

# HOUSE . . . . . No. 3122

By Mr. Bisbee of Chesterfield, petition of Charles A. Bisbee, Jr., for legislation to extend further the opportunity to cities and towns to borrow under the act creating the Emergency Finance Board. Municipal Finance.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Two.

AN ACT FURTHER EXTENDING THE OPPORTUNITY TO CITIES AND TOWNS TO BORROW UNDER THE ACT CREATING THE EMERGENCY FINANCE BOARD.

*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. Chapter 49 of the acts of 1933 is hereby amended  
2 by striking out section 2, as most recently amended by section 1  
3 of chapter 205 of the acts of 1961, and inserting in place thereof  
4 the following section: —

5 *Section 2.* The treasurer of any city or town, if authorized by  
6 a two-thirds vote, as defined by section one of chapter forty-four  
7 of the General Laws, and with the approval of the mayor or the  
8 selectmen, may, on behalf of such city or town, petition the board  
9 to approve of its borrowing money from the commonwealth  
10 for ordinary maintenance expenses and revenue loans, and the  
11 board may, if in its judgment the financial affairs of such city  
12 or town warrant, grant its approval to the borrowing as afore-  
13 said of specified sums not at any time exceeding, in the aggre-  
14 gate, the total amount represented by tax titles taken or pur-  
15 chased by such city or town and held by it; provided, that such  
16 borrowing is made at any time or times prior to July first, nine-  
17 teen hundred and sixty-four. In case of such approval, the  
18 treasurer of such city or town shall, without further vote, issue  
19 notes, with interest at such rate as may be fixed by the treasurer  
20 with the approval of the board, in the amount approved by the

21 board, for purposes of sale to the commonwealth only, and said  
22 notes, upon their tender to the state treasurer, shall forthwith  
23 be purchased by the commonwealth at the face value thereof.  
24 Such notes shall be payable in not more than one year, and  
25 may be renewed from time to time, if authorized by the board,  
26 but no renewal note shall be for a period of more than one year,  
27 and the maturity of any loan or renewal shall not be later than  
28 July first, nineteen hundred and sixty-five. Such notes shall be  
29 general obligations of the city or town issuing the same, not-  
30 withstanding the foregoing provisions. Indebtedness incurred  
31 by a city or town under authority of this act shall be outside  
32 its limit of indebtedness as fixed by chapter forty-four of the  
33 General Laws. The excess, if any, of the amount of interest  
34 payments received by the commonwealth on account of notes  
35 issued by cities and towns hereunder over the cost to the com-  
36 monwealth for interest on money borrowed under section five,  
37 expenses of the board, including compensation paid to its ap-  
38 pointive members, and expenses of administration of the funds  
39 provided by sections three and five shall be distributed to such  
40 cities and towns in November, nineteen hundred and sixty-six,  
41 or earlier at the discretion of the board, in the proportion which  
42 the aggregate amounts payable by them on account of interest  
43 on such notes bear to the total amounts so payable by all cities  
44 and towns hereunder.

1 SECTION 2. Said chapter 49 is hereby further amended by  
2 striking out section 5, as most recently amended by section 2 of  
3 said chapter 205 and inserting in place thereof the following  
4 section:—

5 *Section 5.* The state treasurer, with the approval of the  
6 governor and council, may borrow from time to time, on the  
7 credit of the commonwealth, such sums as may be necessary  
8 to provide funds for loans to municipalities as aforesaid, and  
9 may issue and renew notes of the commonwealth therefor, bear-  
10 ing interest payable at such times and at such rate as shall be  
11 fixed by the state treasurer, with the approval of the governor  
12 and council; provided, that the total indebtedness of the com-  
13 monwealth under this section, outstanding at any one time,  
14 shall not exceed ten million dollars. Such notes shall be issued  
15 for such maximum term of years as the governor may recom-  
16 mend to the general court in accordance with section 3 of Article

17 LXII of the Amendments to the Constitution of the Common-  
18 wealth, but such notes, whether original or renewal, shall be  
19 payable not later than June thirtieth, nineteen hundred and  
20 sixty-seven. All notes issued under this section shall be signed  
21 by the state treasurer, approved by the governor and counter-  
22 signed by the comptroller.

