Massachusetts Municipal Association (MMA) Update

by Adrienne Núñez, MMA Legislative Analyst - ANunez@mma.org

Hello MHA members!

I'm writing this on a cool autumn day, enjoying the last of the dazzling fall foliage from my office in western Massachusetts. I hope each of you are well and warm as winter inches closer and we look to a new year and new legislative session!

The past few months have remained busy at the state house. Despite the legislature's best efforts, many priority bills were left on the table at the close of the formal legislative session this year (July 31). However, the 193rd General Court does not come to an official close until the end of the calendar year and legislators are making full use of the informal session that typically sees limited legislative action (August - December). Much has been accomplished in this session and more is still to come.

A <u>\$57.8 billion budget</u> was approved for fiscal 2025. Included is a 3% increase in Unrestricted General Government Aid (UGGA) over FY24. Also, schools will receive an increase to Chapter 70 minimum aid from \$30 per pupil in FY24 to \$104 per pupil this year. The budget also established a disaster relief fund to aid municipalities impacted by extreme weather events.

In transportation funding, the FY25 budget will provide a \$45 million supplemental investment in the Chapter 90 program. This support will be distributed based on the Chapter 90 formula and is funded through surtax revenues that must be used for education or transportation. Although less than was provided in FY24 (\$100m), we appreciate that the legislature and governor remain committed to supporting cities and towns in maintaining local roads and bridges.

In addition to the FY25 budget, this year's transportation bond bill also included additional aid for cities and towns. The FY25 transportation bond bill moved swiftly through the legislative process, authorizing \$200 million for the Chapter 90 program. This is consistent with what we have seen authorized for Chapter 90 for the past 12 years. Also included in the bond bill were \$25 million authorizations for 7 transportation-related accounts including the Municipal Pavement Program, the Small Bridge Program, Complete Streets, two accounts intended to fund grants for transit access and infrastructure, one account to support municipal and RTA fleet electrification, and a reauthorization of the <u>Rural Roadway Funding Program</u>.

The Rural Roadway program provides supplemental funding to the Chapter 90 account through a formula that favors rural communities. We are delighted to see the reauthorization of the Rural Roadway Funding Program. However, MassDOT has indicated that the funding will be distributed through \$5 million disbursements over the course of 5 years. We would like to see this funding delivered in its entirety in FY25 as was provided in FY24 and we will continue to advocate for such action.

Also passed this session was the <u>Affordable Homes Act</u> which authorized \$5.16 billion to support housing initiatives while allowing for accessory dwelling units as-of-right in single-family zones statewide (a provision that significantly limits local authority and existing regulations on ADUs).

A <u>federal funds matching</u> bill passed in September. The law leverages up to \$250 million in interest generated annually by the state's stabilization fund to capitalize a matching fund intended to support the Commonwealth's pursuit of federal discretionary grants. Up to \$50 million will be dedicated to support municipal and regional matching requirements and \$12 million will be available for technical assistance

to municipalities to help cities and towns with grant tracking, writing, implementation, and more. The technical assistance will be administered by the <u>Federal Funds and Infrastructure Office</u>.

Still on the table are bills addressing PFAS, clean energy siting and permitting, the Municipal Empowerment Act, an economic development bill, and more. The omnibus PFAS legislation that included recommendations made by the PFAS Task Force did not pass in the formal session and likely will not move further before the end of the year. However, a smaller bill banning intentionally added PFAS in firefighter turnout gear by 2027 was approved this session.

A clean energy bill that would reform siting and permitting of clean energy infrastructure continues to move through the legislative process and will likely be approved by the end of the year. On October 24, the Senate approved a compromise bill that will require a mandated consolidated permitting process for small clean energy projects at the local level, reform the Energy Facilities Siting Board, and create a site suitability methodology to minimize or mitigate the social and environmental impacts of clean energy infrastructure projects. The bill includes numerous additional sections addressing several clean energy-related topics. The bill has moved to the House for their approval. At the MMA, we will be turning our attention to the various regulatory processes that will follow the passing of this legislation. If you are interested in providing input on permitting processes for such infrastructure, please contact me.

The Municipal Empowerment Act containing numerous provisions meant to support local governments was also not approved during the formal session. The bill proposed updates to procurement and borrowing, permanent codification of remote public meetings, double poles enforcement, OPEB reform, and local option revenues. It's unlikely that we will see additional action on this bill before the end of the year, however, we will continue our advocacy into the next session.

Still pending is an important economic development bond bill that would authorize funding for key economic development accounts including \$400 million for the MassWorks program; \$100 million for the Rural Development Fund; \$150 million for the Public Library Construction Program; and more. The legislature has hinted that they will take up this bill before the end of the year. In order to move this bill forward, both chambers would need to enter into a special formal session to allow the required roll call vote to approve a bond bill.

In addition to action at the state house, there is much to be aware of in the regulatory space.

The Department of Public Utilities has approved final <u>Electric Sector Modernization Plans</u> (ESMPs). These are five- and ten-year plans that have been drafted by the electric distribution companies outlining plans to proactively upgrade distribution and transmission systems that would help the Commonwealth reach its greenhouse gas emissions goals.

These proposed upgrades have the potential to cause considerable disruption and considerable opportunity in communities across the Commonwealth. We recommend reviewing the ESMP relevant to your area to see what infrastructure may be planned for your community.

