

HOUSE No. 1739

By Messrs. Aspell and Herter of Boston, petition of Maurice J. Tobin (mayor) that the city of Boston be authorized to borrow money for the purpose of funding overlay deficits and other items. Municipal Finance.

The Commonwealth of Massachusetts

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

AN ACT PROVIDING FOR THE FUNDING OF OVERLAY DEFICITS AND OTHER ITEMS BY THE CITY OF BOSTON.

1 *Whereas*, The deferred operation of this act would
2 tend to defeat its purpose, therefore it is hereby de-
3 clared to be an emergency law, necessary for the
4 immediate preservation of the public convenience.

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
2 specified in section two of this act, may issue from
3 time to time bonds or notes to an amount not exceed-
4 ing in the aggregate nine million dollars; provided,
5 however, that indebtedness incurred under authority
6 of this section in excess of seven million dollars shall
7 be subject to the approval of the board established
8 under section one of chapter forty-nine of the acts
9 of nineteen hundred and thirty-three; and provided
10 further that no such indebtedness in excess of seven
11 million dollars shall be approved by said board un-

12 less the proceeds of such bonds or notes so issued
13 to an amount of seven million dollars shall be inade-
14 quate for the purposes specified in section two; and
15 provided further that no such bonds or notes shall
16 be issued later than the thirty-first day of December,
17 nineteen hundred and forty. Such bonds or notes
18 shall bear on their face the words, City of Boston
19 Funding Loan, Acts of 1938. Each authorized issue
20 shall constitute a separate loan, and such loans shall
21 be paid in not more than fifteen years from their
22 dates. Indebtedness incurred under this section shall,
23 except as herein provided, be subject to chapter
24 forty-four of the General Laws, as appearing in the
25 Tercentenary Edition thereof, exclusive of the limi-
26 tation contained in the first paragraph of section
27 seven of said chapter. The said city may issue tem-
28 porary notes of the city, payable in not more than
29 one year from their dates, in anticipation of the issue
30 of serial bonds or notes authorized by this section,
31 but the time within which such serial bonds or notes
32 shall become due and payable shall not, by reason
33 of such temporary notes, be extended beyond the
34 time fixed by this section. All notes issued in antici-
35 pation of the issue of said serial bonds or notes shall
36 be paid from the proceeds thereof.

1 SECTION 2. The amounts borrowed under au-
2 thority of section one shall be used for meeting so
3 much of the deficits resulting from the satisfaction of
4 abatements on account of tax assessments in each of
5 the years nineteen hundred and twenty-nine to nine-
6 teen hundred and thirty-seven, inclusive, heretofore
7 granted, and for the satisfaction of abatements on
8 account of tax assessments in each of such years

9 hereafter granted, in excess of the overlay or over-
10 lays of such years, and for meeting such other deficits
11 existing as of December thirty-first nineteen hundred
12 and thirty-seven as by law are not required to be
13 included in the amounts to be assessed in the year
14 nineteen hundred and thirty-eight.

1 SECTION 3. The auditor of the said city shall set up
2 a separate account of the proceeds of all loans issued
3 under authority of section one. Charges shall be
4 made against such account only for the purposes au-
5 thorized in section two, and then only with the
6 approval of the mayor.

1 SECTION 4. The assessors of the city of Boston,
2 for the purpose of avoiding fractional divisions of the
3 amount to be assessed in the apportionment thereof
4 and providing for abatements granted on account
5 of taxes assessed, shall add to the amount to be
6 assessed, in each of the years nineteen hundred and
7 thirty-eight to nineteen hundred and forty-two, in-
8 clusive, four per cent, thereof, and in each year there-
9 after, until all loans issued under authority of section
10 one are paid, three per cent, thereof; provided how-
11 ever that should the amounts authorized to be bor-
12 rowed under the provisions of section one be inade-
13 quate for the purposes specified in section two, or
14 should the amount which said assessors are author-
15 ized, under the provisions of this section, to add to
16 the amount to be assessed be inadequate, in any
17 year, for the purposes specified in this section, the
18 said assessors shall add to the amount to be assessed
19 in the following year such additional amount as may
20 be required to fully meet all of such purposes.

