

HOUSE No. 1487

Mr. Halliwell of New Bedford moves that the Bill authorizing the Commonwealth to borrow thirty-three million dollars and to pay the proceeds of such loan to its cities and towns to aid them in the existing unemployment emergency, and providing for the financing of such loan from the proceeds of various temporary taxes hereby created and from certain other moneys (House, No. 1465) be amended by striking out all after the enacting clause and inserting in place thereof the sections of this bill. June 5.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Three.

An Act authorizing Cities and Towns to borrow on Account of Public Welfare and Soldiers' Benefits from the Commonwealth and Elsewhere and authorizing the Commonwealth to issue Bonds or Notes to provide Funds Therefor.

1 *Whereas*, The deferred operation of this act would
2 defeat its purpose which is to assist without delay in
3 re-establishing municipal credit, therefore this act is
4 hereby declared to be an emergency law, necessary
5 for the immediate preservation of the public con-
6 venience.

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 emergency finance board, estab-
2 lished under section one of chapter forty-nine of the
3 acts of the current year, hereinafter referred to as

4 the board, shall, in addition to the powers and duties
5 conferred or imposed upon it by said chapter, exercise
6 and perform the powers and duties hereinafter con-
7 ferred or imposed upon it, and, except as hereinafter
8 provided, the provisions of said section one shall apply
9 to the board when acting under this act. Each ap-
10 pointive member of the board, when acting under
11 this act, shall receive from the commonwealth as
12 compensation, in addition to any sums so payable for
13 action under said chapter forty-nine, for each day's
14 attendance at board meetings during the current
15 fiscal year, the sum of thirty dollars and, for each
16 day's attendance as aforesaid thereafter, the sum of
17 fifteen dollars; provided, that the total amount paid
18 hereunder to any member for compensation as afore-
19 said shall not exceed twenty-five hundred dollars
20 during the current fiscal year nor one thousand dollars
21 in any fiscal year thereafter. Separate records and
22 accounts shall be kept by the board of its action under
23 this act. The existence of the board, for the purposes
24 of this act, shall terminate upon payment in full to the
25 commonwealth of all amounts due hereunder from the
26 cities and towns, and nothing in said chapter forty-
27 nine shall be construed to terminate its existence
28 earlier.

1 SECTION 2. Any city or town, by a two thirds vote
2 as defined in section one of chapter forty-four of the
3 General Laws and with the approval of the mayor or
4 the selectmen and of the board, may borrow, during
5 the year nineteen hundred and thirty-three, outside
6 its debt limit as fixed by section ten of said chapter
7 forty-four for use only as provided in section four, a
8 sum not exceeding the excess of the amount expended

9 by such city or town in the year nineteen hundred and
10 thirty-two over that expended by it in the year nine-
11 teen hundred and twenty-nine for public welfare in-
12 cluding mothers' aid and old age assistance, and
13 soldiers' benefits including state aid, military aid,
14 soldiers' burials and soldiers' relief, as determined by
15 the board, and may issue bonds or notes therefor
16 which shall bear on their face the words, (name of
17 city or town) Municipal Relief Loan, Act of 1933.
18 Each authorized issue shall constitute a separate loan,
19 and such loans shall be paid in not more than five
20 years from their dates and, except as herein pro-
21 vided, shall be subject to chapter forty-four of the
22 General Laws.

1 SECTION 3. On petition of the treasurer of any
2 city, with the approval of the mayor, or the treasurer
3 of any town, with the approval of the selectmen, after
4 a loan has been authorized under the preceding sec-
5 tion, the board may, if in its judgment the financial
6 affairs of such city or town warrant, approve the
7 loaning of money by the commonwealth to an amount
8 which, together with the amount of bonds and notes
9 issued under section two and sold to others than the
10 commonwealth, will not exceed the limitation pro-
11 vided in said preceding section, from funds provided
12 under section seven of this act, and the state treas-
13 urer shall loan said city or town the amount so ap-
14 proved upon receipt of its bonds or notes of equivalent
15 face value. The rate of interest on all loans made to
16 cities and towns by the commonwealth under this act
17 shall be fixed by the state treasurer with the approval
18 of the board at such amount as in his judgment will
19 cover the entire cost to the commonwealth including

20 interest on money borrowed for the purposes of this
21 act, expense of issuing bonds and expenses of the
22 board, its employees and such other expenses as may
23 be necessary for a proper administration of this act.

