To keep you informed of legislative developments during the year, the Division of Local Services publishes on a periodic basis a **BULLETIN** summarizing any new laws enacted that affect municipal budgets and local tax assessment, administration and collection. Each issue contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued or will issue any further implementation guidelines.

Attached is the **2000 edition** of the **LEGISLATIVE BULLETIN**. It includes any legislative changes affecting municipal finance found in Chapters 1 – 428 of the Acts of 2000.

Copies of these new laws can be obtained from the State Bookstore located in Room 116 of the State House.
2000 LEGISLATION

Ch. 12  MUNICIPAL LIGHTING PLANT TELECOMMUNICATION SYSTEMS

An Act Relative to Municipal Lighting Plants.

Adds a new section to G.L. Ch. 164, which governs the establishment and operation of municipal light plants. The new provision, G.L. Ch. 164 §47E, authorizes a municipal lighting plant, or cooperative public corporation formed by a municipal lighting plant, to construct, purchase, lease and maintain telecommunications facilities. Municipalities are also now authorized to borrow under G.L. Ch. 44 §8(8) for up to 20 years to establish, extend or enlarge telecommunications systems operated by a municipal lighting plant or under G.L. Ch. 44 §8(8A) for up to 10 years to remodel, reconstruct or make extraordinary repairs to those systems. Plants operating and maintaining telecommunication systems are subject to some regulation by the Department of Telecommunications and Energy regarding their customer service and rates, as well as to the same provisions of the municipal finance laws under G.L. Ch. 44 that apply to their other operations.

Ch. 19  TAX ESCROW REQUIREMENTS

An Act Further Regulating the Tax Escrow Requirements for Certain Mortgages.

Amends G.L. Ch. 167E §2(B) to eliminate the requirement for paying taxes and betterments from tax escrow accounts when a bank makes or acquires an 80 percent mortgage loan and the loan exceeds 70 percent of the value of the real estate. Also see Chapter 152 of the Acts of 2000 below.

Ch. 31  PHYSICAL FITNESS STANDARDS FOR POLICE AND FIRE

An Act Relative to the Requirements for In-Service Physical Fitness Standards.
Effective February 18, 2000.
Amends G.L. Ch. 31 §61A by extending time limitations for physical fitness reexaminations generally from 60 and 90 days to 16 weeks before a police officer or firefighter must be terminated for failing to pass the standards. No time limit is placed on the initial examination, which before the amendment had to be conducted within 30 days from the appointment. In-service exams are now mandated once every four years rather than the every two before the amendment. Additional safeguards are provided for employees, requiring adherence to collective bargaining or civil service notice and procedural requirements before termination and limiting the issue for determination to whether conditions beyond the control of the officer mitigate against termination and warrant reexamination within one year of the decision. Reexamination is the sole remedy available to the decision-maker.

Ch. 70

CONTINGENT APPROPRIATIONS

An Act Relative to Appropriations after Certain Municipal Ballot Questions.

Extends the time established by G.L. Ch. 59 §21C(m) for towns to hold an election and obtain voter approval of a Proposition 2½ override and exclusion question intended to fund a “contingent appropriation.” A contingent appropriation is an appropriation from the tax levy, an available fund or borrowing that is voted by town meeting expressly subject to or contingent upon the subsequent approval of a Proposition 2½ override or exclusion question.

Towns will now have until September 15 to obtain voter approval of an override or exclusion question for a contingent appropriation made at an annual town meeting. A question for a contingent appropriation made at any other town meeting must be approved within 90 days after the meeting dissolves. The question may be presented to the voters at more than one election, but if not approved by the applicable deadline, the appropriation is null and void. Previously, a contingent appropriation became null and void if the related question was not approved at a referendum election held within 45 days of the dissolution of the town meeting at which the appropriation was voted or, alternatively, in the case of an unsuccessful referendum at such a timely scheduled election, if not approved within 90 days of the dissolution of the meeting.
If contingent appropriations are voted from the tax levy, the Department of Revenue cannot approve the tax rate until the related override or exclusion question, or the deadline for holding an election, has passed, whichever occurs first. BULLETIN 2000-05B issued May 2000.

