth.

605 (j) Any holder of bonds or notes issued under this chapter, and a trustee under a trust agreement,
606 except to the extent its rights may be restricted by the trust agreement, may, either at law or in
607 equity, by suit, action, mandamus or other proceeding, protect and enforce all rights under the laws
608 of the commonwealth or granted hereunder or under the trust agreement, and may enforce and
609 compel the performance of all duties required by this chapter or by the trust agreement, to be
610 performed by the issuer or by any officer thereof.

611 (k) Notwithstanding any of the provisions of this chapter or any recitals in any bonds or notes
612 issued under this chapter, all such bonds or notes shall be deemed to be investment securities under
613 the provisions of chapter 106.

614 (l) Bonds or notes may be issued under this chapter without obtaining the consent of any
615 department, division, commission, board, bureau or agency of the commonwealth or the
616 municipality, and without any proceedings or the happening of any other conditions or things than
617 those proceedings, conditions or things that are specifically required thereof by this chapter, and the
618 validity of and security for any bonds or notes issued by the district or the agency shall not be
619 affected by the existence or nonexistence of any such consent or other proceeding conditions, or
620 things.

621 Section 7. A local improvement district, if established under this chapter and all its receipts,
622 revenues, income and real and personal property shall be exempt from taxation and from
623 betterments and assessments and the local improvement district shall not be required to pay any tax,
624 excise or assessment to or from the commonwealth or any of its political subdivisions. Bonds or
625 notes issued by the issuer and their transfer and their interest or income, including any profit on the
626 sale thereof, shall at all times be exempt from taxation within the commonwealth, provided that
627 nothing in this chapter shall act to limit or restrict the ability of the commonwealth or the
628 municipality to otherwise tax the individuals and companies, or their real or personal property or
629 any person living or business operating within the boundaries of the development zone or local
630 improvement district, if any.

631 Section 8. For purposes of this chapter, the agency shall be the exclusive issuer of bonds secured
632 by infrastructure assessments pursuant to and according to the terms of chapter 40Q of the General
633 Laws. With the approval of the municipal governing body and the Massachusetts Economic
634 Assistance Coordinating Council, the agency may issue its bonds in place of those of the
635 municipality pursuant to, and according to the terms of chapter 40Q, provided that the municipality
636 has fulfilled all requirements set forth in said chapter 40Q that would be required of the
637 municipality if it were itself issuing bonds pursuant to said chapter 40Q. Additionally, the
638 municipality shall include in its “invested revenue district development program”, as defined in said
639 chapter 40Q, a description of the rights and responsibilities of the assessing party, the agency and
640 the municipality with respect to said program. In such case, the municipality may designate the
641 agency as the issuer of bonds pursuant to said chapter 40Q for the purpose of financing any of the
642 “project costs” as defined in said chapter 40Q and that are located in, or functionally serving the
643 needs of the development zone. The municipality shall determine the percentage of the “captured

644 assessed valuation,” as defined in said chapter 40Q, of property within the boundaries of the
645 development zone that the municipality is pledging pursuant to an invested revenue district
646 development program as defined in said chapter 40Q for the payment of the agency’s bonds. With
647 the written agreement of the person or persons owning 1 or more specific tax parcels in the
648 development zone, the assessing party may adopt a plan whereby any of the assessing powers
649 described in this chapter are made applicable exclusively to said parcels in order to secure and fund
650 the debt service for the bonds. The “project costs” as defined in said chapter 40Q, shall not be
651 reduced by the amount of the revenues derived pursuant to this chapter and said revenues derived
652 from such a plan, may be made contingent upon or abated, in whole or in part, by the assessing
653 party upon the receipt of the anticipated revenues generated through the pledged captured assessed
654 valuation. At the option of the municipality, the adjustment for the “inflation factor” described in
655 said chapter 40Q, may be waived in order to increase the captured assessed valuation available to
656 the development zone. The assessing party, the agency and the municipality shall enter into an
657 inter-municipal agreement delineating the rights and responsibilities of each pursuant to the district
658 improvement financing.

