

Accompanying the twenty-second recommendation of the Department of Revenue (House, No. 231). Local Affairs.

The Commonwealth of Massachusetts

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

AN ACT CLARIFYING THE USE OF PROCEEDS FROM THE SALE OF BONDS AND NOTES.

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, as appearing in the
2 1990 Official Edition, is hereby amended by striking out
3 section 20 and inserting in place thereof the following section: —
4 Section 20. The proceeds of any sale of bonds or notes, except
5 premiums and accrued interest, shall be used only for the purposes
6 specified in the authorization of the loan, and may also be used
7 for costs of preparing, issuing and marketing such bonds or notes,
8 except as otherwise authorized by this section. If a balance
9 remains after the completion of the project for which the loan was
10 authorized, such balance may at any time be appropriated by a
11 city, town or district for any purposes for which a loan may be
12 incurred for an equal or longer period of time than that for which
13 the original loan, including temporary debt, was issued. Any such
14 balance not in excess of one thousand dollars may be appropriated
15 for the payment of the principal of such loan. If a loan has been
16 issued for a specified purpose but the project for which the loan
17 was authorized has not been completed and no liability remains
18 outstanding and unpaid on account thereof, a city by a two-thirds
19 vote of all of the members of the city council, or a town or district,
20 by a two-thirds vote of the voters present and voting thereon at
21 an annual town or district meeting, may vote to abandon or
22 discontinue the project and the unexpended proceeds of the loan
23 may thereupon be appropriated for any purpose for which a loan

24 may be authorized for an equal or longer period of time than that
 25 for which the original loan, including temporary debt, was issued.
 26 Any premium received upon such bonds or notes, less the cost
 27 of preparing, issuing and marketing them, and any accrued
 28 interest received upon the delivery of said bonds or notes shall
 29 be paid to the city, town or district treasury. Notwithstanding the
 30 provisions of this section, no appropriation from a loan or balance
 31 thereof shall be made which would increase the amount available
 32 from borrowed money for any purpose to an amount in excess
 33 of any limit imposed by general law or special act for such purpose.