Ch. 105 TOWN REPORTS

An Act Authorizing Towns to Provide for their Printing of the Annual Reports on a Fiscal Year Basis.
Effective September 15, 2000.

Amends G.L. Ch. 40 §49, which requires the publication of annual town reports. Currently, the report of the town accountant is prepared on a fiscal year basis, but other officials report on a calendar year basis. Under the amendment, a town may now by by-law require reports of all town departments, boards and officials be prepared on a fiscal year basis in order to correspond with the town’s financial year.

Ch. 114 TEACHERS’ RETIREMENT

An Act Improving Teacher Recruitment, Retention and Retirement.

Amends G.L. Ch. 32 to provide alternative enhanced retirement benefits for teachers with 30 or more years of creditable service. The alternative is voluntary for current members with an irrevocable election required between January 1, 2001 and July 1, 2001. It will become mandatory for members hired after July 1, 2001. No retirement will be allowed under this system until July 1, 2001. Members participating in the program will have an eleven percent contribution rate. Benefits increase at two percent per year in excess of 24 years of service. Thus, a twelve percent increase applies after 30 years of service. The act also authorizes a buy-back of creditable service for teachers on maternity leave before 1975. See Massachusetts Teachers’ Retirement Board Legislative Update at www.magnet.state.ma.us/mtrb/refdocs/luph5116.htm.
Ch. 123 PUBLIC EMPLOYEE RETIREMENT AGE RESTRICTIONS

An Act Relative to the Contributory Retirement System for Public Employees.

Amends G.L. Ch. 32 to eliminate numerous age-related requirements and limitations that conflict with the Federal Age Discrimination in Employment Act. Thus, no maximum age or age related benefit limitations will apply to non-public safety public employees. It removes a prohibition on receiving a return of accumulated deductions upon reaching age 55 and removes an age limit of 55 for a member to receive an ordinary disability pension. Maximum age restrictions still apply to public safety officers. See Public Employee Retirement Administration Commission (PERAC) Memo No. 27.

Ch. 128 ELECTRIC GENERATING PLANT TAX AGREEMENTS

An Act Further Regulating the Provision of Electricity and Other Services.
Effective September 26, 2000.

§§2 and 13 Tax Agreements. Amends G.L. Ch. 59 §38H to clarify that wholesale as well as retail electric generation companies may enter into agreements with the municipalities in which electric generating plants are located for payments in lieu of taxes under the Electric Restructuring Act, Chapter 164 of the Acts of 1977. The amendment is retroactive to November 25, 1997, the effective date of the act.

Ch. 152 TAX ESCROW REQUIREMENTS

An Act Relative to the Management of Savings Banks and Tax Escrow Requirements of Certain Mortgages.
Effective October 26, 2000.

Eliminates the requirement for paying taxes and betterments from tax escrow accounts when a Massachusetts bank or credit union makes or acquires mortgages. It also allows a Massachusetts bank or credit union to waive the requirements for paying taxes and betterments on mortgages held by the bank or credit union and executed before the effective date of the act. Also see Chapter 19 of the Acts of 2000 above.
Ch. 159 FY2001 STATE BUDGET


Effective July 1, 2000, but sections not related to appropriations and subject to referendum cannot take effect for at least 90 days after the act became law, i.e., until October 26, 2000.

§3 Expenditure of Excess Chapter 70 School Aid. Authorizes municipalities to make available without appropriation to their school districts Chapter 70 school aid that exceeds the amounts contained in the Governor’s budget (House Bill 1A). The section requires a vote of the board of selectmen, after the recommendation of the finance committee, in a town or the city council, and mayor if required by law, in a city. Regional school districts may use the excess funds upon a two-thirds vote of the municipalities making up the district in the manner specified above.

§6 Advance Local Aid. Authorizes the State Treasurer to advance payments of FY2001 local aid distributions to a city, town, regional school district or independent agricultural and technical school that demonstrates an emergency cash shortfall, as certified by the Commissioner of Revenue and approved by the Secretary of Administration and Finance. Informational Guideline Release (IGR) 00-101 issued November 2000.

