

Annual Town Meeting  
May 2021  
Article 18

Transportation Infrastructure Fund

Under Chapter 187 of the Acts of 2016 certain transportation network companies (Uber/Lyft) must submit to the Transportation Network Company Division of the Department of Public Utilities the number of rides from a previous calendar year that originated in Saugus and an assessment fee of \$.20/ride.

Each year one half of the amount credited to the Fund is distributed by the Department of Public Utilities proportionately to cities and towns in the Commonwealth based on the number of rides that originated in that city or town.

These funds are considered receipts reserved for appropriation and therefore require the appropriation by the legislative body of the Town. These funds are earmarked to address the impact of transportation network services on municipal roads, bridges, or other transportation infrastructure.

This appropriation of \$26,700.10 is requested at this time as we are required to expend the funds or return them back to the State. The Town is required to report to the DPU each December as to the use of the funds.

## ARTICLE 18



04/29/2021 10:42  
4832dmatarazzo

TOWN OF SAUGUS - LIVE  
BALANCE SHEET FOR 2021 10

P 1  
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FUND: 3277 TRANSPORTATION TNC Per Ride			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
32771040 100001	DUE TO & DUE FROM TREASURY		.00	54,629.32
TOTAL ASSETS			.00	54,629.32
FUND BALANCE				
32773590 350090	FB UNDESIGNATED		.00	-58,606.05
32773800 380030	FB BUDGETARY APPROPRIATIONS		.00	-36,044.30
32773800 380090	FB BUDGETARY FUND BALANCE		.00	36,044.30
32773900 390030	FB EXPENDITURE CONTROL		.00	3,976.73
TOTAL FUND BALANCE			.00	-54,629.32
TOTAL LIABILITIES + FUND BALANCE			.00	-54,629.32

\*\* END OF REPORT - Generated by Donna Matarazzo \*\*

## ARTICLE 18


 P 1  
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 04/29/2021 10:41  
 4832dmatarazzo

 TOWN OF SAUGUS - LIVE  
 BALANCE SHEET FOR 2020 12

 NET CHANGE  
 FOR PERIOD

 ACCOUNT  
 BALANCE

FUND: 3277 TRANSPORTATION TNC Per Ride

ASSETS			26,700.10	58,606.05
	32771040 100001	DUE TO & DUE FROM TREASURY		
			26,700.10	58,606.05
	TOTAL ASSETS			
FUND BALANCE			.00	-31,905.95
	32773590 350090	FB UNDESIGNATED		
	32773800 380030	FB BUDGETARY APPROPRIATIONS	-21,272.90	-36,044.30
	32773800 380090	FB BUDGETARY FUND BALANCE	21,272.90	36,044.30
	32773900 390010	FB REVENUE CONTROL	-26,700.10	-26,700.10
		TOTAL FUND BALANCE	-26,700.10	-58,606.05
		TOTAL LIABILITIES + FUND BALANCE	-26,700.10	-58,606.05

\*\* END OF REPORT - Generated by Donna Matarazzo \*\*



## Local Finance Opinion

LFO-2018-1  
July 11, 2018

**TOPIC:** Transportation Network Company Per-ride Assessment Distribution

**ISSUE:** Municipal finance and accounting treatment of money received from the Commonwealth Transportation Infrastructure Fund

This LFO addresses questions relating to the municipal finance and accounting treatment of moneys distributed to a city, town or district from the Commonwealth Transportation Infrastructure Fund.

### 1. What is the Commonwealth Transportation Infrastructure Fund?

Under Chapter 187 of the Acts of 2016, certain transportation network companies must submit to the Transportation Network Company Division of the Department of Public Utilities (DPU) the number of rides from the previous calendar year that originated within each city or town and a per-ride assessment of \$0.20. The assessment is credited to the Commonwealth Transportation Infrastructure Fund (Fund), which was established by the Act. [St. 2016, c. 187, § 8\(a\)](#). Each year, one half of the amount credited to the Fund will be distributed by the DPU proportionately to each city and town based on the number of rides that originated in that city or town. [St. 2016, c. 187, § 8\(c\)\(i\)](#).

### 2. What is the general rule related to the receipt of money by a city, town or district officer or department?

All money received or collected from any source by a city, town or district belongs to its general fund and can only be spent after appropriation unless a general or special law provides an exception, *i.e.*, expressly restricts use for a particular purpose or allows expenditure by a department or officer without appropriation. [G.L. c. 44 § 53](#).

### 3. Is there an exception to the general rule for money received from the Commonwealth Transportation Infrastructure Fund?

Yes. Money distributed to cities and towns from the Commonwealth Transportation Infrastructure Fund is special revenue earmarked for use by cities and towns “to address the impact of transportation network services on municipal roads, bridges and other transportation infrastructure or any other public purpose substantially related to the operation of transportation network services in the city or town including, but not limited to, the complete streets program established in section 1 of chapter 90I of the General Laws and other programs that support alternative modes of transportation.” [St. 2016, c. 187, § 8\(c\)\(i\)](#). However, the statute establishing the distribution does not authorize any particular department or officer to spend the distributed money without “specific” or “further” appropriation for any of those

statutory purposes. See, *e.g.*, [G.L. c. 40, § 3](#) (municipal and school rental revenues); [G.L. c. 44, § 53A](#) (money gifts and grants); [G.L. c. 44, § 53E½](#) (departmental fees and charges); and [G.L. c. 71, § 47](#) (school activity fees and charges). Therefore, the general rule requiring an appropriation in order to use the money still applies. The accounting officer must establish a receipts reserved for appropriation account for this distribution and credit the money received to that account. To use the money for any allowable purpose, the legislative body must appropriate from available funds in the account.

Additionally, please note that each city or town receiving a distribution from the Commonwealth Transportation Infrastructure Fund must submit a report to the Transportation Network Company Division of the DPU not later than December 31 of each year that details the allowable transportation-related projects conducted, including amounts used or planned to be used for those projects. [St. 2016, c. 187, § 8\(d\)](#). The Division is required to compile the reports and post the projects and amounts of money used on its website. [St. 2016, c. 187, § 8\(d\)](#).



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Bureau of Municipal Finance Law

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