To accompany the petition of John B. Hynes, mayor (with the approval of the city council), for legislation to provide for the funding of certain overlay and other deficits by the city of Boston. Municipal Finance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Seven.

AN ACT TO PROVIDE FOR THE FUNDING OF CERTAIN OVERLAY AND OTHER DEFICITS BY THE CITY OF BOSTON.

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 city of Boston, for the purposes specified in section two of this act, may borrow, at one time or from time to time before January first, nineteen hundred and fifty-nine, not exceeding in the aggregate forty-five million dollars, and issue and sell serial bonds or notes of the city therefor, which shall be registered or with interest coupons attached as the collector-treasurer of the city may deem best. Such bonds or notes shall bear on their face the words, City of Boston, Funding Loan, Act of 1957. Such bonds or notes shall contain such provision, if any, as said collector-treasurer with the approval of the mayor of the city may determine for the call, retirement and cancellation of such bonds or notes in whole or in part by the city on any date upon which interest is payable on such bonds or notes by payment by the city of the face amount of such bonds or notes with any accumulated unpaid interest. Each issue shall constitute a separate loan; and such loans shall be paid in not more than twenty years from their dates. Debt incurred from time to time under authority of this act shall not be included in determining the limit of indebtedness of the city as established by law, but shall, except as herein provided, be subjected to the provisions, applicable to the
city, of chapter forty-four of the General Laws, exclusive of
the limitation contained in the first paragraph of section
seven thereof, but including the provisions of section seventeen
thereof relative to temporary loans in anticipation of the issue
of bonds or notes. Loan orders passed under authority of
this act may be passed in such manner as is provided in the
charter of said city in the case of loan orders for temporary
loans in anticipation of taxes.

Bonds or notes purporting to be issued under authority of
this act shall, in favor of bona fide holders, be conclusively
presumed to have been duly and regularly authorized and
issued in accordance with the provisions of this act; and no
holder thereof shall be obliged to see to the existence of the
purpose of that issue, or to the regularity of any of the pro-
ceedings, or to the application of the proceeds.

Section 2. Amounts borrowed under authority of section
one of this act shall be set up in a separate account on the
books of the city, and, upon written direction of the mayor
of the city but without further authority, shall be used for,
but only for, the following purposes:—

(a) To meet the amounts of abatements granted after
January first, nineteen hundred and fifty-six, and before
January first, nineteen hundred and sixty, on account of
taxes assessed by the assessors of the city in the year nineteen
hundred and fifty-six and all years prior thereto in excess of
the overlays of such years, which amounts shall not be in-
cluded by said assessors when assessing taxes in the year
nineteen hundred and fifty-seven or in any subsequent year;
and
(b) To defray the amount which the director of accounts
shall determine in accordance with the established accounting
practices of the bureau of accounts to be the accumulated
net operating deficit of the city at the close of business on
December thirty-first, nineteen hundred and fifty-six.

Section 3. Every note issued by said city under authority
of section four of chapter forty-four of the General Laws
after December thirty-first in the current year, whether or
not any loan issued under authority of this act is outstanding, shall, notwithstanding the provisions of said section four, be payable not later than December thirty-first of the year in which such note is issued; provided, that notes may be issued under the authority of said section four after November thirtieth in any year payable not later than one year from their date if the aggregate amount thereof does not exceed the aggregate amount remaining unpaid at the close of business on such November thirtieth on (a) personal property and poll taxes assessed in such year and in the year next preceding such year and (b) real estate taxes so assessed and at the close of business on such November thirtieth not included in a tax title account; but until all notes so issued after November thirtieth in any year are paid, all sums collected on such taxes shall be used for no purpose other than to meet said notes.

Section 4. In the year nineteen hundred and fifty-eight and in each year thereafter, whether or not any loan issued under authority of section one of this act is outstanding, the assessors of Boston in computing under section twenty-three of chapter fifty-nine of the General Laws the amount for which taxes are to be assessed in such year shall include the amount which the director of accounts shall determine and certify before May first in such year to be the amount, not otherwise provided for, by which the estimated receipts deducted in computing under said section the annual assessment in the year next preceding such year exceeded actual receipts during such preceding year.

Section 5. For the purpose of avoiding fractional divisions of the amount to be assessed in the apportionment thereof, and of providing for abatements granted on account of taxes assessed, the assessors of said city shall, in the current year and in each year thereafter, until all sums borrowed under authority of this act are paid, add to the amount to be assessed in such year an overlay of not less than four and one half per cent thereof; provided, that should the amounts authorized to be borrowed under section one be inadequate for the purposes specified in section two, or should the amount
which said assessors are required by this section to add to the
amount to be assessed be inadequate in any year for the pur-
poses specified in this section, said assessors shall add to the
amount to be assessed in the following year such additional
amount as may be required to meet fully all of such purposes.

Section 6. From and after the effective date of this act,
whether or not any loan issued under authority of section one
of this act is outstanding, the proceeds of all loans made by
the city under chapter forty-nine of the acts of nineteen hun-
dred and thirty-three and acts in amendment thereof shall
be used for no purpose other than to meet notes issued by the
city pursuant to the proviso in section three of this act; and
in computing for the purpose of section two of said chapter
forty-nine and acts in amendment thereof the total amount
represented by tax titles taken or purchased by the city and
held by it, no tax assessed in the year nineteen hundred and
fifty-seven or in any subsequent year shall be included unless
such tax is set up on or added to a tax title account within one
year from October first in the year of assessment.

Section 7. All sums to be paid to the treasurer of the city
for the general funds of the city under section eight of chapter
four hundred and sixty-five of the acts of nineteen hundred
and fifty-six shall, anything in said section eight to the con-
trary notwithstanding, be used only upon appropriation
pursuant to section three of chapter four hundred and eighty-
six of the acts of nineteen hundred and nine, as most recently
amended by section one of chapter six hundred and four of
the acts of nineteen hundred and forty-one, for a purpose
or purposes for which the city is authorized to incur debt out-
side its debt limit for a period of twenty years or more.

Section 8. This act shall take effect upon its passage.