§8 Highway Fund Reimbursements. Provides that distribution of highway fund allocations for costs actually incurred for highways will be in the same proportion as for FY2000.

§§65 to 78 Amendments to Chapter 30B Bidding Law. These sections amend G.L. Ch. 30B, the Uniform Procurement Act, so that advertised bids or proposals must now be sought for contracts of $25,000 or more and quotes solicited for contracts between $5,000 and $25,000. A governmental body is also authorized to increase by up to 25 percent the quantity of supplies and services in a contract. Time for acceptance of bids may be extended up to 45 days with the agreement of the highest apparent responsible and responsive bidder.
Other provisions exempt from Ch. 30B bidding procedures any contracts to dispose of supplies to any federal agency or governmental entity, authorize appointment of a chief procurement officer for an authority or governmental body by its governing board, authorize a reduction in unit price of supplies or services during a contract or in an option to renew, increase from $500 to $5000 the amount of surplus property that may be disposed of using written procedures of the governing body, and make acquisitions or dispositions of real property interests between federal and other governmental entities less restrictive.

§§87, 88, 97 to 100 Elimination of Remarriage Penalty for Pension Benefits. Eliminates current prohibition on receipt of pension benefits for surviving spouses that remarry, including killed in the line of duty and death in service benefits.

§§89, 90 and 486 Surviving Spouse Benefits Under Option C Pension. Amends survivors’ benefits to eliminate one-third reduction under Option C for death in service benefits. The changes apply to applications filed after February 1, 2000.

§91 Repayment of Retirement Benefit Overpayments. Allows retirement boards to waive repayment of overpaid benefits if the error was not the result of erroneous information provided by the member or beneficiary, the error continued for more than a year and the member or beneficiary had no knowledge of the error and no reason to believe the amount was incorrect. It applies to original demands for repayment made on or after January 1, 1995.

§§109 to 113 and 487 Exemptions for Surviving Spouses of Disabled Veterans. These sections extend exemptions available to disabled veterans other than those who qualify for the basic $250 exemption under G.L. Ch. 59 §5(22) to their surviving spouses regardless of marital status. These veterans qualify for higher exemption amounts ranging from $425 to $950 under G.L. Ch. 59 §5(22A), (22B), (22C) and (22E). Previously, their surviving spouses only qualified for the basic $250 exemption benefit and that reduced benefit was eliminated if the spouse remarried. G.L. Ch. 59 §5(22)(d). Surviving spouses of qualified veterans who died before or after the effective date of these amendments are eligible for the higher exemption benefit. Eligible applicants are not limited to those whose veteran spouses actually received a Clause 22A, 22B, 22C or 22E exemption. The veteran spouse need only have qualified for one of the higher benefit exemptions at the time of death. These changes apply to exemptions granted for fiscal years beginning on or after July 1, 2000, but they do not take effect until October 26, 2000. Bulletin 2000-13B issued August 2000.
§§114 and 488 Exemption for Small Personal Property Accounts. Adds a new local option, Clause 54, to G.L. Ch. 59 §5, which generally sets out the property that is exempt from local taxation. The new clause allows a city or town, by vote of town meeting, town council or city council to establish a minimum fair cash value required for a personal property account to be taxed and to modify that minimum value. Acceptance is also by vote of town meeting, town council with the manager’s approval, where required, or city council with the mayor’s approval where required. The minimum amount cannot be more than $10,000. This provision is effective for taxes assessed on or after January 1, 2001 (FY2002). BULLETIN 2000-13B issued August 2000.