1 SECTION 4. The proceeds of loans issued under
2 authority of this act by any city or town shall be
3 used only to meet appropriations for public welfare or
4 soldiers' benefits made prior to any application for a
5 loan hereunder or to meet any temporary loan issued
6 in anticipation of revenue, and shall be treated by the
7 assessors as an estimated receipt in fixing its tax rate.

1 SECTION 5. The commissioner of public welfare
2 and the commissioner of state aid and pensions shall,
3 upon request of the board, make investigations and
4 report to it as to the administration of public relief
5 in any city or town seeking approval by the board of
6 any loan under authority of this act, and the board
7 may investigate and make recommendations in writ-
8 ing to officials, boards and commissions of such a city
9 or town concerning said administration or concerning
10 its finances; and no loan shall be approved by the
11 board until its recommendations, if any, have been
12 complied with to its satisfaction. In any city or
13 town which has obtained a loan from the common-
14 wealth in the current year under authority of this act,
15 no subsequent appropriation in that year shall be
16 valid without the written approval of the board.
17 Until all loans made hereunder by the commonwealth
18 to any city or town have been repaid in full, no ap-
19 propriation by such city or town in excess of the same
20 or similar appropriations for the year nineteen hun-
21 dred and thirty-three shall be valid without the writ-
22 ten approval of the board.

1 SECTION 6. If a city or town fails to make payment
2 of principal or interest on any bond or note issued to
3 the commonwealth under sections two and three, when
4 due, the state treasurer shall, not later than the issue
5 of his warrant for its share of the state tax in any year,
6 issue his warrant requiring its assessors to assess a tax
7 to the amount necessary to make such payment in full
8 and the amount of such warrant shall be collected and
9 paid to the state treasurer in the same manner and
10 subject to the same penalties as state taxes. The state
11 treasurer shall have authority to withhold, to the
12 extent necessary to make good any failure to make
13 payment of the sums due, any sum due the city or
14 town from the commonwealth and not previously
15 pledged.

1 SECTION 7. The state treasurer, with the approval
2 of the governor and council, may borrow from time
3 to time such sums as may be necessary to provide
4 funds for loans to municipalities as aforesaid and
5 may issue bonds or notes of the commonwealth to an
6 amount not exceeding thirty million dollars. Such
7 bonds or notes shall be issued for such maximum
8 term of years as the governor may recommend to the
9 general court in accordance with section three of
10 Article LXII of the amendments to the constitution
11 of the commonwealth, shall be payable not later than
12 November thirtieth, nineteen hundred and thirty-eight,
13 and shall bear interest at such terms and at such rates
14 as shall be fixed by the state treasurer, with the
15 approval of the governor and council.

16 The state treasurer may borrow from time to time
17 in anticipation of the serial issue and may issue notes
18 therefor and may renew the same, but the maturity
19 of the temporary loans shall be not later than two

20 years from the date of the first temporary loan and
21 in no event later than the date of the serial loans
22 herein authorized.

1 SECTION 8. Until payment to the commonwealth
2 of all principal and interest on account of any bonds
3 or notes issued by a city or town hereunder and held
4 by the commonwealth, so much of any moneys re-
5 ceived by the commonwealth under the Federal Emer-
6 gency Relief Act of 1933 as would otherwise be
7 allocated to such city or town shall forthwith be ap-
8 plied by the state treasurer toward the payment of any
9 bonds or notes issued hereunder by such city or town
10 and then held by the commonwealth, and thereafter
11 interest shall be payable only on the balance of such
12 bonds or notes remaining unpaid.

