



# Local Funds and Finances

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## Municipal Modernization Act Changes

### Workshop C 2016

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# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

*Supporting a Commonwealth of Communities*

## Workshop C

### Local Funds and Finances Municipal Modernization Act Changes

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### Municipal Modernization Goals

- Streamline state oversight
- Eliminate or update obsolete laws
- Promote local independence
- Provide greater local flexibility



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### Municipal Modernization Bill

- Signed by Governor on August 9, 2016
- Act effective on November 7, 2016
  - Some sections effective for FY2017
  - Some sections effective on dates after November 7
- If local acceptance statute amended, general rule is amendments apply to city, town or district that already accepted



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**Municipal Tax and Finance**

- DLS duties and responsibilities
- Local tax administration
- Collection procedures
- Borrowing
- Special funds and revenues
- Financial management and governance



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DLS Oversight Duties

Local Tax and Finance



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**Accounting Standards**

- **§§ 77-83, 182** – Update Director of Accounts powers under G.L. c. 44 regarding municipal and district audit and accounting and reporting standards in order to ensure periodic audits and uniformity in municipal and district accounting



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**Accounting Standards (continued)**

- Director's power to set minimum standards includes:
  - Treatment of revenues
  - Expenditures
  - Debt, including maximum useful life of assets financed with debt
  - Accounting system for financial transactions
  - Adequacy of financial records
  - Content and frequency of audits



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**Accounting Standards (continued)**

- Director's power to set minimum standards includes (continued):
  - Power to issue legal opinions
  - Power to visit local offices and review any and all financial documents and records
  - Power to direct municipal officials to take action as needed to comply with minimum standards
  - Power to contract for services and deduct from state aid if non-compliance



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**Tax Rate Changes**

- § 132 – Amends G.L. c. 59, § 23, which governs property tax rates
- Lets DLS change tax rate after approval and return to assessors if:
  - Tax bills not yet sent, and
  - There was material understatement or overstatement of approved rate, and
  - Material difference was due to good faith omission or error by local officials in reporting the rate



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**Special Funds**



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**OPEB Trust Funds**

- **§ 15** – Amends local acceptance G.L. c. 32B, § 20, which governs local other post-employment benefit (OPEB) funds
- **§ 15** - Adds new G.L. c. 32B, § 20A regarding OPEB reporting
- **§ 238** – Grandfathers OPEB funds created under G.L. c. 32B, § 20 before effective date of Act
- **New terms can apply if unit re-accepts or unit with special act fund accepts**



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**OPEB Trust Funds (continued)**

- **Authorizes creation of GASB and IRS compliant trust fund for OPEB liabilities under G.L. c. 32B, § 20**
- **Provides flexibility in designating trustee**
- **Provides procedure to create governing trust instrument**
- **Provides procedure to dedicate Medicare Part D revenues to fund**



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**OPEB Trust Funds (continued)**

- Clarifies custody, investment, appropriations in and out of OPEB fund
- Designates treasurer as custodian of fund
- Provides investment options, including:
  - Investment in State Retirees Benefits Trust
  - Use of private trust Prudent Investor standard
- Requires appropriations out of fund for retiree health insurance purpose by 2/3 vote of legislative body



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**OPEB Trust Funds (continued)**

- Expands local government units that can establish OPEB fund under G.L. c. 32B, § 20 to include:
  - Educational collaboratives
  - Regional school districts
  - Councils of government
  - Housing and redevelopment authorities
- Allows a governmental unit to participate in trust fund of another unit



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**OPEB Trust Funds (continued)**

- Requires governmental units to report actuarial valuation reports and additional OPEB data to PERAC and DLS under new G.L. c. 32B, § 20A
  - Additional data to be determined by Executive Office for Administration & Finance in consultation with PERAC



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**Public Safety Injury Leave Indemnity Fund**

- **§ 60** - Amends G.L. c. 41, § 111F, which governs injury leave benefits for police officers and firefighters injured in the line of duty
- Adds local acceptance paragraph to create injury leave indemnity fund
- Credits fund with municipal appropriations for fund purposes and insurance or restitution proceeds from 3<sup>rd</sup> parties
- Allows fund to be spent, at direction of chief executive officer and without appropriation, for medical bills, injury leave benefits and salaries of replacements



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**Single Overlay**

- **§§ 131, 133, 152** - Amend G.L. c. 59, §§ 23, 25 and 70A, which govern overlay reserve for property tax abatements and exemptions
- Creates a single overlay account on municipality's books and records
- **§ 249** – Merges existing overlay balances into single account when Act takes effect



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**Stabilization Funds**

- **§ 22** - Amends G.L. c. 40, § 5B, which lets cities, towns and districts create 1 or more stabilization funds
- Eliminates caps on:
  - Total annual appropriations into funds (10% of prior year levy) and
  - Aggregate balance of all funds (10% of Equalized Valuation)



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**Stabilization Funds (continued)**

- Makes quantum for appropriations into fund a majority vote of legislative body
- 2/3 vote still required to:
  - Appropriate from existing fund
  - Create a new fund
  - Change purpose of a fund



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**Stabilization Funds (continued)**

- Allows dedication of certain revenue streams to a fund
- 2/3 vote of legislative body required to dedicate revenue stream
- Can dedicate all or % not less than 25% of specified revenue source
- Cannot dedicate locally assessed taxes, excises or surcharges



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**Special Revenue Funds**



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**Rental Proceeds Fund**

- **§ 19** - Amends G.L. c. 40, § 3, which relates to municipal power to hold, lease or convey real and personal property
- Establishes revolving fund for rents from lease of non-school property or space
- Operates same as revolving fund for leased surplus schools/space within schools
- Balance at year-end closes to general fund unless provision allowing carryover accepted



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**Bond Proceeds**

- **§ 67** – Amends G.L. c. 44, § 20 which governs treatment of bond proceeds
- Changes treatment of bond premiums (net of issuance costs) from general fund revenue to require:
  - Use to pay project costs and reduce amount borrowed if borrowing vote authorizes or
  - Reserved in separate fund to appropriate for capital projects
  - Purpose must be one for which loan may be incurred for equal or longer period than loan for which premiums received



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**Bond Proceeds (continued)**

- Broadens use of surplus bond proceeds
- May still appropriate surplus proceeds when project completed for purpose for which loan may be incurred for equal or longer period than original loan
- Surplus of up to **\$50,000** when project completed may be applied without appropriation to pay debt service
- Requires approval of chief executive officer



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**Insurance and Restitution Proceeds**

- **§ 84** - Amends G.L. c. 44, § 53, which credits all receipts to general fund and requires appropriation to spend
- Allows expenditure without appropriation of insurance or restitution payments of \$150,000 or less to repair or replace damaged property
- Extends school department authority to spend without appropriation restitution payments from students for lost or damaged books or materials to lost or damaged electronic devices



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**Grants**

- **§ 85** - Amends G.L. c. 44, § 53A, which governs the treatment of gifts and grants
- Makes reimbursement grants from federal, state or other governmental entity available for expenditure by department head once grant agreement in place
- Grant payments received are applied to finance allowable expenditures
- Outstanding amount at end of FY after FY grantor entity approved grant must be raised unless otherwise funded



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**Departmental Revolving Funds**

- **§ 86** - Amends G.L. c. 44, § 53E½, which lets cities and towns create revolving funds for departmental programs or activities
- Eliminates per department (1% of prior year levy) and all funds (10% of prior year levy) annual spending authorization caps
- Clarifies funds are for fees, charges or revenues generated by departmental program or activity
- Revenues dedicated by other statutes cannot be credited to a fund



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**Departmental Revolving Funds (continued)**

- Requires funds be established by bylaw or ordinance that specifies:
  - The fees, charges or other revenues generated by program or activity to be credited to fund
  - The board, department or officer authorized to spend from fund
  - The program or activity expenses for which fund may be expended and
  - Any reporting or other requirements the city or town wishes to impose
- Retains annual vote of spending authority



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**Consultant Fee Project Funds**

- § 91 – Amends G.L. c. 44, § 53G, which allows revolving funds for consultant fees charged applicants for permits or approvals by planning boards, zoning boards of appeal, boards of health and conservation commissions
- Extends use to all departments or boards that require consultant fees from applicants for permits or licenses in order to finance professional services needed by the department or board to review applications



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**Performance Deposit Funds**

- § 92 - Adds new G.L. c. 44, § 53G½, which creates surety deposit fund for monies escrowed to secure performance of condition of permit, license or other municipal approval
- Form, investment and return of financial guarantee and criteria and procedure for determining performance or default to be set by bylaw, ordinance, rule, or regulation
- Does not apply to deposits under G.L. c. 41, § 81U or other statute
- Granting board or officer can refund deposits from fund without appropriation upon satisfactory performance of obligations



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**Betterment Reserve**

- **§ 93** - Adds new G.L. c. 44, § 53J that creates reserve in order to pay debt service for the infrastructure for which betterments or special assessments are assessed
- All payments of apportioned installments and prepayments are credited to the reserve fund
- Reserve an available fund within general fund or if applicable, enterprise fund
- Annual appropriations from reserve limited to same % of debt service payment due that FY as project costs assessments made to recover



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**Celebration Funds**

- **§ 93** – Amends G.L. c. 44, § 53I, which governs a special fund for appropriations, gifts and other monies for specified municipal celebrations
- Broadens fund to apply to all special events sponsored by the city or town



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**Community Preservation Fund**

- **§§ 95-97**– Amend local acceptance G.L. c. 44, § 55C creating Municipal Affordable Housing Trusts
- Requires Trust to separately account for Community Preservation Act (CPA) monies appropriated to the Trust and give an annual report to Community Preservation Committee
- Retains CPA restrictions on use of appropriations to the Trust for community housing
- **§ 246** – Applies changes to CPA monies held by the Trust when Act effective



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**Parking Revenues**

- **§§ 25-26, 28-29** – Amend G.L. c. 40, §§ 22A-22C which reserve parking meter or lot revenues for appropriation for parking and traffic regulation activities
- Treats as general fund revenues unless statutes accepted to reserve for appropriation
- Allow rates to consider management of supply and use revenues for other transportation purposes
- **§ 27** - Adds G.L. c. 40, § 22A½ which allows creation of parking benefit districts



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**City Annual Reserve Funds**

- **§ 21** - Amends G.L. c. 40, § 5A, which governs annual reserve fund for cities
- Conforms ceiling for annual appropriation for fund to same 5% of prior year levy as ceiling on town annual reserve fund



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**Scholarship and Education Funds**

- **§§ 159-162** – Amend local acceptance G.L. c. 60, § 3C allowing scholarship and education funds from donations through property tax and motor vehicle excise bill check-offs
- Clarifies that the scholarship and education funds are separate and distinct funds



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**District Increment Financing**

- **§§ 44-50** – Amend G.L. c. 40Q, §§ 1 and 3, which relate to district improvement financing (DIF)
- Redefines annual DIF increment reserved for debt service and project costs to equal to Proposition 2½ new growth in the district
- Amount added each year for growth attributable district increases by 2½%
- Clarifies that DIF reservation ends when sufficient monies to pay debt for plan projects are reserved



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**Jet Fuel Excise**

- **§§ 175-177** – Amend G.L. c. 64J, §§ 4 and 13, which relate to the local acceptance jet fuel excise
- Responds to FAA rule issued December 2014 that aviation fuel taxes first imposed after December 31, 1987 be earmarked for airport purposes
- Allows a municipality owning airport in another municipality to accept the statute and collect the excises for airport use
- Revenues can then be earmarked by adoption of airport enterprise fund



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**School Special Funds**



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### **School Special Funds**

Several sections amend municipal and RSD revolving or other special funds within regulatory purview of Department of Elementary and Secondary Education (DESE)

- **§ 24** – Adds new local acceptance G.L. c. 40, § 13E
- Acceptances allows cities, towns and RSDs to maintain a special education (SPED) reserve fund that may be spent without appropriation for unexpected SPED tuitions or transportation costs
- **§ 181** – Amends G.L. c. 71, § 16C regarding state reimbursement of RSDs for transportation
- Clarifies reimbursements are subject to annual state budget appropriation



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### **School Special Funds (continued)**

- **§ 183** – Amends G.L. c. 71, § 16G½, which governs stabilization funds in RSDs
- Lets DESE instead of DOR approve:
  - Annual appropriations to fund over 5% of total member assessments
  - Maintain fund balances over 5% of total member equalized valuations
  - Spend fund for other than capital purposes



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### **School Special Funds (continued)**

- **§§ 185-187** – Amend G.L. c. 71, §§ 26A-26C regarding pre-school and extended school program revolving funds
- Remove outdated restrictions on programs and allow RSDs to have fund
- **§ 188** – Amends G.L. c. 71, § 71C regarding the community school revolving fund
- Raises annual cap on expenditures from fund to \$10,000



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**School Special Funds (continued)**

- **§ 189** – Amends local acceptance G.L. c. 71, § 71E regarding the use of school property revolving fund
- Credits receipts from school enrichment programs and parking revenues to fund
- **§ 190** – Amends local acceptance G.L. c. 74, § 14B regarding vocational school program revolving fund
- Removes annual caps on revenues credited to fund



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**Financial Management**



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**Retiree Health Insurance Cost Sharing**

- **§ 14** - Repeals G.L. c. 32B, § 9A½ regarding municipality's obligation to contribute to health insurance premiums for retirees who previously worked for it during their public service careers
- **§ 251** - Effective January 1, 2017



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**Emergency Deficit Spending**

- **§ 71** – Amends G.L. c. 44, § 31 regarding deficit spending for emergency expenses
- **Eliminates need for local declaration of emergency by selectboard or council when Governor has declared one**



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**Final Judgments and Awards**

- **§§ 72-73** - Amend G.L. c. 44, § 31 regarding payment of final court judgments and adjudicatory claims without appropriation
- **Expands to include final awards of any state or federal adjudicatory agency**
- **Eliminates DOR approval to pay judgment or award over \$10,000 after tax rate set from available cash**
- **Requires certification by municipal counsel that judgment or award final and applicable local procedures followed**



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**Snow and Ice Deficit Spending**

- **§ 74** - Amends G.L. c. 44, § 31D regarding deficit spending for snow and ice removal
- **Allows deficit spending upon approval of the local chief administrative officer (mayor, selectboard or other under charter)**
- **Current law requires prior approval by the finance committee and selectboard in a town, city council in a city**



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**End of Year Transfers**

- **§§ 75-76** - Amend G.L. c. 44, § 33B regarding appropriation transfers at year-end (May 1 – July 15) by selectboard and finance committee in towns and city council upon mayor's recommendation
- Eliminates 3% cap on year-end transfers from departmental line items
- Allows year-end transfers from non-departmental line items
- Year-end procedure still does not apply to school and light departments



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**Approval of Departmental Bills**

- **§ 58** - Amends G.L. c. 41, § 56 regarding approval of departmental bills and payrolls
- Allow department head that is multi-member board or committee to designate 1 member to review and approve departmental bills
- Member must report to full board at next meeting
- Mirrors G.L. c. 41, § 41 which allows multi-member board or committee to designate 1 member to approve departmental payrolls



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**Approval of Treasury Warrants**

- **§ 57** - Amends G.L. c. 41, § 52 regarding approval of treasury warrants for payment of bills and payrolls
- Allows selectboard to designate 1 member to approve treasury warrants in towns
- Member must report to full board at next meeting



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**Schedule A Submissions**

- **§ 110** – Amends G.L. c. 58, § 18F regarding the deadline for submission of Schedule A for prior year
- Changes deadline from October 1 to November 30 to conform to current state budget practice
- Allows withholding of all future payments regardless of fiscal year until Schedule A submitted



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**Governance**



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**County Employees**

- **§§ 17-18** – Repeal G.L. c. 35, §§ 44-46 and 50
- Eliminates DLS oversight of county financial accounting, county employee classification and compensation plans



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**Joint Powers Agreements**

- **§ 20** – Adds new G.L. c. 40, § 4A½ to allow governmental units to enter into joint powers agreements to exercise common powers and duties (except veterans services)
- Agreements approved by selectboard in town and council and mayor in city



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**Combined Collector/Treasurer**

- **§§ 51, 52** - Amend G.L. c. 41, § 1B, which establishes procedure in towns to convert elected position to appointed one by town meeting vote and approval at election
- Allows procedure to be used to combine town collector and treasurer positions



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**Cooperative Assessing Agreements**

- **§ 54** – Amends G.L. c. 41, § 30B regarding cooperative assessing agreements
- Lets selectboard in town approve agreements instead of town meeting



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**Municipal Finance Officers**

- **§§ 53, 55-56 – Repeal G.L. c. 41, §§ 27, 37 and 39B**
- **Eliminate DLS role in approval or removal of municipal finance officers (assessors, collectors, deputy collectors and treasurers) for non-performance**
- **§ 59 – Amends G.L. c. 41, § 108B**
- **Eliminates DLS role in mediating disputes arising over salaries of assessors and collectors in tax levying districts**



