

HOUSE No. 1972

By Mr. Marzilli of Arlington, petition of J. James Marzilli, Jr., relative to municipal borrowing procedures. Municipalities and Regional Government.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT TO IMPROVE MUNICIPAL BORROWING PROCEDURES.

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. Section 21A of chapter 44 of the General Laws, as
2 appearing in the 2002 Official Edition, is hereby amended by
3 striking out, the first sentence and inserting in place thereof the
4 following:—

5 The city council of a city, the board of selectmen of a town and
6 the prudential committee, if any, otherwise, the commissioners of a
7 district, may authorize and provide for the issuance of refunding
8 bonds or notes of the city, town or district for the purpose of paying
9 or refunding all or any designated part of an issue of bonds or notes
10 then outstanding, including the amount of any redemption premium
11 thereon; provided, however, that no such refunding bonds or notes
12 shall be payable over a period longer than the period during which
13 the original bonds or notes so refunded must be paid pursuant to
14 law; and provided, further, that, notwithstanding any provision of
15 any general or special law, city charter, city ordinance or city council
16 rule or order to the contrary, any vote of the city council of a city
17 authorizing and providing for the issuance of refunding bonds or
18 notes of the city may be introduced and given final passage at one
19 meeting of the city council, shall not be subject to any publication
20 requirement, shall not be subject to any referendum provision, and
21 shall be effective upon passage.

1 SECTION 2. Section 21A of chapter 44 of the General Laws, as
2 appearing in the 2002 Official Edition, is hereby amended by

3 deleting the first clause of the second sentence and by inserting in
4 place thereof, the following new clause:—

5 The first annual payment of principal on account of an issue of
6 refunding bonds or notes shall not be later than the last day of the
7 fiscal year in which any of the bonds or notes being refunded
8 would otherwise have been payable and the annual payments
9 thereafter shall be arranged in accordance with the provisions of
10 section nineteen;

1 SECTION 3. Section 19 of chapter 44 of the General Laws, as
2 appearing in the 2002 Official Edition, is hereby amended by adding
3 at the end of said section, the following new paragraph:—

4 Notwithstanding any general or special law to the contrary, the
5 final payment on account of any bonds issued by a city, town or dis-
6 trict may be made not later than the end of the fiscal year in which
7 such bonds would otherwise have been payable in accordance with
8 the provisions of Sections 7 and 8 of chapter 44 of the General
9 Laws, or in accordance with any other statutory authority pursuant to
10 which the issuance of any such bonds was otherwise authorized.

1 SECTION 4. Section 8 of chapter 44 of the General Laws, as
2 appearing in the 2002 Official Edition, is hereby amended by
3 striking clause (9) and inserting in place thereof the following
4 clause:—

5 (9) For such emergency appropriations as shall be approved by a
6 majority of the members of a board composed of the attorney
7 general, the state treasurer and the director, for such term as said
8 board shall determine. As used in this clause, emergency means
9 either (i) a sudden, unavoidable event or series of events which
10 could not reasonably have been foreseen or anticipated at the time of
11 submission of the annual budget for approval, or (ii) any other finan-
12 cial urgency as said board shall determine. Emergency shall not be
13 deemed to include the funding of collective bargaining agreements
14 or such items as were previously disapproved by the appropriating
15 authority for the fiscal year in which such borrowing is sought.
16 Notwithstanding any provision of general or special law to the con-
17 trary, the city council of a city, the board of selectmen of a town and
18 the prudential committee, if any, otherwise, the commissioners of a
19 district, may authorize and provide for the issuance of bonds or

20 notes of the city, town or district for the purpose of this clause, pro-
21 vided that, notwithstanding any provision of any general or special
22 law, city charter, city ordinance or city council rule or order to the
23 contrary, any vote of the city council of a city authorizing and pro-
24 viding for the issuance of bonds or notes pursuant to this clause may
25 be introduced and given final passage at one meeting of the city
26 council, shall not be subject to any publication requirement, shall not
27 be subject to any referendum provision, and shall be effective upon
28 passage.