§§115 to 117 Small Commercial Exemption. Allows local assessors to establish the eligibility of sole proprietorships and partnerships for the small commercial exemption under G.L. Ch. 59 §5I, which is one of the property tax classification options available to communities when setting the annual property tax rate. Eligible small businesses are defined as those having an average annual employment of no more than ten persons at all locations during the prior calendar year. If a business is a sole proprietorship or partnership, the assessors may now determine eligibility. Previously, a sole proprietorship or partnership could not receive the exemption unless the Department of Labor and Workforce Development (formerly called the Department of Employment and Training) had certified that the business met the employment criterion in the annual list provided to local assessors. G.L. Ch. 151A §64A. In many cases, however, otherwise eligible sole proprietorships and partnerships do not appear on that list because they are not legally required to file the reports used by the Department to determine annual average employment. In addition, eligible taxpayers will now have three months after the tax bills are mailed to apply for the exemption if no reduction was made in the assessed valuation of the parcel. The same deadline governs applications for residential exemptions not appearing on the tax bill. Also amends G.L. Ch. 60 §3A, which sets forth the requirements for the content on local property tax bills, to require that the amount of any exemption applied to the assessed valuation of a parcel be shown on the tax bill, as is the case with residential exemptions. IGR 00-403 issued October 2000.

§118 Land of Low Value Foreclosures. Amends G.L. Ch. 60 §79, which provides for the alternative land of low value procedure for foreclosing tax title property. It increases the maximum value of parcels that qualify for this expedited foreclosure procedure from $5,000 to $10,000.
§133 Confidentiality of Information about Law Enforcement Personnel. Amends G.L. Ch. 66 §10(d) to exempt from disclosure under the public records law the home addresses and telephone numbers of law enforcement, judicial, prosecutorial, Department of Youth Service, Department of Social Service and Department of Corrections and other public safety and criminal justice system personnel in the custody of PERAC or any retirement board, as well as any employer. The information may be disclosed, however, to an employee organization, a non-profit retired employee organization or a criminal justice agency. Family members’ addresses and telephone numbers are also not public and may not be disclosed, even to those organizations entitled to that information for retirees.

§§134 to 136, 138, 149 to 183, 493 and 494 Special Education Reforms. Amends G.L. Ch. 71B, the state’s special education law, with most of the changes to take effect January 1, 2002. At that time school districts will have to meet a lower federal standard, i.e., “free and appropriate” education instead of one designed to ensure a child’s “maximum possible development.” Also provides for additional state aid outside the Chapter 70 education reform formula to reimburse part of special education instructional costs; a pooled risk program for extraordinary increases in special education costs, with voluntary participation by school systems (premiums deducted from state aid) for 5 year periods; and a zero interest loan program for extraordinary and unanticipated special education costs. The reimbursement provision takes effect July 1, 2002.

§§140, 295 and 329 School Building Assistance Program and School Debt. Adds a new G.L. Ch. 70B that creates a new formula for state reimbursement to cities, towns and regional school districts for their school building construction costs to replace the fixed reimbursement percentages set out in Chapter 645 of the Acts of 1948, which have remained unchanged for 50 years. The new formula, which is found in G.L. Ch. 70B §10, is:

Base rate (39%) + Income Factor + Property Wealth Factor + Poverty Factor + Incentive Percentage
• **Income factor** is based on the community’s per capita income as a percentage of the state average: = 12% if community income is 0-9% of state average; at 100% of state average factor is 5.05%, dropping to 0% if income is over 190% or more of state average.

• **Wealth factor** is based on the community’s equalized valuation (EQV) per capita as a percentage of the state average: below 10% of state average the factor = 28%; 13.26% at the state average; 0% at 190% of state average.

• **Poverty factor** is based on the number of the community’s students eligible for free and reduced school lunch, as a percentage of the statewide average: = 0% for communities below state average, going up to 17% for communities with 133% of state average.

• **Incentive percentage** points are awarded based on many factors, including, quality of school maintenance, incentives for reuse or rehabilitation rather than new construction, energy efficiency, innovative community uses, amount of non-state fundraising for project and use of a construction manager.

Also repeals Chapter 645 and grandfathers its fixed percentage reimbursements for ongoing projects and those placed on the priority list by July 31, 2000.

