

DIVISION OF LOCAL SERVICES GUIDELINES
ASSET USEFUL LIFE SCHEDULES AND MAXIMUM BORROWING TERMS
Effective July 20, 2012

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	Constructing or reconstructing surface drains, sewers, sewerage systems and sewage treatment and disposal facilities		30	No change
1A	Lining by cement or metal of sewers constructed for sanitary and surface drainage purposes and for sewage disposal		10	30
2	Acquiring land for public parks or playgrounds or public domain under G.L. c. 45	Debt for public domain limited to 0.5% of EQV	30	No change
2A	Constructing an artificial ice-skating rink for which refrigeration equipment is required on land owned by the city or town		15	20
2B	Constructing an outdoor swimming pool on land owned by the city or town		15	20
3	Acquiring land, or interests in land, for any purpose a city or town is authorized to acquire land or interests in land, not otherwise specifically provided for; constructing buildings or additions to buildings a city or town is authorized to build where the additions increase the floor space of the buildings, including original equipment and furnishings of the buildings or additions		20	30
3A	Remodeling, reconstructing or making extraordinary repairs to public buildings owned by the city or town, including original equipment and landscaping, paving and other site improvements incidental or directly related to the remodeling, reconstruction or repair		20	30
3B	Making energy conservation, alternative energy or renewable energy improvements to public buildings or facilities owned or leased by the city or town, or on property owned or leased by the city or town		20	No change
3C	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	
4	Constructing or reconstructing bridges of stone or concrete or of iron superstructure		20	30
5	Constructing (original), extending or widening public ways, including land damages and the cost of pavement and sidewalks laid at the time of the construction; constructing stone, block, brick, cement concrete, bituminous concrete, bituminous macadam or other permanent pavement of similar lasting character; constructing (original), surfacing or resurfacing municipally owned and operated off-street parking areas, under specifications approved by the MDOT		10	15

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
6	Installing macadam pavement or other road material; resurfacing municipally owned or operated off-street parking areas with pavement or other road material under specifications approved by MDOT; constructing sidewalks of brick, bituminous concrete, stone or concrete		5	15
7	Constructing walls or dikes to protect highways or property		10	20
8	Purchasing land for cemetery purposes		10	30
9	Acquiring equipment		5	20 Equipment must be \$5,000 or more per unit CEO determines 5-20 year maximum term based on useful life of equipment
9A	Remodeling, reconstructing or rehabilitating existing firefighting apparatus and heavy equipment including, but not limited to, front-end loaders, road graders, sidewalk plows and motorized sweepers		5	10
10	Connecting residences or other buildings with common sewers, when all or part of the cost is to be assessed to abutting property owners		5	No change
11	Paying final judgments		1	
12	No Clause 12			
13	In Boston only, acquiring fire or police boats		15	No change
14	Installing traffic signals, public lighting, fire alarms or police communications and extending and improving those installations		10	No change
15	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	No change
16	Paying fire insurance policy premium covering a period of 5 years		4	
17	Improving tidal and non-tidal rivers and streams, harbors, tide waters, foreshores and shores along a public beach under G.L. c. 91, § 29; constructing or reconstructing public wharves		10	20

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
17A	Dredging tidal and non-tidal rivers and streams, harbors, channels and tidewaters		10	No change
18	Paying for expert appraisal of taxable property or preparation of assessors maps, including aerial photography		10	
19	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	
20	Developing land for burial purposes and for constructing paths and avenues and embellishing the grounds in a cemetery owned by the city or town		5	20 Cemetery commissioners determine 5-20 year maximum term based on useful life of project
21	Paying for architectural services for plans and specifications for any proposed building for which a city, town or district may borrow, or for additions to buildings owned by a city, town, or district where the additions increase the floor space of the building		5 if issued before debt for project authorized Same as project debt otherwise (when debt issued city, town or district must own land where building will be constructed)	
22	Paying for engineering or architectural services for plans and specifications for any project not defined in Clause 21 for which a city, town or district may borrow		5 if issued before debt for project authorized Same as project debt otherwise	
23	Constructing municipal tennis courts, including platform tennis courts and acquiring land and constructing buildings, including original equipment and furnishings		15	No change
24	No Clause 24			
25	Constructing and reconstructing municipal outdoor recreational and athletic facilities, including acquiring and developing the land for the facilities		15	No change
26	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	No change
27	Preserving and restoring publicly-owned freshwater lakes and great ponds under G.L. c. 21, § 37A		None specified	5

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
28	Developing, designing, purchasing and installing computer hardware, other data processing equipment and computer assisted integrated financial management and accounting systems		10	No change
29	Developing, designing, purchasing computer software incident to the purchase, installation and operation of computer hardware and other data processing equipment and computer assisted integrated financial management and accounting systems		5	No change
30	Installing, repairing, or replacing exposed structural or miscellaneous steel, which has been treated with the hot-dip galvanizing process		3	No change
31	Removing asbestos from municipally owned buildings		10	No change
32	Cleaning up or preventing pollution caused by existing or closed municipal facilities not referenced in G.L. c. 44, § 8(21), including cleanup or prevention activities taken under G.L. c. 21E or G.L. c. 21H	DEP must approve project plans before debt issued	10	No change
33	Constructing or reconstructing seawalls, riprap, revetments, breakwaters, bulkheads, jetties and groins, stairways, ramps and other related structures		20	No change
34	Constructing other public works, improvements or assets not specified in this section with a maximum useful life of at least 5 years		5	No change