From MassDOT, we are awaiting final regulations pertaining to a 2022 traffic safety law that requires most fleets contracting with the Commonwealth to retrofit their fleets with truck safety devices. Draft regulations and an associated guidance document were released in July. In these documents MassDOT indicated that municipalities and municipal contractors may be implicated if state aid is in use. The MMA advocated against the inclusion of municipalities and municipal contractors in this regulation. This was never the intent of the law and poses numerous issues for municipalities in all departments of government.

A MassDOT representative has since indicated that municipalities will not be implicated in this round of regulations. We are therefore cautiously optimistic that municipalities will be left out of the final regulations which should be released soon.

In a stakeholder letter signed by Commissioner Bonnie Heiple on Friday October 18, the Department of Environmental Protection announced changes to previously approved emissions regulations affecting medium and heavy-duty trucks—the Heavy-duty Omnibus and Advanced Clean Truck rules.

The Department has indicated that it plans to file emergency regulations that would delay the start of the Heavy-duty Omnibus (HDO) rule until Model Year 2026, effective upon filing. DEP also indicated that the department will <u>exercise enforcement discretion</u> under the Advanced Clean Truck (ACT) regulation exempting state and local government vehicles used for snow plowing and removal and street sweepers for Model Years 2025 and 2026.

The DEP's plan to make these changes is a helpful step to ensure that municipalities are able to continue to provide uninterrupted essential services to residents across the Commonwealth as the rollout of these regulations is likely to make it difficult for municipalities to access medium and heavy-duty vehicles.

The Heavy-duty Omnibus regulation requires emissions standards for nitrogen oxides from conventional heavy-duty vehicles that are more stringent than the national standard. The Advanced Clean Truck rule requires graduated zero emission vehicle sales percentages for new medium and heavy-duty on-road vehicles starting with MY2025 and increasing until MY2035. Both policies were originally slated to start with MY2025.

There's much to understand and much to be concerned with regarding the rollout of these regulations. More information on the policies can be found on the <u>MA Low Emission Vehicle Program webpage</u> and <u>MMA.org</u>. The MMA has been working with the DEP to help ensure full understanding of the implications of the policies.

Numerous stakeholders have requested a two-year delay in the implementation of these regulations to allow additional time for the vehicle technology to improve and expand and allow adequate installation and availability of electric vehicle charging infrastructure to support the work of these vehicles. Please don't hesitate to reach out to me for additional information or to provide input on this topic that is continuing to develop.

MassDEP has also been hard at work finalizing regulations focused on waterways, stormwater, and wetlands protection that were introduced earlier this year. Among many changes, the initial draft regulations include a revision of the definition for what is considered to be redevelopment and new stormwater management setback requirements. The proposals also had significant implications for development in coastal communities, including, but not limited to, roadway construction.

There are many implications to these proposed rules including incompatibility with the Complete Streets initiative and potential negative impact on a community's willingness and ability to take on various projects. MassDEP has indicated that the final regulations will be released before the end of the calendar year.

As we await developments in the regulatory space and continue to track ongoing legislative action this session, our team is also preparing for the next legislative session. Thousands of bills will be filed, and MMA will be there to advocate for the needs of municipalities.

We anticipate action on transportation funding and transportation safety in the coming session. The <u>Governor's Transportation Funding Task Force</u> will release a report on transportation funding by the end of the year. The Task Force is exploring numerous revenue generating options, while also examining where and how much funding is needed to ensure safe, multimodal transportation networks across the Commonwealth.

Also, the state received about \$1.2 billion in surplus surtax revenues that need to be appropriated for education and transportation. We anticipate legislative action to program this funding and possibly propose new revenue generating opportunities.

For FY26, we will be advocating for at least \$350 million to be authorized for the Chapter 90 program through the transportation bond bill as well as additional supplemental aid through the Rural Roadway Program and FY26 budget supplementals. We will also continue our advocacy on double poles enforcement and continue to work to allow use of green strobe lights on DPW vehicles.

Our official Legislative Package for the 194th General Court is still in development. Please stay tuned for our public posting of these legislative priorities as well as a resolution on transportation. These documents will be available on our website in November and will be approved by our membership at our Annual Business Meeting. Please join us this year at our <u>annual meeting</u>: <u>Connect 351</u>, January 23-25!

As is tradition, the Massachusetts Highway Association board is leading a workshop at the conference. This year we will be hosting a discussion on capital planning for resiliency. We'd love to see you there!

Lastly, a few words of appreciation to each of you:

Many, many thanks for all that you do to keep our communities running; thank you for keeping me informed about your perspectives so I am able to best represent you on Beacon Hill and beyond; and THANK YOU to everyone that completed this year's MMA Chapter 90 survey.

We received a record number of responses this year and are beginning to dive into analysis of the data. We hope to have our final analysis ready by the end of November. We appreciate each of you for taking the time to fill out the survey and for encouraging your colleagues to do the same. The data we collect from this survey is essential to support our advocacy for additional road and bridge funding (and beyond!) in the coming session.

As always, please don't hesitate to reach out to introduce yourself or if I can be of assistance to you. I'm available to answer any questions you have and hear your input.

I hope to see you soon at Connect 351 and the 2025 Mass Highway Winter Meeting!