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## DISCUSSION QUESTIONS

1. The assessors in New Fullerton submitted the town's tax rate to the Division of Local Services and received approval a short time later. The Chairman of the Board of Assessors realized later, after the Division's approval, that the rate submitted by the assessors was significantly lower than the rate the selectboard anticipated when it voted the classification factors. What can the assessors do?
2. Ralston wants to establish a new OPEB Trust Fund. Which types of financial concerns will the City have to consider in setting up its OPEB Trust Fund? What could it do if it has an OPEB fund established by a special act, but it is not GASB compliant?
3. In September 2016 the Greenwich selectboard is seeking extra funds to pay for town expenses. The balance sheet as of June 30, 2016 shows large amounts in the overlay accounts for several fiscal years. How is overlay surplus calculated after November 7, 2016? Can the assessors raise zero overlay in the FY2017 tax levy?
4. Greenwich built a new public safety complex and has leased the existing police building to a private business. How are the lease payments treated? After November 7, 2016?
5. Under a zoning bylaw, a commercial developer in the downtown area must provide a certain number of parking spaces on-site or off-site or make a payment to the town for parking purposes. How is the payment treated and spent? Does your answer change after November 7, 2016?
6. This winter, Dana's senior center sustained damage when a vehicle hit the front fence and entrance. On June 15, 2016 / 2017, the insurance company has paid the town's claim in the amount of \$125,000? Can the town spend the proceeds to repair the damage without going to town meeting? Would the answer be different if the damage was more serious and the claim made and paid was \$250,000?
7. Middletown has a bylaw that requires a permit before certain earth removal activities and imposes a fee to be used by the Earth Removal Board to offset administrative expenses in processing the application and to hire professional experts needed for the Board to make a decision. Any amount unspent is returned to the applicant. What options does the town have for accounting for the fees?
8. Dana is also presently negotiating a legal settlement for a civil rights claim brought by a town hall employee against the town administrator. The town does not have a settlement of claims account in its budget. The FY2017 tax rate has not yet been set. The selectboard believes it is in the best interests of the town to settle the case and raise the necessary amount in the FY2017 tax rate. Can the town fund payment of the settlement by raising it in the FY2017 tax levy? What types of claims (pre-litigation, arbitrator's decision, adjudicatory agency decision, and court judgment) can presently be funded without appropriation and simply be raised in the next tax levy? Does your answer change as of November 7, 2016?



9. Under the Municipal Modernization Act, what is the highest percentage of the annual budget that may be transferred from one department's budget to another during the last two months of the fiscal year, or during the first 15 days of the new fiscal year?
10. Yourtown has a 3 member part-time board of health that meets bi-weekly. An appointed health agent runs the day to day operations of the department. Can the board designate the health agent to approve vendor bills and payroll?
11. Who-ville has a new accountant who did not complete and timely file many required reports. What will be the consequences when the town does not file its Schedule A for the prior fiscal year with the Director of Accounts?
12. The Towns of Clayton and Hartsville are seeking to establish a joint Town Manager arrangement, wherein one town manager would oversee the operations of both towns, pursuant to a Joint Powers Agreement, as authorized by the new G.L. c. 40, § 4A½. What should the Joint Powers Agreement between the towns specify?

## **RETIREE HEALTH COST SHARING**

### **General Laws Chapter 32B, § 9A½ (218:14, 251)**

~~Section 9A1/2. Whenever a retired employee or beneficiary receives a healthcare premium contribution from a governmental unit in a case where a portion of the retiree's creditable service is attributable to service in 1 or more other governmental units, the first governmental unit shall be reimbursed in full, in accordance with this paragraph, by the other governmental units for the portion of the premium contributions that corresponds to the percentage of the retiree's creditable service that is attributable to each governmental unit. The other governmental units shall be charged based on their own contribution rate or the contribution rate of the first employer, whichever is lower.~~

~~The treasurer of the first governmental unit shall annually, on or before January 15, upon the certification of the board of the system from which the disbursements have been made, notify the treasurer of the other governmental unit of the amount of reimbursement due for the previous fiscal year and the treasurer of the other governmental unit shall immediately take all necessary steps to insure prompt payment of this amount. In default of any such payment, the first governmental unit may maintain an action of contract to recover the same, but there shall be no such reimbursement if the 2 systems involved are the state employees' retirement system and the teachers' retirement system.~~

## **OPEB TRUST FUND**

### **General Laws Chapter 32B, §§ 20-20A (218:15, 238)**

Section 20. **(a) As used in this section, the following words shall have the following meanings unless the context clearly requires otherwise:**

**“Commission”, or “PERAC”, the public employee retirement administration commission established under section 49 of chapter 7.**

**“GASB”, the Governmental Accounting Standards Board.**

**“Governing body”, the legislative body in a city or town, the county commissioners in a county, the regional district school committee in a regional school district, or the district meeting or other appropriating body in any other governmental unit.**

**“Governmental unit”, or “unit” any political subdivision of the commonwealth, which for the purposes of this section shall include a municipal lighting plant, local housing or redevelopment authority, regional council of government established under section 20 of chapter 34B and educational collaborative as defined by section 4E of chapter 40.**

**“State Retiree Benefits Trust Fund board of trustees”, the board of trustees established by section 24A of chapter 32A.**

**“Other Post-Employment Benefits Liability Trust Fund” or “OPEB Fund”; a trust fund established by a governmental unit under this section for the deposit of gifts, grants and appropriations and other funds for the: (1) benefit of retired employees and their dependents, (2) payment of required contributions of the unit to the group health insurance benefits provided to employees and their dependents after retirement and (3) reduction and elimination of the unfunded liability of the unit for such benefits.**

**“OPEB Fund board of trustees”; an independent board of trustees selected by the governmental unit with investing authority for the OPEB Fund.**

**“OPEB investing authority” or “investing authority”; the trustee or board of trustees designated by the governmental unit to invest and reinvest the OPEB Fund using the investment standard or investment vehicle established under this section.**

(b) A **governmental unit** city, town, district, county or municipal lighting plant that accepts this section ~~shall~~ may establish **on its books and accounts the** an Other Post-Employment Benefits Liability Trust Fund, **the assets of which shall be held solely to meet the current and future liabilities of the governmental unit for group health insurance benefits for retirees and their dependents.** The governmental unit ~~and~~ may appropriate amounts to be credited to the fund **and the treasurer of the governmental unit may accept gifts, grants and other contributions to the fund. The fund shall be an expendable trust subject to appropriation and shall be managed by a trustee or a board of trustees as provided in subsection (d).** Any interest or other income generated by the fund shall be added to and become part of the fund. Amounts that a governmental unit receives as a sponsor of a qualified retiree prescription drug plan under 42 U.S.C. section 1395w~~2~~132 may be **dedicated to** ~~added to~~ and become part of the fund **by vote of the governing body of the governmental unit.** All monies held in the fund shall be **accounted for separately** ~~segregated from other funds~~ **of the governmental unit** and shall not be subject to the claims of any general creditor of the **governmental unit** city, town, district, county or municipal lighting plant.

(c) The **treasurer of the governmental unit shall be the** custodian of the OPEB fund **and shall be bonded in any additional amounts necessary to protect fund assets.**

(d) **The governing body of the governmental unit shall designate a trustee or board of trustees, which shall have general supervision of the management, investment and reinvestment of the OPEB Fund. The governing body may designate as the trustee or board of trustees (i) the custodian; (ii) the governmental unit’s retirement board as the board of trustees; or (iii) an OPEB Fund board of trustees established by the governmental unit under subsection (e). If no designation is made, the custodian of the fund shall be the trustee and shall manage and invest the fund. The duties and obligations of the trustee or board of trustees with respect to the fund shall be set forth in a declaration of trust to be adopted by the trustee or board, but shall not be inconsistent with this section. The declaration of trust and any amendments thereto shall be filed with the chief executive and the clerk of the governing body of the governmental unit and take effect 90 days after the date filed unless the governing body votes to disapprove any such declaration or amendment within that period.** shall be (i) a designee appointed by the board of a municipal lighting plant; (ii) the treasurer of any other governmental unit; or (iii) if designated by the city, town, district, county or municipal lighting plant in the same manner as acceptance prescribed in this section, the State Retiree Benefits Trust Fund board of trustees established in section 24A of chapter 32A, provided that the board of trustees accepts the designation. The **trustee or board of trustees** ~~custodian~~ may employ **reputable and knowledgeable investment consultants to assist in determining appropriate investments and pay for those services from the fund, if authorized by the governing body of the governmental unit.** ~~an outside custodial service to hold the monies in the fund. Monies in the fund shall be invested and reinvested by the custodian consistent with the prudent investor rule established in chapter 203C and~~ **The trustee or trustees** may, with the approval of the State Retiree Benefits Trust Fund board of trustees, ~~be invested~~ **the OPEB Fund** in the State Retiree Benefits Trust Fund established in section 24 of chapter 32A.

(e) The governing body of the governmental unit may vote to establish a separate OPEB Fund board of trustees to be the investing authority. The board of trustees shall consist of 5 to 13 individuals, including a person or persons with the investment experience desired by the governmental unit, a citizen or citizens of the governmental unit, an employee of the governmental unit, a retiree or retirees of the governmental unit, and a governmental unit officer or officers. The governmental unit employee trustee or trustees shall be selected by current employees of the unit by ballot, and the retiree trustee or trustees shall be selected by current retirees of the unit by ballot. The remainder of the trustees shall be appointed by the chief executive officer of the governmental unit. The trustees will serve for terms of 3 or 5 years as determined by the governing body of the governmental unit, and if a vacancy occurs, a trustee may be elected or selected in the same manner to serve for the remainder of the term. Trustees shall be eligible for reappointment.

(f) The trustee or board of trustees shall: (i) act in a fiduciary capacity, (ii) discharge its duties for the primary purpose of enhancing the value of the OPEB Fund, (iii) act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise with like character and with like aims and (iv) diversify the investments in the fund to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

In any civil action brought against a trustee, the board of trustees, acting within the scope of official duties, the defense or settlement of which is made by legal counsel for the governmental unit, the trustee or employee shall be indemnified from the OPEB Fund for all expenses incurred in the defense thereof and for damages to the same extent as provided for public employees in chapter 258. No trustee or employee shall be indemnified for expenses in an action or damages awarded in such action in which there is: (i) a breach of fiduciary duty, (ii) an act of willful dishonesty or (iii) an intentional violation of law by the trustee or employee.

(g) Monies in the OPEB Fund not required for expenditures or anticipated expenditures within the investment period, shall be invested and reinvested by the custodian as directed by the investing authority from time to time; provided such investment or reinvestment is made in accordance with: (i) section 54 of chapter 44, if the treasurer or OPEB Fund board of trustees is the investing authority, unless the governing body of the governmental unit authorizes investment under the prudent investor rule established in chapter 203C; (ii) section 23 of chapter 32, if the retirement board is the investing authority; or (iii) sections 24 and 24A of chapter 32A, if the OPEB Fund is invested in the State Retiree Benefits Trust Fund.

(h) Amounts in the OPEB Fund may be appropriated by a two thirds vote of the governing body of the governmental unit to pay the unit's share of health insurance benefits for retirees and their dependents upon certification by the trustee or board of trustees that such amounts are available in the fund. The treasurer of the governmental unit after consulting with the chief executive officer of the unit shall determine the amount to be appropriated from the fund to the annual budget for retiree health insurance and notify the trustee or board of trustees of that amount at the earliest possible opportunity in the annual budget cycle. Upon notification, the trustee or board of trustees shall take diligent steps to certify those funds as available for appropriation by the governmental unit, or will be available by the time the appropriation would become effective or provide an explanation why the funds are or will not be available or should not be made available.

**(i) In a regional school district, appropriations of amounts to the OPEB Fund may be made only in the annual budget submitted to the member cities and towns for approval. The annual report submitted to the member cities and towns pursuant to clause (k) of section 16 of chapter 71 shall include a statement of the balance in the fund and all additions to and appropriations from the fund during the period covered by such report.**

**(j) A municipal lighting plant that establishes an OPEB fund shall pay the premiums and assume the liability for the municipal share of retiree healthcare benefits attributable to lighting plant employees and their dependents.**

**(k) A governmental unit that accepts this section may participate in the OPEB Fund established by another governmental unit under this section upon authorization of the governing boards of both units and in accordance with the procedures and criteria established by the trustee or board of trustees of the fund. Each governmental unit shall remain responsible for all costs attributable for the health care and other post-employment obligations for its retired employees and their dependents and for completing an actuarial valuation of its liabilities and funding schedule that conforms to GASB requirements.**

**The participating governmental unit may appropriate or otherwise contribute amounts to the OPEB Fund as provided in subsection (b). Amounts from the fund may be appropriated by the participating unit for its retiree health insurance expenses in the manner authorized in subsection (h) upon a determination by the treasurer of the unit, after consulting with the chief executive officer of the unit, of the necessary amount and notification of the treasurer of the governmental unit maintaining the fund and the trustee or board of trustees of that amount. The trustee or board of trustees shall certify those funds available for appropriation, as provided in subsection (h), and the treasurer of the governmental unit maintaining the fund shall transfer the amounts certified to the participating governmental unit.**

**The participating governmental unit shall be separately credited for any contributions made to and appropriations from the OPEB Fund, and interest or other income generated by the fund, in the accounting of the relative liabilities of each governmental unit for its retirees and their dependents.**

**(l) This section may be accepted in a city or town in the manner provided in section 4 of chapter 4 having a Plan D or Plan E charter, by vote of the city council; in any other city, by vote of the city council and approval of the mayor; in a town, by vote of the town at a town meeting; in a county, by vote of the county commissioners; in a regional school district, by vote of the regional school committee; and in a district or other governmental unit, by vote of the district meeting or other appropriating body governing board; in a municipal lighting plant, by vote of the board; and in a county, by vote of the county commissioners.**

**(m) This section shall also apply to the OPEB Fund established by a governmental unit under a special law, notwithstanding any provision to the contrary, upon the acceptance of this section by the governmental unit.**

**Section 20A. When a governmental unit obtains an actuarial valuation report in accordance with GASB containing statements of the liabilities of the unit for health care and other post-employment benefits for its retired employees and their dependents, it shall submit a copy to PERAC no later than 90 days after receipt of such report. PERAC may require that the governmental unit provide additional information related to such liabilities, normal cost and benefit payments, as specified by the executive office for administration and finance in consultation with PERAC.**

**The governmental unit shall file the report and the additional information with PERAC and the division of local services.** Every city, town, district, county and municipal lighting plant shall annually submit to the public employee retirement administration commission, on or before December 31, a summary of its other post-employment benefits cost and obligations and all related information required under Government Accounting Standards Board standard 45, in this subsection called "GASB 45", covering the last fiscal or calendar year for which this information is available. On or before June 30 of the following year, the public employee retirement administration commission shall notify any entity submitting this summary of any concerns that the commission may have or any areas in which the summary does not conform to the requirements of GASB 45 or other standards that the commission may establish. **PERAC** The public employee retirement administration commission shall file a summary report of the information received under this subsection with the chairs of the house and senate committees on ways and means, the secretary of administration and finance and the board of trustees of the State Retiree Benefits Trust Fund **established under section 24A of chapter 32A.**

## **SUPERVISION OF COUNTY GOVERNMENT**

### **General Laws Chapter 35, §§ 44-46 (218:17)**

~~Section 44. The director of accounts or his representative shall, unannounced, examine the books and accounts of each county treasurer and all original vouchers for the expenditures of each treasurer at least once a year, and if the same are correct, and if the accounts are accompanied by sufficient vouchers stating in detail the items thereof, and if such vouchers confirm and sustain the same, and if chapter thirty B has been complied with, he shall so certify on the treasurer's cash book and shall set forth in words at length the balance existing when the examination is completed. If such accounts are incorrect or not accompanied by sufficient vouchers, the director shall, unless the irregularity is promptly rectified, notify in writing the county commissioners and attorney general, and shall make a full statement thereof in his next annual report. The director shall require the installation of such accounting systems as will, in his judgment, be most effective in securing uniformity of classification in the accounts of each county treasurer.~~