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

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	Temporary loans under G.L. c. 44, §§ 4, 6, 6A, 17 and 17A		Per applicable § 4, 6, 6A, 17 or 17A	
2	Providing and distributing food, temporary shelter and other necessities of life during emergencies under G.L. c. 40, § 19		2	
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	No change
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	

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
4	Constructing or enlarging reservoirs; constructing filter beds, 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	No change
4A	Remodeling, reconstructing or making extraordinary repairs to reservoirs and filter beds	DEP must approve project plans before debt issued	30	No change
5	Laying and relaying of water mains of 6-16 inches in diameter; lining and relining those mains with linings of at least 1/16 of an inch; developing additional well fields, for wells; and acquiring pumping station equipment		40	
6	Constructing and reconstructing and laying and relaying aqueducts and water mains 16 or more inches in diameter; and lining those mains with linings of at least 1/16 of an inch		40	
7	Extending water mains		40	
7A	Purchasing and installing water meters		10	No change
7B	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	30
7C	Purchasing, replacing or rehabilitating water departmental equipment		10	No change
8	Establishing, purchasing, extending, or enlarging a gas or electric lighting plant, a community antenna television system, whether or not operated by a gas or electric lighting plant, or a telecommunications system operated by a municipal lighting plant	Without MFOB approval, debt limited to: <ul style="list-style-type: none"> • 5% of EQV in towns • 2.5% of EQV in cities MFOB may approve debt up to: <ul style="list-style-type: none"> • 10% of EQV in towns • 5% of EQV in cities 	20	No change
8A	Remodeling, reconstructing, or making extraordinary repairs to a gas or electric lighting plant, a community antenna television system, or a telecommunications system operated by a municipal lighting plant	MFOB must approve debt and term Approved debt included in G.L. c. 44, § 8(8) limit	10	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</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	Debt limited to 0.5% of EQV	20	30
11	No Clause 11			
12	Acquiring street railway property under G.L. c. 161, §§ 143-158 operating the same, or contributing toward the capital expenses of a transportation area	Debt limited to 2% of EQV	10	No change
13	Acquiring, constructing, establishing, enlarging, improving or protecting public airports, including acquiring land, including those airports jointly owned by two or more municipalities	Debt limited to 1% of EQV	10	30
14	Eradicating Dutch elm, including payment of assessments and charges made under G.L. c. 132		5	No change
15	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	No change
16	Constructing municipal golf courses, including acquiring land, constructing buildings and paying for original equipment and furnishings		20	30

Clause	Borrowing Purpose	Statutory Limits/Approvals	Statutory Maximum Term	DLS Authorized Maximum Term Based on Useful Life
17	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
18	Constructing a regional incinerator for disposal of solid waste, refuse and garbage by two or more communities	Debt limited to 3% of EQV	20	No change
19	Lending or granting funds to industrial development financing authorities and economic development and industrial corporations	MOBD and DHCD must approve debt Debt limited to \$100,000, or 2.5% of EQV if less	None specified	
20	Undertaking projects fully or partially financed by the Farmers Home Administration of the United States Department of Agriculture under 7 USC 1921, et seq.		40	No change
21	Cleaning up or preventing pollution caused by existing or closed landfills or other solid waste disposal facilities under G.L. c. 21E or G.L. c. 21H	DEP must approve project plans before debt issued	30	No change
22	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
23	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
24	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

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(3), (3A)
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(3)
Constructing, reconstructing, adding to and equipping school building	30, or DLS term if shorter	No change	Same as G.L. c. 44, §7(3), (3A)
Remodeling and making extraordinary repairs to school building	30, or DLS term if shorter	No change	Same as G.L. c. 44, §7(3), (3A)
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(15)
Acquiring departmental equipment	30, or DLS term if shorter	5 for equipment under \$5,000 per unit 20 for equipment \$5,000 or more per unit	Same as G.L. c. 44, § 7(9) CEO determines 5-20 maximum term based on useful life of equipment \$5,000 or more per unit
Constructing, reconstructing or making improvements to outdoor playground, athletic or recreational facilities	30, or DLS term if shorter	15 -30	Same as G.L. c. 44, § 7(2), (2A),(2B), (23), (25)
Constructing, reconstructing or resurfacing roadways and parking lots	30, or DLS term if shorter	15	Same as G.L. c. 44, § 7(5), (6)
Constructing other public works or improvements of a permanent nature	30, or DLS term if shorter	5	Same as G.L. c. 44, § 7(34)
Paying for planning, architectural or engineering services related to any of purposes above issued before debt for project authorized	30, or DLS term if shorter	5	Same as G.L. c. 44, § 7(21), (22)
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(21), (22)