

By Mr. Hynes of Marshfield, petition of the Massachusetts Municipal Association, Frank M. Hynes and Marc R. Pacheco for legislation to facilitate the financing of federally aided projects by counties, cities, towns and districts. Local Affairs.

The Commonwealth of Massachusetts

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

AN ACT TO FACILITATE THE FINANCING OF FEDERALLY AIDED PROJECTS
BY COUNTIES, CITIES, TOWNS, AND DISTRICTS.

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 35 of the General Laws is hereby
2 amended by inserting after Section 37B, the following section: —
3 Section 37C. If a county shall have an agreement with the
4 federal government whereby such government grants such county
5 a sum of money for any purpose, and shall be required primarily
6 to pay that portion of the expense for which reimbursement is
7 to be received from the grant, the treasurer of such county, with
8 the approval of the county commissioners, may incur debt in
9 anticipation of the receipt of the proceeds of such grant, to an
10 amount not exceeding the amount of the grant as shown by the
11 grant agreement, and may issue notes therefor, to be payable not
12 exceeding two years from their dates, and may refund the same
13 from time to time; provided, however, that no loan shall be so
14 refunded unless the treasurer shall certify in a writing filed in the
15 office of the county clerk, where it shall be open to inspection by
16 the public, that at the time such loan is refunded, the county
17 remains entitled to receive reimbursement from the grant in an
18 amount at least equal to the amount of the refunding loan. The
19 proceeds of such reimbursement shall be applied to the discharge
20 of the loan, without the necessity of further appropriation. In the
21 event the county shall not longer be entitled to receive
22 reimbursement from the grant in an amount sufficient to pay all

23 or any portion of a loan issued under this section at the time such
24 loan matures, the loan shall be paid from revenue funds of the
25 county to the extent it can no longer be refunded under this
26 section. The amount of a payment made by a county as provided
27 in the preceding sentence shall be levied by the county
28 commissioners in the next annual county tax, unless other
29 provision has been made therefor.

1 SECTION 2. Chapter 44 of the General Laws is hereby
2 amended by inserting after section 6A, the following section: —

3 Section 6B. If a city, town, or district shall have an agreement
4 with the federal government whereby such government grants
5 such city, town, or district a sum of money for any purpose, and
6 shall be required primarily to pay that portion of the expense for
7 which reimbursement is to be received from the grant, the
8 treasurer of such city, town, or district, with the approval of the
9 mayor, selectmen, prudential committee, commissioners, or
10 trustees, as the case may be, may incur debt outside the debt limit
11 in anticipation of the receipt of the proceeds of such grant, to an
12 amount not exceeding the amount of the grant as shown by the
13 grant agreement, and may issue notes therefor, payable in not
14 exceeding two years from their dates, and may refund the same
15 from time to time; provided, however, that no loan shall be so
16 refunded unless the auditor, in case of a city, or the accountant
17 or chief accounting officer in the case of a town or district which
18 has such an officer, otherwise the treasurer, shall certify in a
19 writing filed in the office of the treasurer, where it shall be open
20 to inspection by the public, that at the time such loan is refunded,
21 the city, town, or district remains entitled to receive reimburse-
22 ment from the grant in an amount at least equal to the amount
23 of the refunding loan. The proceeds of such reimbursement shall
24 be applied to the discharge of the loan, without the necessity of
25 further appropriation. In the event the city, town, or district shall
26 no longer be entitled to receive reimbursement from the grant in
27 an amount sufficient to pay all or any portion of a loan issued
28 under this section at the time such loan matures, the loan shall
29 be paid from revenue fund of the city, town, or district to the
30 extent it can no longer be refunded under this section. A payment
31 made by a city, town, or district as provided in the preceding

32 sentence shall be reported by the auditor or accountant or other
33 officer having similar duties, or by the treasurer if there be no such
34 officer, to the assessors, who shall include the amount so reported
35 in the determination of the next annual tax rate, unless the city,
36 town, or district has otherwise made provision therefor.

1 SECTION 3. Section 8 of Chapter 44 of the General Laws is
2 hereby amended by inserting after clause (2), the following
3 clause: —

4 (21) For projects for which the federal government or any
5 agency thereof has offered or agreed to make a grant of federal
6 funds and for which borrowings are not authorized by section
7 seven, this section or other provisions of law, such amounts and
8 for such period of time as may be approved by the emergency
9 finance board but not exceeding thirty years. Each city or town
10 seeking approval by the emergency finance board of a loan under
11 this clause shall submit to it all information required by said board
12 with respect to the financial condition of the city or town, its
13 outstanding indebtedness, if any, the estimated cost of the project,
14 the necessity therefor, and the proposed method of financing the
15 same. In determining the maximum term of a loan under this
16 clause, said board shall take into consideration, among other
17 things, the useful life or extended useful life of the project.

1 SECTION 4. Chapter 44 of the General Laws is hereby
2 amended by striking out section 53B and inserting in place thereof
3 the following section: —

4 Section 53B. Any sums allotted and paid by the federal
5 government or the Commonwealth to a city, town, or district as
6 a contribution towards the costs of a useful public works project,
7 the federal government's or the Commonwealth's share of the cost
8 of which project was financed from the proceeds of a loan issued
9 by such city, town, or district, shall be applied toward the payment
10 of such loan.

1 SECTION 5. Any officer or department of a county, city, town
2 or district charged with the duty of carrying out any public works
3 project in cooperation with the federal government shall have, in
4 addition to any powers expressly given by statute, such powers

5 as may be reasonably necessary to carry out such project in
6 conformity with applicable federal laws and rules and regulations.

1 SECTION 6. Sections one through five of Chapter 74 of the
2 Acts of 1945, as amended, are hereby repealed; provided, however,
3 that the passage of this Act shall not affect the validity of any
4 action taken or authorized to be taken by a county, city, town,
5 or district pursuant to said Chapter 74, as amended, prior to the
6 effective date of this Act.