1 SECTION 5. From and after the effective date of
2 this act and until all loans issued under authority of
3 section one are paid, the proceeds of all loans made
4 by said city under the provisions of chapter forty-
5 nine of the acts of nineteen hundred and thirty-three,
6 as amended, shall be used for no purpose other than
7 to meet notes issued by said city in anticipation of
8 revenue.

1 SECTION 6. Bonds or notes issued under authority
2 of section one shall, in favor of bona fide holders, be
3 conclusively presumed to have been duly and regu-
4 larly authorized and issued in accordance with the
5 provisions contained in this act; and no holder thereof
6 shall be obliged to see to the existence of the purpose
7 of that issue, or to the regularity of any of the pro-
8 ceedings, or to the application of the proceeds.

1 SECTION 7. Notwithstanding the provisions of any
2 general or special law, from and after the effective
3 date of this act, and in each fiscal year to and includ-
4 ing the fiscal year nineteen hundred and forty-one,
5 all appropriations made under authority of law for
6 any purpose authorized by law, the expenditure of
7 which is required to be met with funds from the
8 treasury of the city of Boston, exclusive of assess-
9 ments on account of the state tax and of all other
10 assessments made by the commonwealth under au-
11 thority of law, shall be subject to the approval of the
12 mayor of said city. No expenditure whatsoever in
13 excess of the appropriations so approved shall be
14 made except as provided in section three of chapter
15 four hundred and eighty-six of the acts of nineteen
16 hundred and nine, as amended.

1 SECTION 8. Subject to the provisions of this sec-
2 tion, the city of Boston by a two thirds vote as de-
3 fined in section one of chapter forty-four of the
4 General Laws, and with the approval of the mayor,
5 and of the board established under section one of
6 chapter forty-nine of the acts of nineteen hundred
7 and thirty-three, may borrow during the year nine-
8 teen hundred and thirty-eight, outside the statutory
9 limit of indebtedness, for use only for meeting appro-
10 priations made or to be made for public welfare,
11 including aid to dependent children and old age as-
12 sistance, soldiers' benefits including state aid, military
13 aid, soldiers' burials and soldiers' relief, and for any
14 federal emergency unemployment relief projects, ex-
15 clusive of public works administration projects, to an
16 amount not more than one half of one per cent of the
17 average of the assessors' valuations of its taxable
18 property for the three preceding years, such valuations
19 to be reduced and otherwise determined as provided
20 in section ten of said chapter forty-four, and may
21 issue bonds or notes therefor, which shall bear on
22 their face the words, City of Boston Municipal Relief
23 Loan, Act of 1938. Each authorized issue shall con-
24 stitute a separate loan, and such loans shall be paid
25 in not more than ten years from their dates and, ex-
26 cept as herein provided, shall be subject to said chap-
27 ter forty-four, exclusive of the limitation contained
28 in the first paragraph of section seven thereof.

29 Loans may be issued hereunder only if said city
30 shall have appropriated to be raised by taxation or
31 appropriated from available funds for the purposes
32 enumerated in the preceding paragraph, an amount
33 not less than seventy-five per cent of the aggregate
34 expenditures for the year nineteen hundred and thirty-

35 seven for public welfare, including aid to dependent
36 children and for old age assistance, soldiers' benefits
37 including state aid, military aid, soldiers' burials and
38 soldiers' relief, excluding any federal emergency un-
39 employment relief projects and expenditures from
40 federal grants made for old age assistance and aid
41 to dependent children, as determined by the board.

1 SECTION 9. The members of the board aforesaid,
2 when acting under this act, shall receive from the
3 commonwealth compensation to the same extent as
4 provided for services under chapter three hundred
5 and sixty-six of the acts of nineteen hundred and
6 thirty-three, as amended.

1 SECTION 10. Loan orders passed under authority
2 of this act shall be deemed to be emergency orders
3 and as such may be passed in such manner as is
4 provided for emergency orders in the charter of said
5 city.