~~Section 45. The said director or his representative shall also visit, unannounced, at least once a year, all other county officers receiving money payable to the county, clerks of the supreme judicial and superior courts in Suffolk county, the recorder and all assistant recorders of the land court, registers of probate and insolvency, registers of deeds and clerks of district courts, probation officers, superintendents of training schools and of shops in houses of correction, and trustees and other officers receiving or disbursing funds of county tuberculosis hospitals, infirmaries or sanatoria, and shall examine their accounts and vouchers, and the items of receipts and expenditures. He shall ascertain the actual amount of money on hand with each of said officers. He shall require, so far as possible, uniformity and correctness in the method of keeping said accounts, and may prescribe the classification of receipts and expenditures and a uniform system of receipts, certificates, vouchers and exhibits. Said officers shall afford such assistance as the director may require in making said examination and shall make returns and exhibits on oath in such form and at such times as he shall prescribe. They shall keep an accurate account of all money charged to or received by them in their official capacities, and also of all expenditures~~

~~made or liabilities incurred by them on account of the same, and shall annually, on or before July fifteenth, make a sworn return to said director of such receipts and expenditures for the preceding fiscal year.~~

~~Section 46. The commissioner of revenue shall annually, on or before August first, make a report to the governor and to the general court, which shall include the material portions of the returns made under section forty five, compiled in tabular form, with his suggestions and recommendations.~~

## **SUPERVISION OF COUNTY GOVERNMENT**

### **General Laws Chapter 35, § 50 (218:18)**

~~Section 50. The director of accounts shall (a) prepare and submit to the board classification and compensation plans, together with such rules for the administration thereof as he may deem proper; (b) recommend to the board such amendments thereto as he deems expedient, and also advise and report to the board relative to amendments proposed under section fifty three; (c) keep an official roster of the officers and employees subject to sections forty eight to fifty six, inclusive, with such other relevant information as he may deem advisable, furnishing for each county a duplicate roster of such officers and employees of the county for filing in the office of the county commissioners; (d) advise and assist the several county commissioners and the board in carrying out the purposes of said sections; (e) perform such other duties as may be requested by the county commissioners of any county or the board in carrying out said purposes; (f) make a continuing study of personnel problems, employment conditions and economic changes as affecting offices and positions subject to said sections; and (g) investigate and make report to the board on appeals as provided in section fifty two.~~

~~The director may employ a person skilled and experienced in public classification and compensation work to assist in the performance of the duties imposed upon him by said sections forty eight to fifty six, inclusive. Such employment shall not be subject to chapter thirty one. All expenses incurred by the director under this section and the compensation and expenses payable under section forty eight shall be paid in the first instance by the commonwealth, from such funds as may be appropriated by the general court; and the several counties, excluding Suffolk, shall reimburse the commonwealth therefor in proportion to their taxable valuations as determined by the director.~~

## **RENTAL REVOLVING FUND**

### **General Laws Chapter 40, § 3 (218:19)**

Section 3. A town may hold real estate for the public use of the inhabitants and may convey the same by a deed of its selectmen thereto duly authorized, or by a deed of a committee or agent thereto duly authorized; may by its selectmen let or lease for not more than 30 years, on such terms as the selectmen determine, a public building or part thereof, except schoolhouses in actual use as such; may by its selectmen let or lease for not more than twenty-five years, real estate to the Massachusetts Bay Transportation Authority for use by the authority as a parking lot for commuters; may hold personal estate for the public use of the inhabitants, and alienate and dispose of the same; may hold real and personal

estate in trust for the support of schools, and for the promotion of education, within the limits of the town; may receive, hold and manage any devise, bequest or gift for the establishment or equipment of memorials for properly commemorating the services of the soldiers, sailors and marines who have served the country in war, and for the establishment or maintenance of any reading room for which it may grant money under the provisions of section five; and may make such orders as it may deem necessary or expedient for the disposal or use of its corporate property. All real estate or personal property of the town, not by law or by vote of the town placed in the charge of any particular board, officer or department, shall be under the control of the selectmen, except as is otherwise provided in this section or section nine.

**Notwithstanding this section or section 53 of chapter 44, a city or town that rents or leases any public building or property, or space within a building or property, other than a building or property under the control of the school committee, may deposit any monies received from the rental or lease in a separate account in the city or town treasury. The monies may be expended by the board, committee or department head in control of the building or property without further appropriation for the upkeep of the facility so rented or leased. Any balance remaining in the account at the close of a fiscal year shall be paid into the General Fund of such city or town; provided that in any city or town that accepts this proviso, any balance shall remain in the account and may be expended for the upkeep and maintenance of any facility under the control of the board, committee or department head in control of the building or property.**

Notwithstanding the provisions of this section, a city or town, with the approval of the school committee, may rent or lease any school building not in actual use and, with the approval of the commissioner of education, surplus space in a school building in actual use to any one or more public or private profit-making businesses or nonprofit organizations; provided, however, that joint occupancy of a school building in actual use as such shall not interfere with educational programs being conducted in said building. The terms of any such rental or lease shall be as approved by the school committee; provided, however, that no school building not in actual use shall be rented or leased for an initial term longer than ten years, but with renewal options if approved by the school committee.

The monies received from such rental or lease shall be kept separate and apart from other city or town funds in the city or town treasury and may be expended by the school committee without further appropriation for the upkeep of the facility so rented or surplus space which is so rented; provided, however, that any balance remaining in such account at the close of a fiscal year shall be paid into the General Fund of such city or town; and, provided further, that in any city or town that accepts this proviso, any such balance shall remain in said account and may be expended for the upkeep and maintenance of any facility under the control of the school committee.

## **JOINT POWERS AGREEMENTS**

### **General Laws Chapter 40, § 4A½ (218:20)**

**Section 4A½. (a) For purposes of this section, the following words shall, unless the context requires otherwise, have the following meanings:-**

**“Governmental unit”, a city, town or a regional school district, a district as defined in section 1A, a regional planning commission, however constituted, the Hampshire council of governments, a regional transit authority established pursuant**



to chapter 161B, a water and sewer commission established pursuant to chapter 40N or by special law, a county, or a state agency, as defined in section 1 of chapter 6A.

“Joint powers agreement”, a contract specifying the terms and conditions of the joint exercise of powers and duties entered into by participating governmental units pursuant to the laws governing any such unit and this section.

“Region”, any geographically-designated area within which the powers and duties provided in a joint powers agreement shall be exercised.

(b) The chief executive officer of a city or town, or a board, committee or officer authorized by law to execute a contract in the name of a governmental unit may, on behalf of the unit, enter into a joint powers agreement with another governmental unit for the joint exercise of any of their common powers and duties within a designated region; provided, however, that the joint powers agreement shall not apply to veterans’ services in any city or town or districts and municipal veterans’ services and departments shall be subject to chapter 115. The joint powers agreement shall be authorized by the parties thereto in the following manner: in a city, by the city council with the approval of the mayor; in a town, by the board of selectmen; and in a district, by the prudential committee. A decision to enter into a joint powers agreement pursuant to this section, or to join an existing region, shall not be subject to bargaining pursuant to chapter 150E.

(c) The joint powers agreement shall specify the following: (1) the purpose and the method by which the purpose sought shall be accomplished; (2) the services, activities or undertakings to be jointly performed within the region; (3) the specific organization, composition and nature of the entity created thereby to perform the services, activities or undertakings within the region, and the specific powers and duties delegated thereto; provided, however, that such entity shall be a body politic and corporate created pursuant to subsection (d) whose funds shall be subject to an annual audit and a copy of such audit shall be provided to the member governmental units and to the division of local services in the department of revenue; (4) the manner of: (i) financing the joint services, activities or undertakings within the region, (ii) establishing and maintaining a budget therefore and (iii) authorizing borrowing pursuant to subsection (e), including any limitations on the purposes, terms and amounts of debt the entity may incur to perform such services, activities or undertakings; (5) any procedures related to the termination of the joint powers agreement, the withdrawal of any participating governmental unit and the addition of any new governmental units; and (6) its duration.

(d) An entity established by a joint powers agreement shall be a body politic and corporate with the power to: (1) sue and be sued; (2) make and execute contracts and other instruments necessary for the exercise of the powers of the region; (3) make, amend and repeal policies and procedures relative to the operation of the region; (4) receive and expend funds; (5) apply for and receive grants from the commonwealth, the federal government and other grantors; (6) submit an annual report to each member governmental unit, which shall contain a detailed financial statement and a statement showing the method by which the annual charges assessed against each governmental unit were computed; and (7) any such other powers as are necessary to properly carry out its powers as a body politic and corporate.

(e) An entity created pursuant to this section shall be governed by a board of directors comprised of at least 1 member representing each participating governmental unit. Each member of the board of directors shall be entitled to a vote. No member of the board of directors shall receive an additional salary or stipend for their service as a board member. The board of directors shall coordinate the activities

of the entity and may establish any policies and procedures necessary to do so. The board of directors shall establish and manage a fund to which all monies contributed by the participating governmental units, and all grants and gifts from the federal or state government or any other source shall be deposited. The board of directors shall appoint a treasurer who may be a treasurer of 1 of the participating governmental units. No member of the board of directors or other employee of the entity shall be eligible to serve concurrently as treasurer. The treasurer, subject to the direction and approval of the board of directors, shall be authorized to receive, invest and disburse all funds of the entity without further appropriation. The treasurer shall give bond for the faithful performance of his duties in a form and amount as fixed by the board of directors. The treasurer may make appropriate investments of the funds of the entity consistent with section 55B of chapter 44.

The board shall appoint a business officer who may be a city auditor, town accountant or officer with similar duties, of 1 of the participating governmental units. The business officer shall have the duties and responsibilities of an auditor or accountant pursuant to sections 52 and 56 of chapter 41 and shall not be eligible to hold the office of treasurer.

The board of directors may borrow money, enter into long or short-term loan agreements or mortgages and apply for state, federal or corporate grants or contracts to obtain funds necessary to carry out the purposes of the entity. The borrowing, loans or mortgages shall be consistent with the joint powers agreement, standard lending practices and sections 16 to 28, inclusive, of chapter 44. The board of directors may, subject to chapter 30B, enter into contracts for the purchase of supplies, materials and services and for the purchase or lease of land, buildings and equipment, as considered necessary by the board of directors.

(f) The entity shall be a public employer. The board of directors may employ personnel to carry out the purposes of the joint powers agreement and establish the duties, compensation and other terms and conditions of employment of personnel.

(g) A participating governmental unit shall not be liable for the acts or omission of another participating government unit or the region or any entity created by the joint powers agreement, unless the participating governmental unit has agreed otherwise in the joint powers agreement.

(h) A regional school district, superintendency union, educational collaborative, charter school or commonwealth virtual school may only be formed as provided in the applicable provisions of the General Laws, and no joint powers agreement made pursuant to this section may, in substance, create such a district, union, collaborative, charter school or virtual school, irrespective of how the entity created pursuant to a joint powers agreement may be characterized or named. A joint powers agreement relating to public schools may only be entered into by the school committee, or other governing board, as applicable.

## **CITY RESERVE FUNDS**

### **General Laws c. 40, § 5A (218:21)**

Section 5A. To provide for extraordinary or unforeseen expenditures, a city may, prior to the date when the tax rate for a fiscal year is fixed, include in the appropriations for such fiscal year as a reserve fund a sum not exceeding 5 ~~three~~ per cent of the tax levy for the fiscal year next preceding such fiscal year. No direct drafts against this fund shall be made,

but transfers from the fund may from time to time be voted by the city council upon recommendation of the mayor, and the city auditor or officer having similar duties shall make such transfers as are so voted.

## **STABILIZATION FUNDS**

### **General Laws c. 40, § 5B (218:22)**

Section 5B. For the purpose of creating 1 or more stabilization funds, ~~e~~ Cities, towns and districts may **create 1 or more stabilization funds and** appropriate in any year an amount **into the funds,** not exceeding, in the aggregate, 10 per cent of the amount raised in the preceding fiscal year by taxation of real estate and tangible personal property or such larger amount as may be approved by the director of accounts. The aggregate amount in such funds at any time shall not exceed 10 per cent of the equalized valuation of the city or town as defined in section 1 of chapter 44. Any interest shall be added to and become part of the fund.

The treasurer shall be the custodian of all such funds and may deposit the proceeds in **a trust company,** national banks or invest the proceeds by deposit in savings banks, cooperative bank **or** savings bank, if the trust company or bank is or trust companies organized **or exists** under the laws of the commonwealth **or any other state or may transact business in the commonwealth and has its main office or a branch office in the commonwealth, a national bank, federal savings bank or federal savings and loan association, if the bank or association may transact business and has its main office or a branch office in the commonwealth; provided, however, that a state-chartered or federally-chartered bank shall be insured by the Federal Deposit Insurance Corporation or its successor** or **may** invest the **funds** in participation units in a combined investment fund under section 38A of chapter 29 or ~~same in such securities as are~~ **in securities that are** legal for the investment of funds of **or** savings banks under the laws of the commonwealth or in federal savings and loans associations situated in the commonwealth.

At the time of creating any **stabilization** ~~uch~~ fund the city, town or district shall specify, and at any later time may alter, the purpose of the fund, which may be for any lawful purpose, including without limitation an approved school project under chapter 70B or any other purpose for which the city, town or district may lawfully borrow money. Such specification and any such alteration of purpose, and any appropriation of funds ~~into or~~ out of any such fund, shall be approved by two-thirds vote, except as provided in paragraph (g) of section 21C of chapter 59 for a majority referendum vote. Subject to said section 21C, ~~in a town or district any such vote shall be taken at an annual or special town meeting, and in a city any such vote shall be taken by city council.~~ **of the legislative body of the city, town or district, subject to charter.**

**Notwithstanding section 53 of chapter 44 or other law to the contrary, a city, town or district that accepts this paragraph may dedicate, without further appropriation, all, or a percentage not less than 25 percent, of a particular fee, charge or other receipt to any stabilization fund established under this section; provided, however, that the receipt is not reserved by law, or as authorized by law, for expenditure for a particular purpose. For purposes of this paragraph, a receipt shall not include taxes or excises assessed under chapters 59, 60A, 60B, 61, 61A or 61B or surcharges assessed under section 39M of this chapter or chapter 44B. A dedication shall be approved by a two-thirds vote of the legislative body of the city, town or**

district, subject to charter, and may be terminated in the same manner. A vote to dedicate or terminate a dedication shall be made before the fiscal year in which the dedication or termination is to commence and shall be effective at least for 3 fiscal years.

## **SPECIAL EDUCATION RESERVE FUND**

### **General Laws c. 40, § 13E (218:24)**

Section 13E. Any school district which accepts this section, by a majority vote of the school committee and a majority vote of the legislative body or, in the case of a regional school district by a majority vote of the legislative bodies in a majority of the member communities of the district, may establish and appropriate or transfer money to a reserve fund to be utilized in the upcoming fiscal years, to pay, without further appropriation, for unanticipated or unbudgeted costs of special education, out-of-district tuition or transportation. The balance in such reserve fund shall not exceed 2 per cent of the annual net school spending of the school district.

Funds shall only be distributed from the reserve funds after a majority vote of the school committee and a majority vote of the board of selectman or city council, or, in the case of a regional school district by a majority vote of the board of selectmen or city council in a majority of the member communities of the district.

The district treasurer may invest the monies in the manner authorized in section 54 of chapter 44 and any interest earned thereon shall be credited to and become part of the fund.

## **PARKING REVENUES**

### **General Laws c. 40, §§ 22A-22C (218:25-30)**

Section 22A. Any city or town, for the purpose of enforcing its ordinances, by-laws and orders, rules and regulations relating to the parking of vehicles on ways within its control and subject to the provisions of section two of chapter eighty-five, may appropriate money for the acquisition, installation, maintenance and operation of parking meters, or by vote of the city council or of the town may authorize a board or officer to enter into agreement for such acquisition, installation or maintenance of parking meters; provided, that the city of Boston, for the purpose of enforcing the rules and regulations adopted by its traffic and parking commission, or promulgated by its commissioner of traffic and parking, under chapter two hundred and sixty-three of the acts of nineteen hundred and twenty-nine, may appropriate money for the acquisition, installation, maintenance and operation of parking meters, or, by vote of the city council of said city, subject to the provisions of its charter, may authorize the traffic and parking commission of said city to enter into agreements for the acquisition, installation or maintenance of parking meters. In any city or town that accepts this sentence, the An agreement for the acquisition or installation of parking meters may provide that payments thereunder shall be made over a period not exceeding 5 ~~five~~ years without appropriation, from fees received for the use of such parking meters notwithstanding the provisions of section ~~53~~ 53 ~~fifty three~~ of chapter ~~44~~ 44 ~~forty four~~. Such fees shall be established and charged at ~~such rates determined that the revenue therefrom shall not exceed in the aggregate the necessary expenses incurred by such~~ the city or town. Rates may be set for the purpose of managing the parking supply. The revenue

therefrom may be used for the acquisition, installation, maintenance and operation of parking meters **and other parking payment and enforcement technology**, the regulation of parking, **salaries of parking management personnel, improvements to the public realm, and transportation improvements, including, but not limited to, the operation of mass transit and facilities for biking and walking** ~~and other traffic activities incident thereto~~. No fee shall be exacted and no penalty shall be imposed for the parking of any vehicle owned and driven by a disabled veteran or by a handicapped person and bearing the distinctive number plates authorized by section two of chapter ninety, or for any vehicle transporting a handicapped person and displaying the special parking identification plate authorized by said section two of said chapter ninety or for any vehicle bearing the official identification of a handicapped person issued by any other state or any Canadian Province. Any city or town may, in accordance with the provisions of this section, acquire and operate coin-operated locking devices for bicycle parking. A city or town may, in accordance with the provisions of this section, authorize the parking of more than one motorcycle in a single parking space and may impose a penalty for the full amount of a violation of an ordinance, by-law, order, rule or regulation related to the parking of vehicles on ways within its control and subject to section 2 of chapter 85 for each motorcycle so parked in violation of any such ordinance, by-law, order, rule or regulation. No motorcycle shall be parked in such a manner so as to inhibit the means of egress of another motorcycle currently parked in the same parking space.