Section 13 of the new G.L. Ch. 70B codifies a school debt provision that has previously been included in the FY97-2000 state budgets. That provision allows municipalities and regional school districts with school building assistance priority projects to roll over their temporary borrowing for the projects for up to five years without paying down principal. It also lets municipalities and districts extend the total term of borrowing for those projects by the length of time they had temporary debt outstanding. **IGR No. 96-102 issued August 1996.**

§§142 to 148, 494 and 496 **Special Education Reform Teacher Training.** Addresses meeting the needs of students with disabilities in regular education. All newly certified teachers must have training in inclusion for students with disabilities, effective July 1, 2002. Recertified teachers must have the same training, effective July 1, 2004.

§192 **Special Education Placement Procedures.** Requires notification of the municipality with ultimate financial responsibility for paying cost of special education. If a student attends a school outside of the city or town under a school choice program, the city or town where the student lives must now be notified of any procedure to place the student in a private school due to a disability.
§328 Retirees Health Insurance as Net School Spending. Continues the provision in previous years’ state budgets that includes the costs of health insurance for retired teachers as part of net school spending only in those districts where the costs were included as net school spending in FY94.

§335 Sewer Rate Relief. Continues program to mitigate sewer rate increases in the Massachusetts Water Resources Authority service area and elsewhere due to debt service costs for water pollution abatement and wastewater treatment projects. The amount appropriated for FY2001 is $53,914,000. Eligible debt issues are those issued after January 1, 1990, with a term over five years. All funds are to be distributed by March 31, 2001, under guidelines developed by the Division of Local Services (DLS) in consultation with the Department of Environmental Protection (DEP).

§370 Criminal Justice Training Council. Increases fee charged to municipalities for each police recruit trained by the Criminal Justice Training Council from $1800 to $1900 for FY2001. The fee will no longer be deducted from the community’s local aid payments, but must be paid in full by the municipality no later than the first day of orientation for the training program. The municipality is then authorized to recover the fee from the recruit’s wages in 19 monthly installments, or as otherwise negotiated. If the recruit withdraws before graduation the municipality will receive 75%, 50% or 25% refund based on the number of weeks attended. The recruit is responsible to the municipality for the balance.

§391 Education Reform Waivers. Permits cities, towns and regional school districts to apply for various adjustments in their FY2001 minimum required contributions to schools under the education reform act. Municipalities may seek adjustments if (1) non-recurring revenues were used to support FY2000 operating budgets and those revenues are not available in FY2001, (2) they have extraordinary non-school related expenses in FY2001, or (3) their FY2001 municipal revenue growth factor is at least 1.5 times the statewide average and is deemed to be excessive. Regional school districts that (1) used non-recurring revenues in FY2000 that are unavailable for FY2001, or (2) received regional incentive aid in FY95 must seek waivers if a majority of the selectmen in a town, the city council in a Plan E city or the mayor in all other cities in a majority of the member municipalities requests them.
Requests for waivers by municipalities are made by the selectmen in a town, the city council in a Plan E city or the mayor in all other cities by October 1, 2000. If a regional school budget has already been approved by the members and a waiver is granted of any member’s minimum required local contribution to the district, the use of that waiver must be approved by the selectmen, the city council in a Plan E city or the mayor in all other cities of a majority of the member municipalities. The Department of Education (DOE) will determine regional school district waivers for regional incentive aid. The other waiver programs are administered by DLS.  IGR 00-301 issued August 2000.

§393 Special Education Training. Requires DOE to establish a program for training school personnel in districts with high special education populations in the development of appropriate instructional accommodations within regular education classes for those students. The provision is subject to state appropriation.

§§416 to 419 Special Education Regulations. Requires DOE regulations on special education to be continued and maintained (presumably until the new statutory changes take effect).

§420 Disabled Students Ancillary Services. Special education provision continues eligibility for ancillary non-school services previously provided for special needs students.

Ch. 227 CHARTER SCHOOLS

An Act Relative to Charter Schools.

