

SENATE NO. 1175

AN ACT RELATIVE TO CITIES AND TOWNS BORROWING OUTSIDE THEIR DEBT LIMIT

*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 8 of chapter 44 of the General Laws, as appearing in the 2004 Official
2 Edition, is hereby amended by adding after paragraph (8A) the following new paragraph:-
3 (8B) For paying power supply contract termination costs, which are incurred by an electric
4 lighting plant as part of a plan to restructure its power supply arrangements, with its wholesale
5 supplier or suppliers of electricity for resale by the electric lighting plant, twenty years; but the
6 outstanding indebtedness so incurred shall not exceed in a town five per cent in a city two and
7 one half per cent of the equalized valuation of such town or city; provided, however, that the
8 emergency finance board, established under chapter forty-nine of the acts of nineteen hundred
9 and thirty-three, may authorize a city to incur indebtedness under this clause in excess of two
10 and one half per cent but not in excess of five per cent of the equalized valuation of such city,
11 and may authorize a town to incur indebtedness under this clause in excess of five per cent but
12 not in excess of ten per cent of the equalized valuation of such town.
- 13 SECTION 2. Chapter 164 of the General Laws, so appearing, is hereby amended by adding
14 after section 40 the following new section:-

15 40A. A city or town which has duly voted to acquire a municipal lighting plant may incur debt
16 as provided for in section eight of chapter forty-four for paying power supply contract
17 termination costs, which are incurred by an electric lighting plant as part of a plan to restructure
18 its power supply arrangements with its wholesale supplier or suppliers of electricity for resale
19 by the electric lighting plant.