Any city or town acting under this section shall further regulate the parking of vehicles on ways within its said control by restricting certain areas thereon for the parking of any vehicle owned and driven by a disabled veteran or handicapped person whose vehicle bears the distinctive number plates authorized by section two of chapter ninety or for any vehicle transporting a handicapped person and displaying the special parking identification plate authorized by said section two of said chapter ninety, or for any vehicle bearing the official identification of a handicapped person issued by any other state, or any Canadian Province, or by prohibiting the parking or standing of any vehicles in such a manner as to obstruct any curb ramp designed for use by handicapped persons. Parking spaces designated as restricted under this paragraph shall be identified by the use of above-grade signs with white lettering against a blue background and shall bear the words "Handicapped Parking: Special Plate Required. Unauthorized Vehicles May be Removed at Owner's Expense". The spaces shall be as near as possible to a building entrance or walkway, shall be adjacent to curb ramps or other unobstructed methods permitting sidewalk access to a handicapped person and shall be at least 8 feet wide, not including the cross hatch access aisle as defined by the architectural access board established in section 13A of chapter 22. If parking spaces designated as restricted under this paragraph are made temporarily unavailable due to a construction project or other planned event, the city or town shall ensure that the nearest available nonreserved parking space, if any, shall be temporarily designated as restricted under this paragraph. The cost of acquisition, installation and maintenance and operation of any signs or other regulatory devices used to designate such restricted areas shall be considered as a necessary expense for the regulation of parking and shall be paid from appropriations authorized by this section. Any such ordinance, by-law, order, rule or regulation promulgated pursuant to this paragraph shall contain a penalty of not less than \$100 nor more than \$300 and shall provide for the removal of a vehicle in accordance with section 22D. This penalty shall not be a surchargeable offense under section 113B of chapter 175.

**Section 22A½. A city or town may establish 1 or more parking benefit districts, as a geographically defined area, in which parking revenue collected therein may be**

**designated in whole or in part for use in that district through a dedicated fund in accordance with the purposes and uses listed in section 22A. A parking benefit district may be managed by a body designated by the municipality, including, but not limited to, a business improvement district or main streets organization.**

Section 22B. **In any city or town that accepts this section and installs** ~~Any city or town having installed~~ parking meters or coin-operated locking devices for bicycle parking under section 22A, **the city or town** may acquire off-street parking areas and facilities by purchase, gift, eminent domain under chapter seventy-nine or chapter eighty A, by lease not to exceed five years, or otherwise, and may pay for such acquisition or lease, including the cost of policing, constructing or reconstructing, surfacing, operating and maintaining such areas and facilities, and including any debt together with interest thereon incurred for such acquisition, in whole or in part and pay for the removal of architectural barriers in public facilities in accordance with the provisions of section thirteen A of chapter twenty-two, from any receipts from said parking meters or such devices and may in each year transfer or pay into its general funds from said receipts a sum or sums in lieu of taxes for the year in question upon the average assessed valuation of said areas and facilities for the three years immediately prior to the date of said acquisition, determined by multiplying each one thousand dollars of such average valuation or fraction thereof by the tax rate set for said city or town for that year; provided, that the off-street parking areas and facilities are located not more than six hundred feet from a building in which the principal activity is business, commercial, manufacturing or industrial in character, and which building is in a business, commercial, manufacturing or industrial zone, but is not more than six hundred feet from the nearest parking meter of any group of not less than thirty parking meters approved by the department of highways, or are located not more than six hundred feet from a public beach area.

Section 22C. Any city or town, having installed parking meters or coin-operated locking devices for bicycle parking under section 22A, may install parking meters in municipally owned or leased off-street parking lots and other devices for controlling the off-street parking lots. **In any city or town that accepts this paragraph sentence, the** ~~Those city or ies and towns~~ may use any receipts from those parking meters and other devices for the purpose of purchase or lease of additional parking lots, the care and maintenance of the parking lots, the purchase or lease of a commuter shuttle or commuter shuttle services between the parking lots and available public transportation, the care and maintenance of public transportation station accessibility improvements and in general for traffic control or traffic safety purposes, including payment for public liability coverage in connection with the purchase, lease and use of the municipally owned or leased parking lots and commuter shuttles or commuter shuttle services or any **of the purposes and used listed in section 22A.**

## **DISTRICT INCREMENT FINANCING (Excerpts)**

### **General Laws Chapter 40Q, §§ 1 and 3 (218:44-50)**

Section 1. (a) As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Adjustment factor", for each fiscal year of the term of a given development program, the product of the inflation factors for each fiscal year subsequent to the first fiscal year immediately following the base date.

...

"Captured assessed value", the valuation amount by which the current assessed value of an invested revenue district exceeds the original assessed value of the district. If the current assessed value is equal to or less than the original, there is no captured assessed value.

...

"Inflation factor", a ratio: (1) the numerator of which shall be the total assessed value of all parcels of residential, commercial and industrial real estate that are assessed at full and fair cash value for the current fiscal year minus the new growth adjustment factor for the current fiscal year attributable to the residential, commercial and industrial real estate as determined by the commissioner of revenue under paragraph (f) of section 21C of chapter 59; and (2) the denominator of which shall be the total assessed value for the preceding fiscal year of all the parcels included in the numerator; provided, however, the ratio shall not be less than 1; provided, further, that if the proposed Invested Revenue District does not include residential property, the assessed value attributable to residential property shall not be included in either the numerator or the denominator in calculating the inflation factor.

...

"Invested revenue district development program", statement which, in addition to the information required for a development program, shall also include: (1) estimates of the captured assessed value **tax revenues to be derived from the invested revenue** district; (2) a projection of the tax revenues to be derived from the invested revenue district in the absence of a development program; (3) the method of calculating the tax increment together with any provisions for adjustment of the method of calculation; (4) the board or officer of the city or town responsible for calculating the tax increment; (5) a statement as to whether the issuance of bonds contemplated under this chapter shall be general or special obligation bonds; ~~(4 6)~~ the portion of the captured assessed value **percentage of the tax increment** to be applied to the development program and resulting tax increments in each year of the program; **and (5 7)** a statement of the estimated impact of tax increment financing on all taxing jurisdictions in which the district is located; and ~~(8) if applicable, a statement of the city or town electing that the original assessed value not be increased by the adjustment factor.~~

"Original assessed value", the aggregate assessed value of the invested revenue district as of the base date; provided, however, that if the city or town has not included an election statement in its investment district development program, the original assessed value in any year shall be equal to the original assessed value as of the base date multiplied by the adjustment factor for that fiscal year.

...

"Tax increment", that portion of all real and personal property taxes assessed by a city or town upon the captured assessed value of property in the development district. The portion of the tax levy attributable to the increased valuation after the base date shall be calculated using the same classification factors as were used as of the base date, or without classification factors, if property was not classified for tax purposes as of the base date. If the base date is earlier than the date as of which the commissioner of revenue makes the certification required by subsection (c) of section 2A of chapter 59, the project plan may provide for such further adjustment in calculating the tax increment as may be deemed appropriate to reflect changes of practice after the base date with respect to the valuation of

~~property in order to achieve assessment at full and fair cash valuation~~ **all annual increases in the municipality's limit on total taxes assessed under section 21C(f) of chapter 59 that are attributable to parcels within the district for fiscal years with an assessment date later than the base date. The tax increment shall also include the part of increases in the limit on total taxes assessed allowed under section 21C(f) of chapter 59 that are attributable to such increases under section 21C(f) in prior years that were part of the increment in such prior years. In any year in which the limit on total taxes assessed under section 21C is lower than the prior year's limit on total taxes assessed, the tax increment shall be reduced in the same proportion as the limit on total taxes assessed.**

...

Section 3. (a) The city or town may retain all or part of the tax increment of an invested revenue district for the purpose of financing the development program. The amount of tax increment to be retained shall be determined by designating the amount **of the tax increment** ~~captured assessed value~~ to be retained. When a development program for an invested revenue district is adopted, the city or town shall adopt a statement of the percentage of **tax increment** ~~captured assessed value~~ to be retained in accordance with the development program. The statement of percentage may establish a specific percentage or percentages or may describe a method or formula for determination of the percentage. The assessor shall certify the amount of the **tax increment** ~~captured assessed value~~ to the city or town each year.

(b) On or after the formation of an invested revenue district, the assessor of the city or town in which it is located shall, on request of the city or town, certify the original assessed value of the taxable property within the boundaries of the invested revenue district **on the base date**. Each year, after the formation of an invested revenue district, the assessor of the city or town shall certify the amount ~~by which the assessed value has increased or decreased from the original value~~ **of the new growth adjustment to the levy limit of the city or town, as certified by the commissioner of revenue, that is attributable to parcels within the district.**

(c) If a city or town has elected to retain all or a percentage of the retained **tax increment** ~~captured assessed value~~ under subsection (a), the city or town shall:

(1) establish a development program fund that consists of: (i) a development sinking fund account that is pledged to and charged with the payment of the interest and principal as the interest and principal fall due and the necessary charges of paying interest and principal on any notes, bonds or other evidences of indebtedness that were issued to fund or refund the costs of the development program fund; and (ii) a project cost account that is pledged to and charged with the payment of project costs as outlined in the financial plan and paid in a manner other than as described in subclause (i).

(2) set aside annually all tax increment revenues ~~on retained captured assessed values~~ and deposit all such revenues in the appropriate development program fund account in the following priority:

(i) to the development sinking fund account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual debt service on bonds and notes issued under section 4 and the financial plan; and

(ii) to the project cost account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual project costs to be paid from the account;

(3) to be permitted to make transfers between development program fund accounts as required; provided, however, that the transfers shall not result in a balance in the



development sinking fund account that is insufficient to cover the annual obligations of that account; and

(4) annually return to the general fund of the city or town any tax increment revenue in excess of those estimated to be required to satisfy the obligations of the development sinking fund account.

**(d) Notwithstanding any provision in this chapter to the contrary, the requirement to reserve funds under subsection (c) shall terminate when sufficient monies have been set aside to cover the full, anticipated liabilities of the development sinking fund account and the project cost account.**

## **COMBINE TREASURER COLLECTOR General Laws Chapter 41, § 1B (218:51-52)**

Section 1B. Any office or board, except the board of selectmen and the school committee, elected under the provisions of section 1 may become an appointed position or board by a majority vote of the annual or special town meeting and acceptance by the voters of the town at the annual town elections; provided, however, that any vote by a special town meeting taken under the provisions of this section shall take place at least 60 days prior to the acceptance of the voters at the annual town election. **For purposes of this section, the positions of town treasurer and collector of taxes, elected pursuant to section 1, may be combined into 1 position and become an appointed position in the manner provided in this section.** Such acceptance by the voters shall be in the form of the following question, to be placed on the official ballot:

Shall the town vote to have its elected (~~Title~~ **Titles** of office or board) become an appointed (~~Title~~ **Titles** of office or board) of the town?

Yes \_\_\_ No \_\_\_

If a majority of votes cast in answer to said question is in the affirmative, said office or board shall become appointed in accordance with the provisions of this section.

Any incumbent of such office or board serving at the time of acceptance by the voters shall continue to hold said office and to perform the duties thereof until the expiration of the term for which said individual was elected or until said individual otherwise vacates such office; provided, however, that any individual elected to an office or board which becomes an appointed office or board at the same election, under the provisions of this section, shall hold said office and perform the duties thereof until the appointment to said office is otherwise made under the provisions of this section.

Such appointment shall be made by the board of selectmen for a term not to exceed three years, unless such mode of appointment or term is otherwise provided by law.

## **APPOINT/REMOVE FINANCE OFFICERS General Laws Chapter 41, §§ 27, 37 and 39B (218:53, 55-56)**

~~Section 27. If assessors, or selectmen acting as such, shall fail to perform their duties, the commissioner of revenue may appoint three or more persons to be assessors for such town, who shall be sworn, shall hold office until the offices of assessors are filled by the town, and shall receive from the town compensation as assessors.~~

~~Section 37. A town treasurer, acting as collector of taxes, may, subject to the approval of the commissioner of corporations and taxation, appoint deputies, who shall give bond for the faithful performance of their duties in such sum and in such form, and subject to such conditions, as the said commissioner may prescribe; and such collector and deputies shall have all the powers of collectors of taxes. Such deputies may be removed by said commissioner for cause. A treasurer acting as collector may issue his warrant to the sheriff of the county or his deputy, or to any constable of the town, directing them to distrain the property or take the body of any person delinquent in the payment of taxes, and may proceed in the same manner as collectors.~~

~~Section 39B. If, in the opinion of the commissioner of revenue, hereinafter referred to as the commissioner, the safety of any city, town, district, or regional school district funds or sums due such city, town, district, or regional school district for taxes or otherwise may be jeopardized by the continuation in office of a treasurer of such city, town, district, or regional school district, or by the continuation in office of a city or town collector, the commissioner may petition the superior court for the removal of such officer. Pending a hearing upon the petition, any justice of such court, if in his judgment the public good so requires, may, after a hearing, summary or otherwise, as he determines, suspend the authority of such officer to act until final action upon the petition is taken. In case of such suspension, the commissioner shall notify the selectmen of such town or the mayor of such city and the officer so suspended shall be deemed to be unable to perform his duties because of disability within the meaning of section forty or section sixty one A.~~

~~The petition of the commissioner may be heard by a justice of the superior court sitting in any county after such notice to the commissioner and to the officer as the court deems necessary. The court shall hear the parties and their witnesses and the decision of the court shall be final and conclusive. Proceedings under this section shall be advanced for speedy hearing, upon the request of either party. If, after hearing, the court shall be of the opinion that the public good so requires, the court shall by decree remove the officer. Otherwise, the court shall dismiss the petition and, if the authority of the officer to act has been suspended, shall restore such authority.~~

~~The word "collector" as used in this section shall include a collector of taxes.~~

## **JOINT/COOPERATIVE ASSESSING, CLASSIFICATION AND VALUATION OF PROPERTY General Laws Chapter G.L. c. 41, § 30B (54)**

Section 30B. (a) Notwithstanding any general or special law or municipal charter, vote, by-law or ordinance, 2 or more cities and towns, ~~by vote of their legislative bodies~~ **by vote of the city council with the approval of the mayor, in a city, and by vote of the board of selectmen, in a town** may enter into an agreement, for a term not to exceed 25 years, for joint or cooperative assessing, classification and valuation of property.

The agreement shall provide for:

- (1) the division, merger or consolidation of administrative functions between or among the parties or the performances thereof by 1 city or town on behalf of all the parties;
- (2) the financing of the joint or cooperative undertaking;
- (3) the rights and responsibilities of the parties with respect to the direction and supervision of the work to be performed and with respect to the administration of the

assessing office, including the receipt and disbursement of funds, the maintenance of accounts and records and the auditing of accounts;

(4) annual reports of the assessor to the constituent parties;

(5) the duration of the agreement and procedures for amendment, withdrawal or termination thereof; and

(6) any other necessary or appropriate matter.

(b) An agreement under this section may also provide for the formation of a single assessing department for the purpose of employing assistant assessors and necessary staff and for performing all administrative functions. An agreement may also vest in 1 person, the board of assessors of 1 of the parties or a regional board of assessors comprised of at least 1 representative from each of the parties and selected in the manner set forth in the agreement all of the powers and duties of the boards of assessors and assessing departments of the parties. In that case, the existing boards of assessors of the other parties, or of all the parties if their assessors' powers and duties are vested in 1 person, shall terminate in accordance with section 2 for the duration of the agreement. Unless the agreement provides for the board of assessors of 1 of the parties to serve as the assessors for all of the parties, or for 1 city or town to act on behalf of all parties, the agreement shall designate an appointing authority representing all of the parties. That appointing authority shall be responsible for the appointment of an assessor, assistant assessors, and other staff, and in the case of withdrawal or termination of the agreement, shall determine the employment of any employee of 1 of the parties that became part of a single assessing department. Subject to the rules and regulations established by the commissioner of revenue pursuant to section 1 of chapter 58, the agreement shall provide for qualifications, terms and conditions of employment for the assessor and employees of the assessor's office. The agreement may provide for inclusion of the assessor and the assessor's employees in insurance, retirement programs and other benefit programs of 1 of the constituent parties, but all parties to the agreement shall be pay a proportionate share of the current and future costs of benefits associated with the appointment or employment of all persons performing services for them during the duration of the agreement. A city or town party to such an agreement shall include employees under the joint assessing agreement in such programs in accordance with the terms of the agreement.

