

Accompanying the sixth recommendation of the Department of Revenue (House, No. 223). Local Affairs.

The Commonwealth of Massachusetts

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

AN ACT EXTENDING TO COUNTIES THE AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS WITH BANKING INSTITUTIONS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 44 of the General Laws is hereby amended by striking
2 out section 53F, as added by section 1 of chapter 740 of the acts of
3 1985, and inserting in place thereof the following section: —

4 Section 53F. Notwithstanding any general or special law to the
5 contrary, a treasurer or collector of a city, town, district or county is
6 authorized to enter into written agreements for a period not to
7 exceed three years, with banking institutions having their principal
8 offices in the commonwealth, pursuant to which such treasurer or
9 collector agrees to maintain on deposit in said institutions specified
10 amounts of the funds of the municipality, district or county in
11 return for said institutions providing banking services. The type of
12 services that so qualify shall be prescribed by the commissioner of
13 revenue.

14 Such agreements shall be in a form approved by said commis-
15 sioner and shall contain such terms and conditions as he may deem
16 appropriate to ensure fiscal stability and full disclosure. Each such
17 agreement shall include the total amount that may be required to be
18 on deposit at all times; and, if said amount may vary from time to
19 time, every such agreement shall specify a minimum total amount
20 that may be required to be on deposit at any time. If the city, town,
21 district or county fails to maintain the agreed amount on deposit,
22 the city, town, district or county shall not be authorized to appro-
23 priate funds for such purpose.

24 No such agreement shall be effective unless and until it has been
25 approved in a town having a town council, by the town council; in a
26 city by the city council and the mayor if required by law; in a
27 regional school district, by the regional school committee; in any
28 other district, by the district meeting; and in a county, by the county
29 commissioners. With respect to any other town, no such agreement
30 shall be effective unless and until the town meeting has authorized
31 its treasurer or collector to enter into such agreements under the
32 provisions of this section during the fiscal year in which such
33 agreement takes effect and such agreement has been approved by
34 the selectmen of such town.

35 Said commissioner shall promulgate, and from time to time
36 revise, reasonable rules, regulations, standards and guidelines
37 necessary to promote prudent fiscal management and to ensure that
38 such agreements are not utilized to circumvent the appropriation
39 process or other provisions of law.

40 As used in this section, "district" shall include a regional school
41 district.

42 A treasurer or collector who has entered into an agreement
43 pursuant to this section shall file with the commissioner, in such
44 form and at such time as the commissioner shall prescribe, such
45 information as the commissioner shall require in order to determine
46 whether funds maintained on deposit with a banking institution
47 have exceeded the amount required by said agreement. The com-
48 missioner shall report annually on agreements maintained pur-
49 suant to this section. Such report shall identify, for each city, town,
50 district or county maintaining such agreement, each banking insti-
51 tution with which such agreement was maintained in the year
52 covered by the report, and the average daily amount, if any, main-
53 tained on deposit with such banking institution in excess of the
54 amount necessary to fulfill the terms of agreements. A copy of such
55 report shall be provided to the collector or treasurer, the mayor and
56 city council, the selectmen, the regional school committee, the
57 prudential committee, if any, otherwise the commissioners, of each
58 city, town, district or county named therein, and a copy of the same
59 shall be furnished to the inspector general.