

By Messrs. Natsios of Holliston and Moore of Uxbridge, petition of Andrew S. Natsios, other members of the General Court and another relative to requiring full state funding of state mandated programs and administrative rules and regulations. Taxation.

The Commonwealth of Massachusetts

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

AN ACT REQUIRING FULL STATE FUNDING OF STATE MANDATED PROGRAMS AND ADMINISTRATIVE RULES AND REGULATIONS.

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 29 of the General Laws is hereby amend-
2 ed by inserting after section 27B the following new section: —

3 *Section 27C.* Inasmuch as total taxes borne by the people of the
4 commonwealth, and in particular the property taxes imposed by
5 the cities and towns, have become unduly burdensome, and since it
6 is the will of the people of the commonwealth that local taxes
7 should not take an increasing share of total personal income, it is
8 therefore declared and enacted that,

9 Notwithstanding any provision of any special or general law to
10 the contrary:

11 (a) Any law imposing any direct service or cost obligation upon
12 two or more cities or towns shall become effective in any city or
13 town only if such law is accepted by vote or by the appropriation of
14 money for such purposes, in the case of a city by the city council in
15 accordance with its charter, and in the case of a town by a town
16 meeting, unless the general court, at the same session in which such
17 law is enacted, provides, by general law and by appropriation, for
18 the assumption by the commonwealth of such cost, exclusive of
19 incidental local administration expenses.

20 (b) Any law granting or increasing exemptions from local taxa-
21 tion shall become effective in any city or town only if the general

22 court, at the same session in which such law is enacted, provides by
23 general law and by appropriation for payment by the common-
24 wealth to each city and town of any loss of taxes resulting from
25 such exemption.

26 (c) Any administrative rule or regulation which shall result in
27 the imposition of additional costs upon any city or town shall not
28 become effective until the general court has provided by general
29 law and by appropriation for the assumption by the common-
30 wealth of such cost, exclusive of incidental local administration
31 expenses.

32 (d) Any two or more cities or towns, any committee of the
33 general court, and either house of the general court by a majority
34 vote of its members, may submit written notice to the division of
35 local mandates, established under section six of chapter eleven of
36 the General Laws, requesting that the division determine whether
37 the costs imposed by the commonwealth by any law, rule or
38 regulation subject to the provisions of this section have been paid
39 in full by the commonwealth in the preceding year and, if not, the
40 amount of any deficiency in such payments. The division shall
41 make public its determination within sixty days after such notice.

42 (e) Any two or more cities or towns, or any ten taxable inhabit-
43 ants of any city or town may in a class action suit petition the
44 superior court alleging that under the provisions of subsections (a),
45 (b) and (c) of this section with respect to a general or special law or
46 rule or regulation of any administrative agency of the common-
47 wealth under which any two or more cities or towns are required to
48 expend funds in anticipation of reimbursement by the common-
49 wealth, the amount necessary for such reimbursement has not been
50 included in the general or any special appropriation bill for any
51 year. Any two or more cities or towns, or any ten taxable inhabit-
52 ants of any city or town may in a class action suit petition the
53 superior court alleging that under the provisions of subsections (a),
54 (b) and (c) of this section with respect to any general or special law,
55 or rule or regulation of any administrative agency of the Common-
56 wealth which imposes additional costs on two or more cities and
57 towns or which grants or increases exemptions from local taxation,
58 the amount necessary to reimburse said cities or towns has not been
59 included in the general or any special appropriation bill for any

60 year. The determination of financial effects provided by the divi-
61 sion of local mandates under subsection (d) of this section shall be
62 prima facie evidence of the amount necessary. The court shall
63 determine the amount of the deficiency, if any, and shall order the
64 treasurer of the commonwealth to reimburse each city and town
65 the amount of said deficiency. Reimbursements by the treasurer
66 shall be a charge against the general fund and shall not reduce other
67 local aid distributions.

68 (f) Any of the parties permitted to submit written notice to the
69 division of local mandates under subsection (d) of this section may
70 submit written notice to the division requesting that the division
71 determine the total annual financial effect for a period of not less
72 than three years of any proposed law or rule or regulation of any
73 administrative agency of the commonwealth. The division shall
74 make public its determination within sixty days of such notice.

75 The provisions of this section shall not apply to any costs to cities
76 and towns or exemptions to local taxation resulting from a deci-
77 sion of any federal or state court, or to any law, rule or regulation
78 that is a direct result of such a decision.

1 SECTION 2. Chapter II of the General Laws is hereby amend-
2 ed by striking out section 6 and inserting in place thereof the
3 following section: —

4 *Section 6.* The state auditor may appoint and remove such
5 employees as the work of the department may require. Said em-
6 ployees shall be organized in five divisions, namely, the division of
7 state audits, the division of authority audits, the division of federal
8 audits, the division of contract audits and the division of local
9 mandates. The state auditor shall establish the salaries, duties and
10 personnel regulations of all officers and employees within the
11 department of the state auditor; provided, however, that the sala-
12 ries of said officers and employees shall not exceed the sum annually
13 appropriated therefor by the general court. The provisions of
14 sections nine A and forty-five of chapter thirty, chapter thirty-one
15 and chapter one hundred and fifty E shall not apply to officers and
16 employees within the department of the state auditor.

1 SECTION 3. Chapter II of the General Laws is hereby amend-
2 ed by inserting after section 6A the following new section: —

3 *Section 7.* The division of local mandates, as provided for in
4 section six of this chapter, shall have the responsibility of determin-
5 ing to the best of its ability and in a timely manner the estimated
6 and actual financial effects on each city and town of laws, and rules
7 and regulations of administrative agencies of the Commonwealth,
8 either proposed or in effect, as required under section twenty-seven
9 C of chapter twenty-nine of the General Laws.

10 The division shall catalogue all laws, rules and regulations in
11 existence on the effective date of this act that impose costs on two
12 or more cities or towns or that grant or increase exemptions from
13 local taxation, and shall update the catalogue to include all laws,
14 rules or regulations as described in subsections (a), (b) and (c) of
15 said section twenty-seven C. The catalogue shall be open for public
16 inspection during regular office hours.

17 The division shall have the power to require the chief officer of
18 any appropriate administrative agency of the commonwealth to
19 supply in a timely manner any information determined by the
20 division to be necessary in the determination of local financial
21 effects under said section twenty-seven C. The chief officer shall
22 convey the requested information to the division with a signed
23 statement to the effect that the information is accurate and com-
24 plete to the best of his ability.

25 The division, when requested under the provisions of subsec-
26 tions (d) and (f) of said section twenty-seven C, shall update its
27 determination of financial effects based on either actual cost fig-
28 ures or improved estimates or both.