(c) A city or town may become a party to an existing agreement with the approval of the other parties.

(d) No agreement or amendment to an agreement for joint or cooperative assessing made pursuant to this section shall take effect until it has been approved in writing by the commissioner of revenue.

Section 30B. (a) Notwithstanding any general or special law or municipal charter, vote,

## **APPROVAL OF DEPARTMENT BILLS AND TREASURY WARRANTS**

### **General Laws Chapter G.L. c. 41, §§ 52 and 56 (218:57-58)**

Section 52. All accounts rendered to or kept in the departments of any city shall be subject to the inspection of the city auditor or officer having similar duties, and in towns they shall be subject to the inspection of the selectmen. The auditor or officer having similar duties, or the selectmen, may require any person presenting for settlement an account or claim against the city or town to make oath before him or them, in such form as he or they may prescribe, as to the accuracy of such account or claim. The wilful making of a false oath

shall be punishable as perjury. The auditor or officer having similar duties in cities, and the selectmen in towns, shall approve the payment of all bills or pay rolls of all departments before they are paid by the treasurer, and may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the auditor or officer having similar duties, or the selectmen, shall file with the city or town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so disallowed. **The board of selectmen may designate any 1 of its members for the purpose of approving bills or payrolls under this section; provided, however, that the member shall make available to the board, at the first meeting following such action, a record of such actions. This provision shall not limit the responsibility of each member of the board of selectmen in the event of a noncompliance with this section.**

This section shall not abridge the powers conferred on town accountants by sections fifty-five to sixty-one, inclusive.

Section 56. The selectmen and all boards, committees, heads of departments and officers authorized to expend money shall approve and transmit to the town accountant as often as once each month all bills, drafts, orders and pay rolls chargeable to the respective appropriations of which they have the expenditure. **For purposes of this section, the board of selectmen and any other board, committee or head of department consisting of more than 1 member authorized to expend money, may designate any 1 of its members to approve all bills, drafts, orders and payrolls; provided, however, that the member shall make available to the board, committee or other department head, at the first meeting following such action, a record of such actions. This provision shall not limit the responsibility of each member of the board in the event of a noncompliance with this section.**

Such approval shall be given only after an examination to determine that the charges are correct and that the goods, materials or services charged for were ordered and that such goods and materials were delivered and that the services were actually rendered to or for the town as the case may be; provided, however, that such approval may be given to any bill received from a state agency for the town's share of the costs of a federal urban planning assistance program, established under the provisions of section 701 of Public Law 83?560, as amended, before any goods, materials or services ordered or to be ordered under such a program have been delivered or actually rendered, as the case may be. The town accountant shall examine all such bills, drafts, orders and pay rolls, and, if found correct and approved as herein provided, shall draw a warrant upon the treasury for the payment of the same, and the treasurer shall pay no money from the treasury except upon such warrant approved by the selectmen. If there is a failure to elect or a vacancy occurs in the office of selectman, the remaining selectman or selectmen, together with the town clerk, may approve such warrant. The town accountant may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive, and in such case he shall file with the town treasurer a written statement of the reasons for such refusal. The treasurer shall not pay any claim or bill so disallowed by the town accountant. So far as apt this section shall apply to cities.

## **COMPENSATION OF DISTRICT ASSESSOR**

### **General Laws Chapter G.L. c. 41, § 108B (218:59)**

Section 108B. In a town in which a district has been created and is operating under a law which requires the assessors of the town to assess district taxes and the collector of taxes of the town to collect such taxes, such district shall annually appropriate money for the salary or compensation of the assessors and collector of taxes, which shall be in addition to the amounts fixed by the town for salary or compensation as provided by section one hundred and eight and shall also include additional compensation for certified collectors as provided in section 108P. The amounts appropriated for said purposes shall not be less than the amounts determined by the prudential committee of the district, or, if there be no prudential committee, by the commissioners of the district and the selectmen of the town. ~~If the said prudential committee or commissioners, as the case may be, and the selectmen cannot agree on the amounts and the commissioner of revenue is so notified, the said commissioner may determine the amounts and shall notify the assessors who shall include the amounts determined by said commissioner in the aggregate amount assessed annually for district taxes, and the amounts assessed shall be paid said assessors and collectors. Said districts may also appropriate money for books, forms and other necessary expenses of said assessors and collectors of taxes in connection with the assessment and collection of such taxes.~~

## **INJURED ON DUTY PAYMENTS**

### **General Laws Chapter 41, § 111F (218:60)**

Section 111F. Whenever a police officer or fire fighter of a city, town, or fire or water district is incapacitated for duty because of injury sustained in the performance of his duty without fault of his own, or a police officer or fire fighter assigned to special duty by his superior officer, whether or not he is paid for such special duty by the city or town, is so incapacitated because of injuries so sustained, he shall be granted leave without loss of pay for the period of such incapacity; provided, that no such leave shall be granted for any period after such police officer or fire fighter has been retired or pensioned in accordance with law or for any period after a physician designated by the board or officer authorized to appoint police officers or fire fighters in such city, town or district determines that such incapacity no longer exists. All amounts payable under this section shall be paid at the same times and in the same manner as, and for all purposes shall be deemed to be, the regular compensation of such police officer or fire fighter. This section shall also apply to any member of a fire department who is subject to the provisions of chapter one hundred and fifty-two if he is injured at a fire and if he waives the provisions of said chapter. This section shall also apply to any permanent crash crewman, crash boatman, fire controlman or assistant fire controlman employed at the General Edward Lawrence Logan International Airport, members of the Massachusetts military reservation fire department and members of the 104th fighter wing fire department and, for the purposes of this section, the Massachusetts Port Authority, the Massachusetts military reservation and the Barnes Air National Guard Base shall be fire districts.

Where the injury causing the incapacity of a firefighter or police officer for which he is granted a leave without loss of pay and is paid compensation in accordance with the provisions of this section, was caused under circumstances creating a legal liability in some person to pay damages in respect thereof, either the person so injured or the city,

town or fire or water district paying such compensation may proceed to enforce the liability of such person in any court of competent jurisdiction. The sum recovered shall be for the benefit of the city, town or fire or water district paying such compensation, unless the sum is greater than the compensation paid to the person so injured, in which event the excess shall be retained by or paid to the person so injured. For the purposes of this section, "excess" shall mean the amount by which the total sum received in payment for the injury, exclusive of interest and costs, exceeds the amount paid under this section as compensation to the person so injured. The party bringing the action shall be entitled to any costs recovered by him. Any interest received in such action shall be apportioned between the city, town or fire or water district and the person so injured in proportion to the amounts received by them respectively, inclusive of interest and costs. The expense of any attorney's fees shall be divided between the city, town or fire or water district and the person so injured in proportion to the amounts received by them respectively.

Whoever intentionally or negligently injures a firefighter or police officer for which he is granted a leave without loss of pay and is paid compensation in accordance with the provisions of this section shall be liable in tort to the city, town or fire or water district paying such compensation for all costs incurred by such city, town or fire or water district in replacing such injured police officer or firefighter which are in excess of the amount of compensation so paid.

**Notwithstanding the provisions of this section, section 100 or any other general or special law to the contrary, any city, town or district that accepts this paragraph may establish and appropriate amounts to a special injury leave indemnity fund for payment of injury leave compensation or medical bills incurred under this section or said section 100, and may deposit into such fund any amounts received from insurance proceeds or restitution for injuries to firefighters or police officers. The monies in the special fund may be expended, with the approval of the chief executive officer and without further appropriation, for paying expenses incurred under this section or said section 100, including, but not limited to, expenses associated with paying compensation other than salary to injured firefighters or police officers and providing replacement services for the injured firefighters or police officers, in lieu of or in addition to any amounts appropriated for the compensation of such replacements. Any balance in the fund shall carry over from year to year, unless specific amounts are released to the general fund by the chief executive officer upon a finding that the amounts released are not immediately necessary for the purpose of the fund, and not required for expenses in the foreseeable future.**

## **PROCEEDS FROM SALE OF BONDS; RESTRICTION ON USE; DISPOSITION OF PREMIUMS General Laws Chapter 44, § 20 (218:67)**

Section 20. The proceeds of any sale of bonds or notes, ~~except premiums and accrued interest,~~ shall be used only for the purposes specified in the authorization of the loan; **provided, however, that such proceeds**, ~~and~~ may also be used for costs of preparing, issuing and marketing such bonds or notes, except as otherwise authorized by this section. If a balance remains after the completion of the project for which the loan was authorized, such balance may at any time be appropriated by a city, town or district for any purposes for which a loan may be incurred for an equal or longer period of time than that for which the original loan, including temporary debt, was issued. Any such balance not in excess of

~~one thousand dollars~~ **\$50,000** may be **applied, with the approval of the chief executive officer,** appropriated for the payment of **indebtedness** ~~the principal of such loan~~. If a loan has been issued for a specified purpose but the project for which the loan was authorized has not been completed and no liability remains outstanding and unpaid on account thereof, a city, by a two-thirds vote of all of the members of the city council, or a town or district, by a two-thirds vote of the voters present and voting thereon at an annual town or district meeting, may vote to abandon or discontinue the project and the unexpended proceeds of the loan may ~~thereupon~~ be appropriated for any purpose for which a loan may be authorized for an equal or longer period of time than that for which the original loan, including temporary debt, was issued. Any premium received upon such bonds or notes, less the cost of preparing, issuing and marketing them, and any accrued interest received upon the delivery of said bonds or notes shall be ~~paid to the city, town or district treasury;~~ **(i) applied, if so provided in the loan authorization, to the costs of the project being financed by the bonds or notes and to reduce the amount authorized to be borrowed for the project by like amount; or (ii) appropriated for a project for which the city, town or district has authorized a borrowing, or may authorize a borrowing, for an equal or longer period of time than the original loan, including any temporary debt, was issued, thereby reducing the amount of any bonds or notes authorized to be issued for the project by like amount.** Notwithstanding the provisions of this section, no appropriation from a loan or balance thereof shall be made ~~that~~ **which** would increase the amount available from borrowed money for any purpose to an amount in excess of any limit imposed by general law or special act for such purpose. **Additions to the levy limit for a debt exclusion are restricted to the true interest cost incurred to finance the excluded project.** ~~Effective with the fiscal year 2005 tax rate approval process, additions to the levy limit for a debt exclusion are restricted to the true interest cost incurred to finance the excluded project. Premiums received at the time of sale shall be offset against the stated interest cost in computing the debt exclusion. The provisions of the preceding 2 sentences shall not apply to bond premiums received on or before July 31, 2003.~~

## **EMERGENCY SPENDING/COURT JUDGMENTS**

### **General Laws Chapter G.L. c. 44, § 31 (218:71-73)**

Section 31. No department financed by municipal revenue, or in whole or in part by taxation, of any city or town, except Boston, shall incur a liability in excess of the appropriation made for the use of such department, each item recommended by the mayor and voted by the council in cities, and each item voted by the town meeting in towns, being considered as a separate appropriation, except in cases of major disaster, including, but not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an immediate threat to the health or safety of persons or property, and then only **upon a declaration by the governor of a state of emergency with respect to the disaster or** by a vote in a city of two-thirds of the members of the city council, and in a town by a majority vote of all the selectmen. Payments of liabilities incurred under authority of this section may be made, with the written approval of the director, from any available funds in the treasury, and the amounts of such liabilities incurred shall be reported by the auditor or accountant or other officer having similar duties, or by the treasurer if there be no such officer, to the assessors who shall include the amounts so reported in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate, unless the city or town has appropriated amounts specified

to be for such liabilities; provided, that, if proceedings are brought in accordance with provisions of section fifty-three of chapter forty, no payments shall be made and no amounts shall be certified to the assessors until the termination of such proceedings.

**Payments of final judgments, and awards or orders of payments ordered or approved by a state or federal court or adjudicatory agency may, upon certification by the city solicitor or town council that no appeal can and will be taken and as required by municipal charter, ordinance or by-law** ~~the industrial accident board rendered after the fixing of the tax rate for the current fiscal year may, with the approval of the director of accounts if the amount of the judgment or award is over ten thousand dollars,~~ be made from any available funds in the treasury, and the payments so made shall be reported by the auditor or accountant or other officer having similar duties, or by the treasurer if there be no such officer, to the assessors, who shall include the amount so reported in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate, unless the city or town has otherwise made provision therefor

The provisions of this section, so far as apt, shall apply to districts, and the prudential committee, if any, otherwise the commissioners, shall act in place of the members of the city council or selectmen **and the district counsel in place of the city solicitor or town counsel.**

## **SNOW AND ICE REMOVAL**

### **General Laws Chapter 44, § 31D (218:74)**

Section 31D. Any city or town may incur liability and make expenditures in any fiscal year in excess of available appropriations for snow and ice removal, provided that such expenditures are approved by the ~~town manager and the finance or advisory committee in a town having a town manager, by the selectmen and the finance or advisory committee in any other town, by the city manager and the city council in a city having a city manager or by the mayor and city council in any other city~~ **chief administrative officer**; provided, however, that the appropriation for such purposes in said fiscal year equaled or exceeded the appropriation for said purposes in the prior fiscal year. Expenditures made under authority of this section shall be certified to the board of assessors and included in the next annual tax rate.

Every city or town shall annually, not later than September fifteenth, report to the division of local services of the department of revenue the total amounts appropriated and expended, including any funding or reimbursements received from the commonwealth, for snow and ice removal in the fiscal year ending on the preceding June thirtieth.

## **YEAR END TRANSFERS**

### **General Laws Chapter 44, § 33B (218:75-76)**

Section 33B. (a) On recommendation of the mayor, the city council may, by majority vote, transfer any amount appropriated for the use of any department to another appropriation for the same department. In addition, the city council may, by majority vote, on recommendation of the mayor, transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year to apply to the previous fiscal year, any amount appropriated, other than for the use of any department other than a municipal light



department or a school department, to any other the appropriation for any other department, but the amount transferred from 1 department to another may not exceed, in the aggregate, 3 per cent of the annual budget of the department from which the transfer is made. Except as provided in the preceding sentence, no transfer shall be made of any amount appropriated for the use of any city department to the appropriation for any other department except by a 2/3 vote of the city council on recommendation of the mayor and with the written approval of the amount of the transfer by the department having control of the appropriation from which the transfer is proposed to be made. No transfer involving a municipal light department or a school department shall be made under the previous sentence without the approval of the amount of the transfer by a vote of the municipal light department board or by a vote of the school committee, respectively.

(b) A town may, by majority vote at any meeting duly held, transfer any amount previously appropriated to any other use authorized by law. Alternatively, the selectmen, with the concurrence of the finance committee or other entity established under section 16 of chapter 39, may transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year to apply to the previous fiscal year, any amount appropriated, other than for the use of any department other than a municipal light department or a school department, to any other the appropriation for any other department or within a department, but the amount transferred from 1 department to another or within a department may not exceed, in the aggregate, 3 per cent of the annual budget of the department from or within which the transfer is made or \$5,000, whichever is greater.

(c) No approval other than that expressly provided in this section shall be required for any transfer under this section.

## **TOWNS AND DISTRICTS; RIGHT TO PETITION FOR AN AUDIT OR INSTALLATION OF ACCOUNTING SYSTEM General Laws Chapter 44, § 35 (218:77)**

~~Section 35. Any town, and any district, or regional school district, at a meeting legally called therefor, may petition the director for an audit of its accounts or for the installation of an accounting system; and said director, as soon as possible after the receipt of such petition, shall cause such audit to be made or system of accounts to be installed. Any town or district, at a meeting legally called therefor, after such accounting system has been installed, may petition for subsequent audits, or may provide in its by-laws for periodical audits under the supervision of said director, who shall cause such audits to be made. The selectmen, the prudential committee, if any, otherwise the commissioners, or the regional district school committee, may petition said director for an audit of the town or district accounts, as the case may be, when, in their opinion, the condition of the accounts is such as to warrant the making of such audit, and said director, as soon as possible after the receipt of such petition, shall cause such audit to be made.~~

**Cities, towns, districts and regional school districts shall conduct periodic audits of their accounts, according to any standards established by the director under section 38, and shall engage for that purpose a professional auditing firm or other independent accountant as may be necessary or appropriate. The chief executive officer of a city or town, the prudential committee, if any, otherwise the commissioners, of a district, or the regional district school committee may also cause an audit to be performed when, in their opinion, the condition of the accounts is such as to warrant the making of such audit necessary and useful.**

Notwithstanding any general or special law that provides for the director to cause an annual or other periodic audit of a regional or other governmental unit created within 1 or more cities or towns of the commonwealth to provide public services or conveniences, such governmental unit shall be considered a district for purposes of conducting a periodic audit under this section and sections 38, 39, 40, 41 and 42. Upon the completion of each audit, a copy shall be sent to the chief executive officer of each city or town which is a member of the governmental unit. The cost of each audit shall be a current expense of the governmental unit and shall be apportioned among the several cities and towns that are members of the unit in the same manner as other such expenses.

