

Accompanying the sixth recommendation of the Department of Revenue (House, No. 255). Local Affairs.

The Commonwealth of Massachusetts

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

AN ACT RELATING TO MUNICIPAL LEASING OF DEPARTMENTAL EQUIPMENT.

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 44 of the General Laws is hereby
2 amended by adding, after Section 8C, the following new
3 section: —

4 Section 8D. Cities, towns and districts may enter into leases,
5 including leases with an option to purchase, or installment pur-
6 chase agreements, for a period not exceeding ten years, for the
7 acquisition or use of departmental equipment. Any such lease or
8 installment purchase agreement for a term of more than one year
9 shall be authorized by a majority vote, as defined in section one of
10 chapter forty-four, and the payments thereunder shall be subject to
11 annual appropriation by the city, town or district; provided,
12 however, that the lease or installment purchase agreement may
13 provide that such payments shall be unconditional and shall not be
14 subject to annual appropriation, if such provision is expressly
15 authorized by a two-thirds vote, as defined in said section one,
16 and if, for leases or installment purchase agreements for a period
17 longer than five years, the terms of the lease or installment
18 purchase agreement containing such provision have been
19 approved as reasonable by the emergency finance board. If the
20 lease or installment purchase agreement provides that payments
21 thereunder shall be unconditional and not subject to annual appro-
22 priation and has been authorized and approved as aforesaid, the
23 amounts payable thereunder in each fiscal year shall be included
24 in the taxes assessed for such year pursuant to section twenty-
25 three of chapter fifty-nine, unless such amounts have been other-

26 wise provided for. If payments under a lease or installment pur-
27 chase agreement are not unconditional, but subject to annual
28 appropriation, an annual appropriation shall be separately iden-
29 tified in the municipal budget for each lease requiring such an
30 appropriation.

31 A lease or installment purchase agreement entered into under
32 this section shall be signed by the officers authorized by section
33 sixteen of chapter forty-four to sign and countersign bonds or
34 notes of the city, town or district and by the auditor or accountant
35 or other officer of the city, town or district having similar duties,
36 if any, and such officers shall determine the terms and conditions
37 thereof, subject to the provisions and limitations of this section
38 and to any limitations in the vote authorizing such lease or
39 agreement.

40 The amounts payable pursuant to a lease or installment pur-
41 chase agreement entered into under this section, exclusive of any
42 amounts which are specifically designated therein as payments of
43 interest, shall be included in the limitation on indebtedness
44 provided in section ten if such lease or installment purchase
45 agreement provides that payments thereunder shall be uncondi-
46 tional and not subject to annual appropriation, but not otherwise.

47 A lease or installment purchase agreement entered into pur-
48 suant to this section shall be deemed to be a contract for the
49 purchase of equipment for purposes of Chapter Thirty B.

1 SECTION 2. This Act shall take effect upon passage.