Amends G.L. Ch. 71 §89 to increase the maximum number of charter schools from 50 to 120 at any one time. Also increases the maximum amount payable by a school system for charter school tuition from six to nine percent of the district’s net school spending. If the attendance of siblings to a charter school increases tuition obligations beyond nine percent the Commonwealth pays the additional expense. It raises the number of students that may attend charter schools from two to four percent of the public school students in the state. Charter schools established after August 10, 2000 must recognize employee organizations if 60 percent of their employees in an appropriate unit sign authorization cards. DOE must certify teachers hired by charter schools after August 10, 2000.
Regional charter schools whose charters provide for transportation of all students from their charter municipalities shall be reimbursed by the state under G.L. Ch. 71 §16C for transportation provided to students residing outside the municipality where the charter school is located. However, no reimbursement is made for transportation between the charter school and home for pupils who reside less than 1.5 miles from the charter school, as measured by a commonly traveled route.

Ch. 242 APPOINTMENT OF POLICE OFFICERS AND FIREFIGHTERS

An Act Relative to the Appointment of Firefighters and Police Officers.

Adds Section 58A to Chapter 31 of the General Laws, which, if accepted by a city, town or district extends beyond age 32 the time a person may be eligible to have his or her name certified for original appointment to a civil service police officer or firefighter position. The extension is based on the number of years serving on active military duty, up to four years.

Ch. 267 COMMUNITY PRESERVATION ACT

An Act Relative to Community Preservation.

Adds a new chapter to the general laws, Ch. 44B, the Community Preservation Act, which allows cities and towns to establish a special “Community Preservation Fund” that may be appropriated and spent for certain open space, historic resource and affordable housing purposes. To establish the fund, a community must accept G.L. Ch. 44B §§3-7. Acceptance requires majority approval of both the community’s legislative body and electorate at the next regular municipal or state election. Alternatively, at least five percent of the registered voters of the community may petition to place the acceptance question on the next regular municipal or state election ballot.

The primary source of revenue for the Community Preservation Fund is a property tax surcharge of up to three percent that will be assessed on each parcel of taxable real estate within the community. Amounts generated by the surcharge are not subject to the levy limitations of Proposition 2½.
Communities may make any or all of the following exempt from the surcharge: (1) property owned and occupied as a domicile of a person who qualifies for low income housing, or low and moderate income senior housing, (2) commercial and industrial property if the community has classified tax rates, and (3) $100,000 of the value of each residential parcel. A taxpayer receiving a regular property tax abatement or exemption is also entitled to a pro rata reduction in the surcharge.

A second source of revenue for the Community Preservation Fund will be annual distributions received from the state “Massachusetts Community Preservation Trust Fund,” also created under the act. Monies distributed from the state trust fund will come primarily from surcharges on fees charged for recording various documents with the Registry of Deeds or Land Court. The Community Preservation Fund is also credited with proceeds from the disposition of real property acquired with fund monies and bonds or notes issued in anticipation of surcharge revenues.

A community accepting the act must also establish a Community Preservation Committee to make annual recommendations to its legislative body regarding expenditures from its Community Preservation Fund. For each fiscal year, the community must spend or reserve at least 10% of the annual revenues in the fund to each of the act’s preservation purposes: open space, historic resources and affordable housing.

A community may borrow (general obligation bonds or notes) in order to fund the act’s preservation purposes. All borrowings are subject to G.L. Ch. 44. Debt issued under the act may be repaid on a “level debt service” basis or other schedule providing for more rapid amortization of principal.

Ch. 274 ACCEPTANCE OF PERSONAL PROPERTY GIFTS

An Act Relating to Gifts of Personal Property to Municipalities.

Adds a new section to G.L. Ch. 44, Section 53A½, in order to establish the procedure that applies when a city or town is given a gift of personal property, instead of money. Under the new provision, the board of selectmen, town council, or city council, with the mayor’s approval if required by charter, will now accept gifts of personality. The gift may be used for the purpose of the gift and, if no restrictions are attached, for whatever purposes the selectmen or council may choose.
Ch. 324 TIMELY ABATEMENT APPLICATIONS

An Act Relative to the Filing Deadline for Property Tax Appeals.