## **CITIES; RIGHT TO PETITION FOR AN AUDIT OR INSTALLATION OF ACCOUNTING SYSTEM General Laws Chapter 44, § 36 (218:78)**

~~Section 36. Any city may, by vote of its city council, petition the director for an audit of its accounts or for the installation of an accounting system; and, if a statute or an ordinance requires a city official or commission to cause an audit to be made, such official or commission may petition therefor, and said director, as soon as possible after the receipt of such petition, shall cause such audit to be made or accounting system installed.~~

## **DUTIES OF DIRECTOR WITH RESPECT TO INSTALLATION OF ACCOUNTING SYSTEM General Laws Chapter 44, § 37 (218:78)**

~~Section 37. Whenever, after such accounting system has been installed, a city, town or district accounting officer requests the advice or assistance of the director, he shall render such assistance as in his judgment may be necessary.~~

## **UNIFORMITY OF ACCOUNTING SYSTEMS General Laws Chapter 44, § 38 (218:79)**

~~Section 38. The accounting systems installed in accordance with this chapter shall be such as will, in the judgment of the director, be most effective in securing uniformity of classification in the accounts of such cities, towns and districts. The director may supply approximately at cost to cities, towns and districts where such accounting systems have been installed such books, forms or other supplies as may be required from time to time after the original installation of such systems. Such accounting systems and classifications, so far as they pertain to school committees, shall be subject to the advice and approval of the board of education.~~

The director shall make, and from time to time revise, such reasonable rules, regulations and guidelines as may be necessary to establish minimum standards and methods of municipal and district accounting systems as the director determines are most effective in securing uniformity of classification in the accounts of cities, towns,

and districts. Such accounting classifications, so far as they pertain to municipal or regional school committees, shall be subject to the advice and approval of the commissioner of elementary and secondary education. The specific areas to which such standards may relate shall include, but are not limited to, the following: the administration of all laws regarding city, town or district revenues, expenditures and debt, including the maximum useful life of projects, improvements or assets being financed with debt; the systematic accounting of financial transactions; the adequacy of financial records; and the frequency and content of audits.

The director may, upon request or the director's own initiative, give an opinion to a city, town or district auditor, accountant or other officer having similar duties, collector, treasurer or other board or other officer, upon any question arising under any statute relating to accounting for revenues and expenditures and issuance of debt. The director may visit any city, town or district, inspect the work of its auditor, accountant or other officer having similar duties, collector, treasurer, or other officer having charge of any financial accounts or records; and require of them any information considered necessary regarding the procedures used in keeping the accounts or records, including access to all necessary papers, vouchers, books, records, and data. The director may require of city, town, or district officials such action as will tend to produce uniformity of accounting systems and standards through the commonwealth

## **RESULTS OF AUDIT; REPORT TO MUNICIPALITY**

### **General Laws Chapter 44, § 39 (218:79)**

~~Section 39. Upon the completion of an audit under section thirty five or thirty six, the director shall render a report to the city government or the board of selectmen or the prudential committee or commissioners, respectively, embodying the results of his findings, with such suggestions as he may deem advisable for the proper administration of the finances of the city, town or district.~~

Upon the completion of an audit under section 35, the firm or person selected by the city, town or district to conduct said audit shall render a report to the chief executive officer of the city or town, or other board or officer required by charter, or the prudential committee or commissioners of the district, embodying the results of the findings, with any suggestions considered advisable for the proper administration of the finances of the city, town, or district. A copy of the audit report shall be furnished to the director.

## **AUDIT OF ACCOUNTS; FREQUENCY**

### **General Laws Chapter 44, § 40 (218:79)**

~~Section 40. The director shall cause an audit to be made~~ For the purpose of conducting audits of the accounts of all cities and towns annually, and of the accounts of each ~~all~~ district biennially or annually as determined by ~~of the~~ commonwealth and may cause subsequent audits to be made of the accounts of each city and town annually, and of the accounts of each district and regional school district as often as once in two years or annually at the request of the prudential committee, if any, otherwise the commissioners, or the regional district school committee, the firm or

**person engaged to conduct such audits** ~~and for this purpose he, and his duly accredited agents, shall have access to all necessary papers, books, and records. All accounts subject to audit by town auditors under section 53 fifty three of chapter 41 forty one shall be subject to audit by the director, and the trustees of any property the principal or income of which, in whole or in part, was bequeathed or given in trust for public uses for the benefit of the city or town or any part thereof, or for the benefit of the inhabitants of the city or town or any part thereof, shall give the said firm or person director, or his duly accredited agents, access to their accounts, funds, securities and evidences of property for the purposes of the audit. Upon the completion of each audit as aforesaid, a report thereunder shall be made to the mayor and city council government in cities, to the selectmen in towns, to the prudential committee and commissioners in a district, and to the regional district school committee in a regional school district, and a copy of the same shall be furnished to the city, town or district clerk, who shall cause the same or a summary of its essential features to be published at the expense of the city, town or district. The director, in his discretion, may give preference to audits upon petitions under section thirty five or thirty six over audits under this section. **A copy of the audit report shall be furnished to the director of accounts. If embezzlement or other criminal activity is suspected as a result of audit findings, the foregoing city, town, or district officials shall bring the relevant information to the attention of the district attorneys and attorney general and give assistance to any investigation instituted in response.**~~

Commencing with the fiscal year nineteen hundred and eighty-seven, regional school districts may satisfy the requirements of the Single Audit Act of 1984, 31 USC Sec. 7502, by causing audits of its records to be made annually or biennially by an independent auditor to be selected by such regional school districts to conduct such audits. Such audits shall be made in accordance with federal government auditing standards.

## **EXPENSES OF AUDITING; PAYMENT**

### **General Laws Chapter 44, § 41 (218:79)**

~~Section 41. The expenses incurred under sections thirty five to forty, inclusive, shall be paid primarily by the commonwealth; and the state treasurer shall issue his warrant requiring the assessors of the cities and towns concerned and of the towns in which such district is located to assess a tax to the amount of said expense, and such amounts shall be collected and paid to the state treasurer as provided by section twenty of chapter fifty nine. Any balance due shall be assessed, collected and paid in the succeeding years in like manner.~~

**Whenever it appears to the director that a city, town or district has failed to meet the minimum standards and methods of municipal and district accounting prescribed under section 38, or to provide the information required under section 43 or other statute, the director shall notify the city, town or district of the actions necessary to ensure compliance or to provide the required information. The notice shall contain a statement that failure to comply may result in the director taking action to ensure compliance, including contracting for any services necessary or appropriate to do so. If such city or town fails, within a reasonable time, to comply with the requirements of the director, and continues to fail to comply, the director may contract on behalf of the city or town for any professional or technical services necessary to meet the standards or obtain the necessary information. The costs of the services shall be incurred by the commonwealth, and payment shall be deducted by the state**

treasurer, pursuant to section 20A of chapter 58, from any amount distributable or payable by the commonwealth to such city or town.

## **AUDITS BY PRIVATE ACCOUNTANTS; REQUIRED REPORTS**

### **General Laws Chapter 44, § 42 (218:80)**

Section 42. Whenever a city, ~~or town~~ or district causes an audit of its accounts or the accounts of separate departments to be made by a firm or person of its own selection, the city, ~~or town~~, or district clerk shall immediately, upon the employment of such firm or person, file ~~his~~ the name and address with the director, and such firm or person shall, within ~~ten~~ 10 days after making the report of ~~his~~ the audit and recommendations to the city, ~~or town~~ or district, file a certified copy thereof with the director; ~~and in any such case the director may, in his discretion, accept the audit so made, or cause an audit to be made under section forty.~~

## **ACCOUNTING REPORTS; RETURNS; FORMS**

### **General Laws Chapter 44, § 43 (218:81)**

Section 43. The director shall annually ~~furnish to~~ require the auditor or other accounting officer of each city and town to submit schedules ~~so arranged as to provide for uniform returns giving detailed statements of all receipts classified by sources, and all payments classified by objects, for its last fiscal year; a statement of the public debt showing the purpose for which each item of the debt was created and the provision made for the payment thereof; and a statement of assets and liabilities at the close of the fiscal year. The director may prescribe standard forms intended to promote the systematic accounting of financial transactions and the publication of the same in the city and town reports.~~ The ~~director~~ He shall collect from the proper local authorities such other information pertaining to municipal affairs as in the director's ~~his~~ judgment may be of public interest. All auditors, accounting officers and other officials and custodians of public money of cities and towns shall ~~fill out~~ properly complete and promptly return ~~promptly to the director~~ all schedules required of them to the director ~~transmitted by him to them~~. If a city or town fails, within ~~sixty~~ 60 days after a request has been made by the director, to furnish the information ~~authorized to be collected under the provisions of this section,~~ the director may obtain ~~such~~ the information in accordance with section 41, ~~through the use of his agents and assistants. The cost for collecting such information shall be borne in the manner prescribed by section forty one for expenses incurred under sections thirty five to forty, inclusive.~~

## **DESTRUCTION OF RECORDS**

### **General Laws Chapter 44, § 46 (218:82)**

Section 46. The director, ~~having first obtained authority from the governor and council,~~ may destroy or sell all such records, papers and schedules accumulated in the bureau of accounts as in his judgment are of no value.

## **POWERS OF DIRECTOR; INVESTIGATION OF MUNICIPAL AFFAIRS General Laws Chapter 44, § 46A (218:83)**

Section 46A. The director may ~~upon his own initiative in the case of any city, except Boston, or any town, and shall, when requested by the mayor or city council of any such city or the selectmen of any town,~~ if conditions appear to the director to warrant it, **review** ~~investigate~~ the accounts and financial transactions and affairs of ~~such a~~ city or town, or of any department, board, commission or officer thereof. For the purpose of conducting ~~such~~ investigations **the review**, the director may **visit any city, town, or district office and require any information the director considers necessary** ~~employ such temporary investigators as may be necessary, who shall receive such compensation as the commissioner of revenue may fix and shall not be subject to chapter thirty one. For the aforesaid purposes the director and his duly accredited investigators or agents shall have access to all necessary papers, vouchers, books and records. Upon the completion of such an investigation, a report thereon shall be made to the mayor and city council or to the selectmen, as the case may be, and a copy of the same shall be furnished to the attorney general, and to the city or town clerk who shall cause it or~~ **any review, the director may publish** a summary of its essential features ~~to be published at the expense of the city or town. A municipal officer or employee, or a member of a municipal department, board or commission whose accounts or transactions are being~~ **reviewed** ~~investigated under this section shall afford to the director, his investigators and agents such assistance as they~~ **director** may require. Refusal or neglect by such an officer, employee or member to afford such assistance shall be punished by a fine of not more than **500** ~~five hundred~~ dollars or by imprisonment for not more than ~~one~~ **1** year, or both. ~~The expenses incurred hereunder shall be paid primarily by the commonwealth; and the state treasurer shall issue a warrant requiring the assessors of the city or town concerned to assess a tax to the amount of said expenses, and such amounts shall be collected and paid to the state treasurer in the same manner and subject to the same penalties as state taxes. Any balance due shall be assessed in the succeeding years in the same manner as other state taxes.~~

## **INSURANCE PROCEEDS General Laws Chapter 44, § 53 (218:84)**

Section 53. All moneys received by any city, town or district officer or department, except as otherwise provided by special acts and except fees provided for by statute, shall be paid by such officers or department upon their receipt into the city, town or district treasury. Any sums so paid into the city, town or district treasury shall not later be used by such officer or department without specific appropriation thereof; provided, however, that (1) sums allotted by the commonwealth or a county to cities or towns for highway purposes and sums allotted by the commonwealth to cities, towns or districts for water pollution control purposes shall be available therefor without specific appropriation, but shall be used only for the purposes for which the allotment is made or to meet temporary loans issued in anticipation of such allotment as provided in section six or six A, (2) sums not in excess of **\$150,000** ~~twenty thousand dollars~~ recovered under the terms of fire or physical damage insurance policy **or** ~~and sums not in excess of twenty thousand dollars~~ received in restitution for damage done to such city, town or district property may, **with the approval**

**of the chief executive officer, be used** by the officer or department having control of the city, town or district property for the restoration or replacement of such property without specific appropriation and **during the fiscal year** in which **they are received or 120 days after receipt, whichever is later**, and (3) sums recovered from pupils in the public schools for loss of school books, **materials, electronic devices or other learning aids provided by the school committee**, or paid by pupils for materials used in the industrial arts projects, may be used by the school committee for the **restoration or** replacement of such books or materials without specific appropriation.

## **GIFTS AND GRANTS**

### **General Laws Chapter 44, § 53A (218:85)**

Section 53A. An officer or department of any city or town, or of any regional school or other district, may accept grants or gifts of funds from the federal government and from a charitable foundation, a private corporation, or an individual, or from the commonwealth, a county or municipality or an agency thereof, and in the case of any grant or gift given for educational purposes may expend said funds for the purposes of such grant or gift with the approval of the school committee, and in the case of any other grant or gift may expend such funds for the purposes of such grant or gift in cities having a Plan D or Plan E form of government with the approval of the city manager and city council, in all other cities with the approval of the mayor and city council, in towns with the approval of the board of selectmen, and in districts with the approval of the prudential committee, if any, otherwise the commissioners. Notwithstanding the provisions of section fifty-three, any amounts so received by an officer or department of a city, town or district shall be deposited with the treasurer of such city, town or district and held as a separate account and may be expended as aforesaid by such officer or department receiving the grant or gift without further appropriation. **In the case of grants from the federal government or from the commonwealth, a county or municipality or agency or instrumentality thereof, upon receipt of an agreement from the grantor to provide advance payment or reimbursement to the city, town or district, the officer or department may spend the amount of the advance payment, or the amount to be reimbursed, for the purposes of the grant, subject to the approvals required by this section. Any advance payment or reimbursement shall be applied to finance the grant expenditures; but any expenditures outstanding at the close of the fiscal year after the fiscal year in which the grantor approved the agreement shall be reported by the auditor or accountant of the city, town or district, or other officer having similar duties, or by the treasurer if there be no such officer, to the assessors, who shall include the amount so reported in the determination of the next annual tax rate, unless the city, town or district has otherwise made provision therefor.**

If the express written terms or conditions of the grant agreement so stipulate, interest on the grant funds may remain with and become a part of the grant account and may be expended as part of the grant by such officer or department receiving the grant or gift without further appropriation. Any grant, subvention or subsidy for educational purposes received by an officer or department of a city, town or school district from the federal government may be expended by the school committee of such city, town or district without including the purpose of such expenditure in, or applying such amount to, the annual or any supplemental budget or appropriation request of such committee; provided, however, that this sentence shall not apply to amounts so received to which

section twenty-six C of chapter seventy-one of the General Laws, and chapter six hundred and twenty-one of the acts of nineteen hundred and fifty-three, as amended, and chapter six hundred and sixty-four of the acts of nineteen hundred and fifty-eight, as amended, apply; and, provided further, that notwithstanding the foregoing provision, this sentence shall apply to amounts so received as grants under the Elementary and Secondary Education Act of 1965, (Public Law 89-10). After receipt of a written commitment from the federal government approving a grant for educational purposes and in anticipation of receipt of such funds from the federal government, the treasurer, upon the request of the school committee, shall pay from the General Fund of such municipality compensation for services rendered and goods supplied to such federal grant programs, such payments to be made no later than ten days after the rendition of such services or the supplying of such goods; provided, however, that the provisions of such federal grant would allow the treasurer to reimburse the General Fund for the amounts so advanced.

## **DEPARTMENTAL REVOLVING FUNDS**

### **General Laws Chapter 44, § 53E½ (218:86)**

Section 53E½. Notwithstanding ~~the provisions~~ section 53 , a city or town may annually authorize **by by-law or ordinance** the use of 1 -or more revolving funds by 1 or more municipal agency, board, department or office which shall be accounted for separately from all other monies in such city or town and to which shall be credited **any fees, charges or other** departmental receipts ~~from received in connection with~~ the programs **or activities** supported by ~~the such~~ revolving fund. Expenditures may be made from such revolving fund without further appropriation, subject to the provisions of this section; provided, however, that expenditures shall not be made or liabilities incurred from any such revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from such fund, nor shall any expenditures be made unless approved in accordance with sections 41, 42, 52 and 56 of chapter 41.