659 Section 9. The prudential committee and the local improvement district’s officers, if any, shall at
660 all times keep full and accurate accounts of the local improvement district’s receipts, expenditures,
661 disbursements, assets and liabilities, which shall be open to inspection by any record owner of land
662 within the development zone, or duly appointed officer or duly appointed agent of the
663 commonwealth or the municipality. The fiscal year of the local improvement district shall be the
664 same fiscal year as established by the General Laws for cities and towns in the commonwealth. The
665 local improvement district shall be subject to an audit of its accounts in the manner provided in
666 section 40 of chapter 44. Before the issuance of any bonds or notes under the provisions of this

667 chapter, any officer of the local improvement district or of the prudential committee charged with
668 responsibility for the issuance thereof, shall each execute a surety bond in the sum of \$250,000
669 payable to the local improvement district, or in lieu thereof, the prudential committee shall obtain a
670 blanket position bond covering any member of the prudential committee, or officer of the local
671 improvement district, charged with responsibility for the issuance of any bond or notes, such surety
672 bonds to be conditioned upon the faithful performance of the duties of their offices, to be executed
673 by a surety company authorized to transact business in the commonwealth as a surety and approved
674 by the prudential committee.

675 Section 10. For the purposes of chapter 268A, the local improvement district shall be considered a
676 municipal agency. The members of the prudential committee and the officers and employees of the
677 local improvement district, together with any person who performs professional services for the
678 local improvement district on a part-time, intermittent or consultant basis, such as an architect,
679 attorney, engineer, planner, or construction, financial, or real estate expert, shall be special
680 municipal employees; provided, however, that the provisions of said chapter 268A, or any similar
681 provision of any general or special law, shall not apply to any member of the prudential committee
682 having a direct or indirect financial interest in any contract or transaction entered into with the local
683 improvement district pursuant to an improvement plan that has been submitted with the petition and
684 approved by the municipality in accordance with section 5, if said improvement plan contains a
685 statement making disclosure of said member's interest and the interests of his immediate family in
686 said contract or transaction.

687 Section 11. The issuer may make representations and agreements for the benefit of the holders of
688 the issuer's bonds and notes or other obligations to provide secondary market disclosure
689 information. The prudential committee or an officer of the local improvement district authorized by

690 the prudential committee may make the representations and agreements on behalf of the local
691 improvement district or may delegate the authority to any other officer or employee of the local
692 improvement district. The agreement may include: (1) covenants to provide secondary market
693 disclosure information (2) arrangements for such information to be provided with the assistance of a
694 paying agent, trustee, dissemination or other agent; and (3) remedies for breach of the agreements,
695 which remedies may be limited to specific performance.

696 Section 12. The collector-treasurer of each municipality, at the option of the municipality and the
697 issuer, may collect any infrastructure assessments including any recording fees, on behalf of the
698 issuer pursuant to an agreement between the municipality and the issuer and to disburse the funds to
699 any designated management entity or financial institution selected by the local improvement district
700 or the agency. The collector-treasurer shall disburse revenues to the management entity or financial
701 institution within 30 days of the collection of such fees, together with the interest earned on the
702 holding of such fees.

703 Section 13. (a) This chapter shall be considered to provide an exclusive, additional, alternative and
704 complete method of accomplishing the purposes of this chapter and exercising the powers
705 authorized hereby and shall be considered and construed to be supplemental and additional to, and
706 not in derogation of, powers conferred upon the agency or the local improvement district, if any, by
707 law; but, insofar as the proceedings of this chapter are inconsistent with any general or specific law,
708 administrative order or regulation, or any resolution or ordinance of the municipality, this chapter
709 shall be controlling. Without limiting the generality of the foregoing, no provision of any resolution
710 or ordinance of the municipality requiring ratification by the voters of certain bond issues shall
711 apply to the issuance of bonds or notes of a local improvement district, if any, pursuant to this

712 chapter, nor shall be applicable to the manner of voting or the limitations as to the amount and time
713 of payment of debts incurred by a local improvement district.

714 (b) Except as specifically provided in this chapter, all other statutes, ordinances, resolutions, rules
715 and regulations of the commonwealth and the municipality shall be fully applicable to the property,
716 property owners, residents and businesses located in the development zone. This chapter shall not
717 obligate the municipality to pay any costs for the acquisition, construction, equipping or operation
718 and administration of the improvements located within the development zone.

719 Section 14. The local improvement district, if any, is a distinct and separate entity from the
720 municipality, and the municipality shall not be subject to any claims, actions or liabilities as a result
721 of the establishment of the local improvement district, its operations or the actions or inactions of its
722 officers or its prudential committee or employees and there shall be no recourse against the
723 municipality on account of, or arising from such obligations.

724 Section 15. The local improvement district, if any, shall terminate 40 years after the date of the
725 local improvement district's establishment, provided that the local improvement district is no longer
726 administering, or maintaining any improvements, and all of the local improvement district's or
727 agency's bonds, notes and other obligations have been paid or satisfied. However, the municipal
728 governing body by majority vote may extend the existence of the local improvement district for a
729 fixed number of years as it shall determine appropriate. Upon such termination, all of the property
730 of the local improvement district shall be deemed transferred to the municipality.

731