Amends G.L. Ch. 59 §59, which governs applications for abatement of local property taxes, to provide that any abatement application delivered to the assessors by the United States mail after the abatement due date is deemed to have been received by them as of the postmark date on the envelope. This new “postmark” rule applies only to those applications mailed to the proper address of the assessors, first class postage prepaid, with postmarks made by the United States Postal Service. Previously, any application actually received by the assessors after the due date was considered late filed regardless of when it was mailed. The legislation also amends G.L. Ch. 58 §7 and G.L. Ch. 59 §§64-65 to make the new postmark rule applicable to appeals of assessors’ abatement application decisions that are mailed to and received by county commissioners or the Appellate Tax Board after the appeal due date. BULLETIN 2000-15B issued December 2000.

Ch. 380 INCREASE IN EXEMPTION INCOME AND ASSET LIMITS

An Act Further Regulating Certain Real Estate Tax Exemptions.

Adds new local options provisions, G.L. Ch. 59 §5(17E) and (41D), which if accepted, allow cities and towns to increase the income and asset limits that apply to surviving spouses, surviving minors or elderly persons seeking a personal real estate tax exemption under G.L. Ch. 59 §5(17), (17C), (17C½), (17D), (41), (41B) and (41C). If the new G.L. Ch. 59 §5(17E) is accepted, the whole estate limits that apply to applicants for Clause 17, 17C, 17C½ and 17D exemptions will increase annually by the Consumer Price Index (CPI). Acceptance of the new G.L. Ch. 59 §5(41D) will increase both the gross receipts and whole estate limits that apply to applicants for Clause 41, 41B and 41C exemptions by the CPI. The Commissioner of Revenue will notify communities of the amount of annual CPI increase. Acceptance may not increase the amount of state reimbursement received by the city or town for the applicable exemption clause.
Ch. 411 RETIREMENT BENEFITS FOR VETERANS

An Act Relative to the Election of Retirement Options for Certain Retirees.
Effective April 12, 2001.

Adds a local option that makes the provisions of the first paragraph of G.L. Ch. 32 §58B applicable to non-contributory veterans who retired before the effective date of the 1987 Pension Reform Act, January 12, 1988, and who chose a lesser yearly pension in order to provide a pension for a surviving spouse upon the retiree's death. Under the provisions of G.L. Ch. 32 §58B, the veteran retiree may revert to a higher maximum pension if the spouse predeceases the retiree, but the benefit applies only for those who retired after January 12, 1988. If accepted, the benefit also would apply to pre-existing retirees, but would be prospective from the effective date of acceptance by the local system. Acceptance is by vote of the governmental entity’s legislative body only. No approval or acceptance by the local retirement board is required. The legislative body is defined as the city council in accordance with its charter in a city, town meeting in a town, the county retirement advisory board in a county, the members in a district or the governing body of a region or authority.

Ch. 423 EMPLOYMENT CONTRACTS FOR FIRE CHIEFS

An Act Relative to Employment Contracts for Fire Chiefs.
Effective April 12, 2001.

Amends G.L. Ch. 41 §108O to permit a city or town acting through its appointing authority to enter into an employment contract for salary, fringe benefits and other conditions of employment with its fire chief. Currently, the statute authorizes employment contracts for police chiefs. The employment contract may include provisions for severance pay, relocation expenses, reimbursement of expenses incurred in the performance of duties of office, liability insurance, health and retirement benefits in addition to those provided municipal employees under G.L. Ch. 32 and 32B, leaves of absence, conditions of discipline, termination, dismissal, reappointment and performance standards. The agreement prevails over any conflicting local personnel by-law, ordinance, rule or regulation, but not over any conflicting provisions of G.L. Ch. 31 in those communities where the fire chief is subject to that statute.
The agreement will also prevail over any conflicting provisions of the city or town charter in cities and towns that have accepted Section 2 of Chapter 289 of the Acts of 1995, which enacted G.L. Ch. 41 §108O. Acceptance in a city is by a majority vote of the city council and approval of the mayor, or city manager, if any. In a town, acceptance requires approval of the board of selectmen and of a majority of the voters at a town election.

If the fire chief has an appointment for a term and no contract is made after acceptance of the statute, the appointing authority must give the fire chief written notice a year in advance of its decision not to reappoint.