Interest earned on any revolving fund balance shall be treated as general fund revenue of the city or town. No revolving fund may be established **under pursuant to** this section for receipts of a municipal water or sewer department, a municipal hospital **or a cable television access service or facility or for receipts reserved by law, or as authorized by law, for expenditure for a particular purpose.** ~~No such revolving fund may be established if the aggregate limit of all revolving funds authorized under this section exceeds ten percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty three of chapter fifty nine.~~ No revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid; provided, however, that such prohibition shall not apply to wages or salaries paid to full or part-time employees who are employed as drivers providing transportation for public school students; provided further, that only that portion of a revolving fund which is attributable to transportation fees may be used to pay such wages or salaries and provided, further, that any such wages or salaries so paid shall be reported in the budget submitted for the next fiscal year.

A revolving fund **shall be** established under ~~the provisions of~~ this section ~~shall be~~ by **by-law or ordinance** ~~vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation~~



of the mayor or city manager, in Plan E cities, and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made annually prior to each respective fiscal year; provided, however, that each authorization for a revolving fund shall specify (1) the programs or and activities purposes for which the revolving fund may be expended; (2) the departmental receipts in connection with those programs or activities that which shall be credited to the revolving fund; (3) the board, department or officer authorized to expend from such fund; (4) a limit on the total amount which may be expended from such fund in the ensuing fiscal year; and, provided, further, that no board, department or officer shall be authorized to expend in any one fiscal year from all revolving funds under its direct control more than one percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty three of chapter fifty nine. Notwithstanding the provisions of this section, whenever, during the course of any fiscal year, any new revenue source becomes available for the establishment of a revolving fund under this section, such a fund may be established in accordance with this section upon certification by the city auditor, town accountant, or other officer having similar duties, that the revenue source was not used in computing the most recent tax levy.

**The city or town shall, on or before July 1, of each year vote the limit on the total amount that may be expended from each revolving fund established under this section.** In any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the city council and mayor in a city, or with the approval of the selectmen and finance committee, if any, in a town; provided, however, that the one percent limit established by clause (4) of the third paragraph is not exceeded. The board, department or officer having charge of such revolving fund shall report to the annual town meeting or to the city council and the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the legislative body and the chief administrative or executive officer, the total amount of receipts and expenditures for each revolving fund under its control for the prior fiscal year and for the current fiscal year through December thirty first, or such later date as the town meeting or city council may, by vote determine, and the amount of any increases in spending authority granted during the prior and current fiscal years, together with such other information as the town meeting or city council may by vote require.

At the close of a fiscal year in which a revolving fund is not reauthorized for the following year, or in which a city or town changes the purposes for which money in a revolving fund may be spent in the following year, the balance in the fund at the end of the fiscal year shall revert to surplus revenue unless the annual town meeting or the city council and mayor or city manager in a Plan E city and in any other city or town the legislative body vote to transfer such balance to another revolving fund established under this section.

**Upon termination of any revolving fund, the balance in the fund at the end of that fiscal year shall revert to surplus revenue at the close of the fiscal year.**

## **OUTSIDE CONSULTANT REVOLVING FUNDS**

### **General Laws Chapter 44, § 53G (218:91)**

Section 53G. Notwithstanding section 53, any city or town that provides by rules promulgated under section 9 or 12 of chapter 40A, section 21 of chapter 40B, section 81Q of chapter 41 or section 31 of chapter 111, or by rules promulgated by a conservation

commission established by a city or town under section 8C of chapter 40 when implementing the authority conferred under said section 8C of said chapter 40, section 40 of chapter 131, or under any local wetlands ordinance or by-law, **or by rules promulgated by any municipal permit or license granting officer or board when implementing authority under any statute, ordinance or by-law,** for the imposition of reasonable fees for the employment of outside consultants may deposit such fees in a special account. Such rules shall provide for an administrative appeal from the selection of the outside consultant to the city council or town board of selectmen. The grounds for such an appeal shall be limited to claims that the consultant selected has a conflict of interest or does not possess the minimum, required qualifications. The minimum qualifications shall consist either of an educational degree in or related to the field at issue or three or more years of practice in the field at issue or a related field. The required time limits for action upon an application by a municipal permit granting board shall be extended by the duration of the administrative appeal. In the event that no decision is made by the city council or the town board of selectmen within one month following the filing of the appeal, the selection made by the municipal permit granting authority shall stand. Such an administrative appeal shall not preclude further judicial review, if otherwise permitted by law, on the grounds provided for in this section. Any such account shall be established by the municipal treasurer in the municipal treasury and shall be kept separate and apart from other monies. The special account, including accrued interest, if any, shall be expended at the direction of the authorized board or authority without further appropriation; provided, however, that such funds are to be expended by it only in connection with carrying out its responsibilities under the law. Any excess amount in the account attributable to a specific project, including any accrued interest, at the completion of said project shall be repaid to the applicant or to the applicant's successor in interest and a final report of said account shall be made available to the applicant or to the applicant's successor in interest. The municipal accountant shall submit annually a report of said special account to the chief elected body and chief administrative official of the municipality for their review. Said report shall be published in the city or town annual report. The municipal accountant shall submit annually a copy of said report to the director of the bureau of accounts.

## **SURETY REVOLVING FUNDS**

### **General Laws Chapter 44, § 53G<sup>1</sup>/<sub>2</sub> (218:92)**

**Section 53G<sup>1</sup>/<sub>2</sub>. Notwithstanding section 53, in a city or town that provides by by-law, ordinance, rule, regulation or contract for the deposit of cash, bonds, negotiable securities, sureties or other financial guarantees to secure the performance of any obligation by an applicant as a condition of a license, permit or other approval or authorization, the monies or other security received may be deposited in a special account. Such by-law, ordinance, rule or regulation shall specify: (1) the type of financial guarantees required; (2) the treatment of investment earnings, if any; (3) the performance required and standards for determining satisfactory completion or default; (4) the procedures the applicant must follow to obtain a return of the monies or other security; (5) the use of monies in the account upon default; and (6) any other conditions or rules as the city or town determines are reasonable to ensure compliance with the obligations. Any such account shall be established by the municipal treasurer in the municipal treasury and shall be kept separate and apart from other monies. Monies in the special account may be expended by the authorized**

**board, commission, department or officer, without further appropriation, to complete the work or perform the obligations, as provided in the by-law, ordinance, rule or regulation. This section shall not apply to deposits or other financial surety received under section 81U of chapter 41 or other general or special law.**

## **SPECIAL EVENTS FUND**

### **General Laws Chapter 44, § 53I (218:93)**

Section 53I. A city or town, for the celebration of the two hundredth, two hundred and fiftieth, three hundredth and three hundred and fiftieth anniversary of its settlement or incorporation **and for the celebration of any semicentennial anniversary occurring thereafter or for other special celebration or event sponsored by the city or town for the benefit, enjoyment and edification of its residents and visitors,** may appropriate money annually during the 5 ~~five~~ years preceding such anniversary **or special event.** Notwithstanding the provisions of section ~~53~~ ~~fifty three~~ or any other law to the contrary, such city or town may establish in its treasury a special fund in which shall be deposited such sums as may be appropriated by it under this section, and any and all sums received from the sale of commemorative items, admission charges **or other monies received in connection** ~~for commemorative ceremonies or events~~ **with the anniversary or special event.** Any and all such sums received by the treasurer shall be kept separate from other moneys, funds or property of such city or town and the principal and interest thereof may, from time to time upon the authorization of the mayor or city manager, as the case may be, the board of selectmen or the majority of any special committee established to plan such celebration **or special event,** be expended for the purposes of said celebration **or special event** in the year of such celebration **or special event** and in the year preceding or succeeding the same. Any surplus remaining in said special fund after such celebration **or special event** is concluded, shall be transferred by such treasurer into the treasury of such city or town.

## **BETTERMENT RESERVE**

### **General Laws Chapter 44, § 53J (218:93)**

**Section 53J. Notwithstanding sections 53 and 53F<sup>1/2</sup>, in any city, town or district that borrows money to pay for improvements for which betterments or special assessments are assessed, revenues from such betterment and assessments, including interest charged thereon, shall be reserved for appropriation for the payment of debt issued in connection with such improvements. Any such revenues received by the treasurer shall be kept separate from all other monies of such city, town or district. Interest earned on the revenues shall remain with and become part of such revenues available for appropriation. No appropriations from the revenues for payments of principal and interest on such debt issue for any fiscal year shall exceed the same percentage of the principal and interest payment due in such year as the percentage of project costs for which the betterments or special assessments are assessed. Any surplus remaining after such debt is repaid shall belong to any enterprise fund established under section 53F<sup>1/2</sup> that the improvement for which the betterments or special assessments are assessed is part of, or if no such enterprise fund is established, to the general fund of such city, town or district.**

## **AFFORDABLE HOUSING TRUST FUNDS**

### **General Laws Chapter 44, § 55C (218:95-97)**

Section 55C. (a) Notwithstanding section 53 or any other general or special law to the contrary, a city or town that accepts this section may establish a trust to be known as the Municipal Affordable Housing Trust Fund, in this section called the trust. The purpose of the trust is to provide for the creation and preservation of affordable housing in municipalities for the benefit of low and moderate income **households and for the funding of community housing, as defined in and in accordance with the provisions of chapter 44B.** Acceptance shall be by majority vote of the municipal legislative body under section 4 of chapter 4.

(b) There shall be a board of trustees, in this section called the board, which shall include no less than 5 trustees, including the chief executive officer, as defined by section 7 of chapter 4, of the city or town, but where the chief executive officer is a multi-member body, that body shall designate a minimum of 1 of its members to serve on the board. Trustees shall be appointed in a city by the mayor or by the city manager in a Plan D or Plan E municipality, subject in either case, to confirmation by the city council, and in a town by the board of selectmen, shall serve for a term not to exceed 2 years, and are designated as public agents for purposes of the constitution of the commonwealth. Nothing in this subsection shall prevent a board of selectmen from appointing the town manager or town administrator as a member or chair of the board, with or without the power to vote.

(c) The powers of the board, all of which shall be carried on in furtherance of the purposes set forth in this act, shall include the following powers, but a city or town may, by ordinance or by-law, omit or modify any of these powers and may grant to the board additional powers consistent with this section:

(1) to accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source, including money from chapter 44B; **provided, however, that any such money received from chapter 44B shall be used exclusively for community housing and shall remain subject to all the rules, regulations and limitations of that chapter when expended by the trust, and such funds shall be accounted for separately by the trust; and provided further, that at the end of each fiscal year, the trust shall ensure that all expenditures of funds received from said chapter 44B are reported to the community preservation committee of the city or town for inclusion in the community preservation initiatives report, form CP-3, to the department of revenue;**

(2) to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;

(3) to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the board deems advisable notwithstanding the length of any such lease or contract;

(4) to execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases, **grant agreements** and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the board engages for the accomplishment of the purposes of the trust;

(5) to employ advisors and agents, such as accountants, appraisers and lawyers as the board deems necessary;

(6) to pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the board deems advisable;

(7) to apportion receipts and charges between incomes and principal as the board deems advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;

(8) to participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;

(9) to deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the board may deem proper and to pay, out of trust property, such portion of expenses and compensation of such committee as the board may deem necessary and appropriate;

(10) to carry property for accounting purposes other than acquisition date values;

(11) to borrow money on such terms and conditions and from such sources as the board deems advisable, to mortgage and pledge trust assets as collateral;

(12) to make distributions or divisions of principal in kind;

(13) to comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the board may deem appropriate;

(14) to manage or improve real property; and to abandon any property which the board determined not to be worth retaining;

(15) to hold all or part of the trust property uninvested for such purposes and for such time as the board may deem appropriate; and

(16) to extend the time for payment of any obligation to the trust.

(d) Notwithstanding any general or special law to the contrary, all moneys paid to the trust in accordance with any zoning ordinance or by-law, exaction fee, or private contributions shall be paid directly into the trust and need not be appropriated or accepted and approved into the trust. General revenues appropriated into the trust become trust property and to be expended these funds need not be further appropriated. All moneys remaining in the trust at the end of any fiscal year, whether or not expended by the board within 1 year of the date they were appropriated into the trust, remain trust property.

(e) The trust is a public employer and the members of the board are public employees for purposes of chapter 258.

(f) The trust shall be deemed a municipal agency and the trustees special municipal employees, for purposes of chapter 268A.

(g) The trust is exempt from chapters 59 and 62, and from any other provisions concerning payment of taxes based upon or measured by property or income imposed by the commonwealth or any political subdivision thereof.

(h) The books and records of the trust shall be audited annually by an independent auditor in accordance with accepted accounting practices.

(i) The trust is a governmental body for purposes of sections 23A, 23B and 23C of chapter 39.

(j) The trust is a board of the city or town for purposes of chapter 30B and section 15A of chapter 40; but agreements and conveyances between the trust and agencies,

boards, commissions, authorities, departments and public instrumentalities of the city or town shall be exempt from said chapter 30B.

## **LOCAL AID DISTRIBUTIONS; SCHEDULE A COMPLIANCE**

### **General Laws Chapter 58, § 18F (218:110)**

Section 18F. No distributions pursuant to sections eighteen A and eighteen E shall be paid to cities or towns after ~~October first of the fiscal year~~ **November 30 of the fiscal year, or during any fiscal year thereafter** by the state treasurer until said treasurer receives certification from the commissioner of revenue of said commissioner's acceptance of the prior fiscal year's annual financial reports submitted pursuant to the provisions of section forty-three of chapter forty-four.

In the case of regional school districts, distributions pursuant to chapters seventy, seventy-one, seventy-one A, seventy-one B and seventy-four shall not be paid by the state treasurer after ~~October first~~ **November 30** of the fiscal year, **or during any fiscal year thereafter**, until said state treasurer receives certification from said commissioner of revenue of the acceptance of the prior year's annual financial reports as prescribed by the director of accounts.

## **ANNUAL TAX RATE APPROVAL**

### **General Laws Chapter 59, § 23 (218:131-132)**

Section 23. The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns since the last preceding annual assessment and not provided for therein, of all amounts required by law to be raised by taxation by said towns during said year, of all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for, of all amounts necessary to satisfy final judgments against said towns, and of all abatements granted on account of the tax assessment of any year in excess of the overlay ~~of that year~~ and not otherwise provided for or any such deficits resulting from section fifty-three E of chapter forty-four; but such assessment shall not include liabilities for the payment of which towns have lawfully voted to contract debts. Any estimate of interest charges attributable to variable interest rates on obligations issued pursuant to section twenty-two A of chapter forty-four shall be subject to the approval of the commissioner. The assessors shall deduct from the amount required to be assessed (a) the amount of all estimated receipts of their respective towns lawfully applicable to the payment of the expenditures of the next fiscal year, excluding sums to be received from the commonwealth or county for highway purposes, other than funds required to be distributed under section eighteen B of chapter fifty-eight, and excluding estimated receipts from loans and taxes, but including estimated receipts from the excise levied under chapter sixty A and receipts estimated by the commissioner under section twenty-five A of chapter fifty-eight, (b) the amount of all appropriations voted from available funds for the purpose of deduction, and (c) the amount of all other appropriations voted from available funds. Deductions made by the assessors under any provision of this section shall not be subject to the approval of the commissioner; provided, however, that deductions made under

clause (a) on account of estimated receipts, other than those estimated by the commissioner, shall not exceed the aggregate amount of actual receipts received during the preceding fiscal year from the same sources, except with the written approval of the commissioner; and provided, further, that deductions made under clauses (b) and (c) shall not exceed the sums certified to the assessors and the commissioner by the director of accounts, after such examination of the accounts of the town as he may deem proper, as the amounts of available funds on hand on the preceding July the first with such additional funds as are hereinafter authorized not otherwise appropriated. Said director shall promulgate and from time to time revise rules and regulations for determining the available funds of a city or town in accordance with established accounting practices of said bureau of accounts. This section shall not be construed to require any approval for the use, application, transfer, appropriation or expenditure of any funds or accounts provision for which use, application, transfer, appropriation or expenditure is made under any other general or special law, beyond such approval or approvals as are required by such other general or special law.

