HOUSE . . . . . No. 4329

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, October 29, 2007.

The committee on Municipalities and Regional Government, to whom was referred so much of the message from His Excellency the Governor recommending legislation relative to establishing the municipal partnership act (House, No. 3749) (as relates to sections 9 to 19, inclusive, section 21 and sections 34, 35 and 36), reports that the accompanying bill (House, No. 4329) ought to pass.

For the committee,

VINCENT A. PEDONE.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO BORROWING BY CITIES AND TOWNS.

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

SECTION 1. Section 7 of Chapter 44 of the General Laws, as so appearing, is hereby amended by inserting after the word "specified", in line 3, the following words:— or, except with respect to clauses (11), (16), (18), (21) and (22), within such longer period not to exceed 30 years based upon the maximum useful life of the public work, improvement or asset being financed, as determined by the mayor or town council or the board of selectmen of a town without a town council.

SECTION 2. Said Section 7 of said Chapter 44, as so appearing, is hereby further amended by striking out in lines 50 to 53 the words "or for such maximum term, not exceeding 15 years, based upon the maximum useful life of the equipment as determined by the board of selectmen or the mayor or city manager of the city or town".

SECTION 3. Said Section 7 of said Chapter 44, as so appearing, is hereby further amended by inserting after clause (31) the following clause:—

(32) For any other public work, improvement or asset not specified in any of the above clauses, with a maximum useful life of at least 5 years, determined as provided in the first sentence of this section, 5 years.

SECTION 4. Section 8 of said Chapter 44, as so appearing, is hereby amended by inserting after the word "specified", in line 3, the following words:— or except with respect to clauses (1), (2), (3A), (5), (6), (7), (9) and (19), within such longer period not to exceed 30 years based upon the maximum useful life of the public work, improvement or asset being financed as determined by the

mayor or town council or the board of selectmen of a town without a town council.

SECTION 5. Said Section 8 of said Chapter 44, as so appearing, is hereby further amended by striking out, in lines 77 and 78, the words "a board composed of the attorney general, the state treasurer and the director" and inserting in place thereof the following words:— the municipal finance oversight board.

SECTION 6. Said Section 8 of said Chapter 44, as so appearing, is hereby further amended by inserting after the word "vote", in line 190, the following words:— , provided, however, that debt under clause (9) of this section may be authorized by the treasurer of a city, with the approval of the official whose approval is required by the city charter in the borrowing of money, the treasurer of a town with a town council form of government, with the approval of the official whose approval is required by the town charter in the borrowing of money, the treasurer of a town without a town council form of government, with the approval of the board of selectmen, and the treasurer of a district, with the approval of the prudential committee, if any, otherwise of the commissioners.

SECTION 7. Section 9 of said Chapter 44, as so appearing, is hereby amended by inserting after the word "eight", in line 3, the following words:— with the determination of the maximum useful life of any public work, improvement or asset under these sections being determined by the prudential committee, if any, or otherwise by the board of commissioners,

SECTION 8. Said Chapter 44 is hereby further amended by striking out Section 19, as so appearing, and inserting in place thereof the following section:—

Cities, towns and districts shall not issue any notes payable on demand, and they shall provide for the payment of all debts, except temporary loans incurred under Sections 4, 6, 6A, 8C, and 17, or under Section 3 of Chapter 74 of the acts of 1945, by annual payments that will extinguish the same at maturity, and so that the first of these annual payments on account of any serial

loan shall be made not later than the end of the next complete fiscal year commencing after the date of the bonds or notes issued for the serial loan, and shall be arranged so that for each issue the amounts payable in the several years for principal and interest combined shall be as nearly equal as practicable in the opinion of the officers authorized to issue the bonds or notes, or in the alternative, in accordance with a schedule providing a more rapid amortization of principal; and these annual amounts, together with the interest on all debts, shall, without further vote, be assessed until the debt is extinguished.

SECTION 9. Section 21A of said Chapter 44, as so appearing, is hereby amended by inserting after the word "law", in line 10, the following words:— , and provided further that no order or vote authorizing the issuance of refunding bonds or notes shall be subject to any referendum provisions contained in any general or special law, any city or town charter, any city ordinance or town by-law, or other provision.

SECTION 10. Section 22 of said Chapter 44, as so appearing, is hereby amended by adding the following sentence:—

Notwithstanding the above, the selectmen may delegate to the town treasurer the approval of the rate or rates of interest with any limitations that the selectmen determine to be in the best interests of the town.

SECTION 11. Section 22A of said Chapter 44, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:—

Bonds or notes issued by a city may be secured in whole or in part by insurance or by letters or lines of credit or other credit facilities, provided that the city treasurer and mayor or city manager, as applicable, determine that issuing bonds or notes on this basis is in the best interests of the city.

SECTION 13. Subsection (f) of Section 28C of Chapter 44 of the General Laws, as so appearing, is hereby amended by inserting after the first sentence the following sentence:—

4 A city or town may provide that a fee or charge imposed under
5 this subsection is mandatory unless the city or town grants an
6 exemption. Fees or charges collected by the city or town need not
7 be maintained in a separate fund.

1 SECTION 14. (a) There shall be a special commission to study
2 the uses of state technology at a municipal level. The commission
3 shall consist of:— the secretary of administration and finance or a
4 designee, who shall serve as chair; a representative of the infor-
5 mation technology division, a representative of the operational
6 services division, a representative of the division of local services,
7 a representative of the office of geographic and environmental
8 information, a representative of the Massachusetts Municipal
9 Association, a representative of the Metropolitan Area Planning
10 Council and the chairs of the joint committee on municipalities
11 and regional government.
12 (b) The study shall consider methods by which municipalities
13 could benefit from technology used by the commonwealth,
14 including but not limited to use of commonwealth websites for
15 municipal purposes, use of commonwealth technology for pur-
16 chasing, geographic information systems and other information
17 services.
18 (c) The commission shall report not later than March 1, 2008,
19 to the senate president, minority leader of the senate, senate com-
20 mittee on ways and means, speaker of the house of representa-
21 tives, minority leader of the house of representatives and the
22 house committee on ways and means.

1 SECTION 15. (a) There shall be a special commission to con-
2 sider ways to grant increased local authority in areas currently
3 requiring home rule petitions. The commission shall also investi-
4 gate methods for providing incentives for best municipal fiscal
5 practices and regionalization of municipal services in the
6 following areas:—
7 (a) accounting, auditing, and financial reporting,
8 (b) budgeting (including budget process, revenues and expendi-
9 ture forecasting),
10 (c) cash management,
11 (d) debt management,

12 (e) economic development and capital planning,
13 (f) retirement and benefits administration,
14 (g) energy cost management, and
15 (h) regional alliances.
16 (b) The commission shall consist of:— the secretary of admin-
17 istration and finance or a designee, who shall serve as chair, a rep-
18 resentative of the division of local services, a representative of the
19 Massachusetts Municipal Association, a representative of the Met-
20 ropolitan Area Planning Council and the chairs of the joint com-
21 mittee on municipalities and regional government.
22 (c) The commission shall report not later than March 1, 2008,
23 to the senate president, minority leader of the senate, senate com-
24 mittee on ways and means, speaker of the house of representa-
25 tives, minority leader of the house of representatives and the
26 house committee on ways and means.

1 SECTION 16. Fees or charges imposed by a city or town for
2 the collection or disposal of solid waste before the effective date
3 of this act shall be enforceable if they comply with subsection (f)
4 of Section 28C of Chapter 44 of the General Laws, as amended by
5 Section 6 of this act.