In determining the amount of available funds to be deducted under the provisions of clauses (b) and (c), such available funds shall be the amount certified by the director of accounts as available on July the first next preceding the date of the appropriation, reduced by the amount of all intervening appropriations from available funds, and increased by the total of the proceeds from the sale of tax title possessions and the receipts from tax title redemptions, in addition to the real and personal property taxes of prior fiscal years, and such other amounts as the director may authorize, collected between said July first and a date which shall in no event be later than March thirty-first; provided, however, that no increases to the amount of certified available funds shall be allowed unless such increases have received the written approval of the director prior to the appropriation of such amounts. Such amounts of available funds so certified by the director of accounts as available on the July first immediately preceding shall be reported by the town accountant to the board of selectmen, or by the city auditor to the mayor or city manager and to the city council or board of aldermen, and shall be subject to appropriation.

To the extent that appropriations for programs provided for under chapter seventy-one B have been made without taking into account any reimbursement to which the city or town is entitled during the fiscal year under section thirteen of said chapter seventy-one B, the amount of such reimbursement, but not in excess of such appropriations, shall be included with other estimated receipts by the board of assessors of every city or town when compiling the local tax rate under this section. Such board of assessors shall show as an offset when compiling such rate the amount which represents the excess of such reimbursement over such appropriations.

The auditor or similar accounting officer in each city or town shall certify as soon as may be to the board of assessors the total of the proceeds from the sale of tax title possessions and receipts from tax title redemptions, in addition to the total real and personal taxes of prior years collected from July the first of the current fiscal year up to and including March the thirty-first of the same year.

If, prior to June first the assessors of any city except Boston shall not have received from the city clerk a certificate under section fifteen A of chapter forty-one of the appropriations voted for the annual budget for the next fiscal year and if it appears to them, after inquiry of the city clerk, that such appropriations have not been voted, they shall forthwith assess a tax for said year in accordance with the provisions of this section, except that, in determining the amount of the tax to be assessed, there shall be considered as having been appropriated for the annual budget for said year an amount equal to the aggregate appropriations voted for the annual budget for the then current fiscal year.

Notwithstanding the provisions of any general or special law, the provisions of this section, so far as apt, shall apply to fire, water and improvement districts.

No city, town or district tax rate for any fiscal year shall be fixed by the assessors until such rate has been approved by the commissioner, and a rate shall not be approved until the commissioner determines that the deductions under this section and the overlay addition under section twenty-five are in full compliance of law and are reasonable in amount. No city, town or district tax rate for any fiscal year shall be changed after it has been approved by the commissioner and returned to the assessors; **provided, however, that the commissioner may approve a revised rate if: (i) there was a material understatement or overstatement in the returned rate due to an unintentional, inadvertent or other good faith omission or error by city, town or district officials in reporting the rate; and (ii) the tax bills for the year have not been sent.**

## **OVERLAY**

### **General Laws Chapter 59, § 25 (218:133)**

Section 25. The assessors ~~of each~~ in any city or town **shall raise by taxation each year a**, may add to the amount to be assessed such reasonable amount **of overlay** as the commissioner may approve ~~although the limit of taxation as fixed in any city may by such overlay be exceeded, such amount to be used~~ **The overlay account may be used** only for avoiding fractional divisions of the amount to be assessed ~~in the apportionment thereof and for abatements granted on account of property assessed for~~ **any** the fiscal year ~~for which the overlay is made or of taxes in the warrant of which the overlay is a part, but any~~ balance in the overlay account, in excess of the amount of the warrant remaining to be collected or abated, as certified by the board of assessors, shall be transferred by the board of assessors upon their own initiative or within **10** ~~ten~~ days of a written request by the chief executive officer, with written notice to the chief executive officer, to a reserve fund to be appropriated for any lawful purpose; ~~a~~ **any** balance in ~~a~~ **said** reserve fund at the end of the fiscal year shall be closed out to surplus revenue. This section shall apply to fire, water and improvement districts.

## **PROCEDURE AFTER ABATEMENT**

### **General Laws Chapter 59, § 70A (218:152)**

Section 70A. Whenever upon application for abatement or otherwise any tax, assessment, rate or charge assessed by a board or officer of a town, or any interest thereon or costs relative thereto, is finally abated in whole or in part by any court or officer, or by any board, which latter term as used in this sentence shall include the county commissioners and the appellate tax board, the officer or the secretary, clerk or similar official of the board assessing such tax, assessment, rate or charge shall forthwith give notice of such abatement to the collector and to the auditor, accountant or similar official. If the assessment was made by a board or officer other than the assessors and the tax, assessment, rate, charge, costs or interest is part of an annual tax, such notice shall also be given to the assessors. Upon receipt of such notice, the collector shall make due entry of the abatement in his books, except where the tax, assessment, rate or charge is an item in a tax title account set up under section fifty of chapter sixty, in which case he shall forthwith transmit such notice to the treasurer, who shall forthwith enter the abatement on the tax



title account, and the treasurer shall thereby be relieved of further responsibility with respect to the amount abated. Whenever any tax, assessment, rate, charge, costs or interest constituting an item in a tax title account is abated in whole or in part, the account, if any, set up on the books of the town showing the amount of tax title revenue available when collected shall be reduced accordingly. Whenever any tax, which word as used in this sentence shall be construed to mean the tax assessed under this chapter and not to include any assessment, rate, charge, costs or interest added thereto, is abated in whole or in part, whether or not such tax has been collected and whether or not such tax is secured by a tax title held by the town, the amount of the abatement shall be charged against the overlay of the year of such tax.

## **SCHOLARSHIP AND EDUCATION FUNDS**

### **General Laws Chapter 60, § 3C (218:159-162)**

Section 3C. Any city or town which accepts the provisions of this section or has previously accepted chapter one hundred and ninety-four of the acts of nineteen hundred and eighty-six is hereby authorized, subject to the approval of the commissioner, to design and designate a place on its municipal tax bills, or the motor vehicle excise tax bills, or to mail with such tax bills a separate form, whereby the taxpayers of said city or town can voluntarily check off, donate and pledge an amount not less than one dollar or such other designated amount which shall increase the amount otherwise due, and **vote** to establish a city or town scholarship fund, the purpose of which shall be to provide educational financial aid to deserving city and town residents in accordance with this section, ~~or and~~ to establish a city or town educational fund, the purpose of which shall be to provide supplemental educational funding for local educational needs or to provide funding for existing adult literacy programs.

Any amounts donated to the scholarship fund or educational fund shall be deposited into a special account in the general treasury and shall be in the custody of the treasurer. The treasurer shall invest said funds at the direction of the officer, board, commission, committee or other agency of the city or town who or which is otherwise authorized and required to invest trust funds of the city or town and subject to the same limitations applicable to trust fund investments, except as otherwise specified herein. Interest earned upon such fund shall remain therewith and shall be used for the purpose of said fund without further appropriation.

In any city or town establishing a scholarship fund **or educational fund**, there shall be a scholarship committee ~~and or~~ educational fund committee to consist of the superintendent of the city or town schools or designee thereof, and no fewer than 4 ~~four~~ residents of the city or town appointed by the **mayor or** board of selectmen to a term of **3** ~~three~~ years. The scholarship committee or educational fund committee shall select the recipients of and amounts of financial aid from the scholarship fund and educational fund and shall be guided by any criteria established by the scholarship committee or educational fund committee subject to any ordinance or by-law and further subject to the following criteria:

(a) The recipients of financial aid must be residents of the city or town at the time the financial aid is first awarded and have been accepted to pursue education beyond the secondary school level at an institution deemed accredited by the committee.

(b) The committee shall take into consideration each recipient's financial need, character, scholastic record and involvement in community work as well as extracurricular school activities.

The scholarship committee may distribute financial aid, **or the educational committee may distribute supplemental educational funds for the school**, from both interest and principal of the fund, without further appropriation. The scholarship committee **or education committee** shall establish a procedure for determining at least on an annual basis the amounts or percentage of the funds that shall be authorized for distribution and for notifying the investing officer or agency so that the funds may be made available in a timely manner and with a minimum of penalties.

## **JET FUEL EXCISE**

### **General Laws Chapter 64, §§ 4 and 13 (218:175-177)**

Section 4. At the time of filing a return required by section sixteen of chapter sixty-two C, every licensee shall pay to the commissioner an excise at the tax per gallon determined by the commissioner upon each gallon of aircraft fuel sold or used by him **in or due to** any city or town within the commonwealth that has adopted the provisions of this chapter in accordance with section thirteen.

Section 13. The provisions of this chapter relative to the imposition, payment, collection and distribution of an excise tax on the sale or use of aircraft fuel shall apply ~~in a city after acceptance~~ **by a city or town: (i) in which an airport is located if accepted and in effect before December 31, 1987; and (ii) that owns an airport, wherever located.** ~~a majority vote of the city council with the approval of the mayor, in the case of a city with a Plan A, Plan B, or Plan F charter; by a majority vote of the city council, in the case of a city with a Plan C, Plan D or Plan E charter; by a majority vote of the annual town meeting or a special meeting called for the purpose, in the case of a municipality with a town meeting form of government; or by a majority vote of the town council, in the case of a municipality with a town council form of government.~~ The provisions of this chapter shall take effect on the first day of the calendar quarter following thirty days after such acceptance, or on the first day of such later calendar quarter as the city or town may designate. **A city or town in which an airport it does not own is located and in which this chapter took effect after December 30, 1987 shall be deemed to have revoked its acceptance as of December 31, 2015.**

## **REGIONAL SCHOOL TRANSPORTATION**

### **General Laws Chapter 71, § 16C (218:181)**

Section 16C. The regional school district shall be subject to all laws pertaining to school transportation; and when the agreement provides for the furnishing of transportation by the regional school district, the regional school district shall be obliged to provide transportation for all school children in grades kindergarten through twelve and the commonwealth shall reimburse such district to the full extent of the amounts expended for such transportation, **subject to appropriation**; provided, however, that no reimbursement for transportation between school and home shall be made on account of any pupil who resides less than one and one-half miles from the school of attendance, measured by a

commonly traveled route. The commonwealth shall further reimburse such district to the full extent of the amounts expended for the transportation of pupils between school and a child care center licensed or approved by the department of early education and care or a child care facility which is part of a public school system or a private, organized educational system, in accordance with standards approved by the school committee; provided, however, that no reimbursement shall be made if the distance between the school and said facility is less than one and one-half miles, measured by a commonly traveled route, nor shall reimbursement be provided for transportation to a day care facility located outside the boundaries of the regional school district. The state treasurer shall annually, on or before November twentieth, pay to the regional school districts, subject to appropriation, the sums required for such reimbursement and approved by the commissioner of education. Regional school districts may establish a Regional School Transportation Reimbursement Fund. Reimbursements made by the commonwealth pursuant to this section may be deposited into the fund and may carry forward for 1 fiscal year.

## **AUDITS; PAYMENT OF COSTS**

### **General Laws Chapter 71, § 16E (218:182)**

Section 16E. ~~The director of accounts in the department of corporations and taxation shall annually cause an audit to be made of the accounts of the regional district school committee, and for this purpose he, and his duly accredited agents, shall have access to all necessary papers, books and records.~~ **A regional school district shall be considered a district for purposes of conducting periodic audits under sections 35, 38, 39, 40, 41 and 42 of chapter 44.** Upon the completion of each audit, ~~a report thereon shall be made to the chairman of the district committee, and a copy thereof shall be sent to the~~ **chief executive officer** ~~chairman of the selectmen and of the school committee of each~~ **city or town** which is a member of the district. ~~The director shall apportion the cost~~ **of each audit shall be apportioned** among the several **cities and** towns which ~~that~~ are members of the district **in the same manner as the annual expenses of the district.** ~~on the basis provided by section fourteen B, and submit the amounts of each apportionment to the state treasurer, who shall issue his warrant requiring the assessors of the towns which are members of the district to assess a tax to the amount of the expense, and such amounts shall be collected and paid to the state treasurer as provided by section twenty of chapter fifty nine.~~

## **REGIONAL SCHOOL STABILIZATION FUNDS**

### **General Laws Chapter 71, § 16G<sup>1</sup>/<sub>2</sub> (218:183)**

Section 16G<sup>1</sup>/<sub>2</sub>. A regional school district may, upon a majority vote of all the members of the regional district school committee and, with the approval of a majority of the local appropriating authorities of the member municipalities, establish a stabilization fund and may, in any year, include in its annual budget for deposit in the stabilization fund an amount not exceeding five per cent of the aggregate amount apportioned to the member municipalities for the preceding fiscal year or such larger amount as may be approved by the ~~commissioner~~ **director of elementary and secondary education** ~~accounts~~. The aggregate amount in the fund at any time shall not exceed five per cent of the combined equalized valuations of the member municipalities. Any interest shall be added to and become a part of the fund. The annual report submitted to the member municipalities

pursuant to clause (k) of section sixteen shall include a statement of the balance in the stabilization fund and all additions to and withdrawals from the fund during the period covered by such report.

The treasurer of the regional school district shall be the custodian of such fund and may deposit or invest the fund in such deposits or investments as are legal for the deposit or investment of revenue funds of the district or in such securities as are legal for the investment of funds of savings banks under the laws of the commonwealth.

The stabilization fund may be appropriated by vote of two-thirds of all of the members of the regional district school committee for any purpose for which regional school districts may borrow money or for such other district purpose as the **commissioner** ~~director~~ of **elementary and secondary education** ~~accounts~~ may approve.

This section shall also apply to any regional school district established under the provisions of a special law.

## **EXTENDED SCHOOL PROGRAMS**

### **General Laws Chapter 71, §§ 26A-26C (218:185-187)**

Section 26A. If the school committee of a **city, town or regional school district** determines that sufficient need exists therein for extended school services for children, ~~between three and fourteen years of age, of parents who are employed, and whose employment is determined by said committee to be necessary for the welfare of their families,~~ **the** said school committee, subject to section ~~26~~**twenty-six** B, ~~and with the approval of the city council or selectmen~~ may establish and maintain such services.

Section 26B. If said school committee, upon determination by it of sufficient need, votes that said services should be established by it ~~in such town upon approval of the city council or selectmen,~~ it shall submit in writing a plan of said services to the commissioner of **elementary and secondary** education for his written approval; provided, that said extended school services proposed in said plan shall consist of such care as shall be determined by standards established by said commissioner in consultation with the state department of public health and shall be operated by said school committee under the general supervision of said commissioner; and provided further, that said school committee shall establish as one of the rules of admission of any such child to the benefits of said extended school services that the parents of such child shall pay toward the cost of said services such sum as said school committee shall determine. For the purposes of clause (2) of section five of chapter forty, the establishment and maintenance of said extended school services shall be deemed to be included within the term "support of public schools".

Section 26C. The commonwealth and the school committee ~~of any town~~ may accept funds from the federal government for the purposes of sections ~~26~~**twenty-six** A to ~~26~~**twenty-six** F, inclusive. The school committee ~~of any town~~ may receive contributions in the form of money, material, quarters or services for the purposes of **the** ~~said~~ sections from organizations, employers and other individuals. ~~The~~ ~~Such~~ contributions received in the form of money, together with fees from parents and any allotments received from the federal government for said purposes, shall be deposited with the treasurer of such **city, town or regional school district** and held as a separate account and expended by said school committee without appropriation, notwithstanding the provisions of section ~~53~~**fifty-three** of chapter ~~44~~**forty-four**.

## COMMUNITY SCHOOL PROGRAM FUND General Laws Chapter 71, § 71C (218:188)

Section 71C. All moneys received by the school committee in connection with the conduct of community school programs, so designated by prior vote of said committee, shall be deposited with the treasurer of the town or city. The school committee may expend, from such receipts and without further appropriation, any sums not in excess of **10** ~~three~~ thousand dollars within any fiscal year for the purchase of materials and equipment for such programs.

## SCHOOL USE OF PROPERTY REVOLVING FUND General Laws Chapter 71, § 71E (218:189)

Section 71E. In any city ~~or town~~ or regional school district that ~~which~~ accepts this section, all monieys received by the school committee in connection with the conduct of adult education and continuing education programs, including, but not limited to adult physical fitness programs conducted under section ~~71~~ ~~seventy-one~~ B, summer school programs **and enrichment programs, authorized by the school committee** ~~and programs designated by prior vote of said committee as community school programs,~~ and in connection with the use of school property under section ~~71~~ ~~seventy-one~~, **including parking fees**, shall be deposited with the treasurer of the **city, town or regional school district** ~~city~~ and held as separate accounts. The receipts held in such a separate account may be expended by said school committee without further appropriation for the purposes of the program or programs from which the receipts held in such account were derived or, in the case of the use of school property account, for expenses incurred in making school property available for such use, notwithstanding the provisions of section ~~53~~ ~~fifty-three~~ of chapter ~~44~~ ~~forty-four~~ of the General Laws. A city, ~~or town~~ or regional school district may appropriate funds for the conduct of any such program or for expenses incurred in making school property available for such use, which funds shall be expended by the school committee in addition to funds provided from other sources. **Acceptance in a city or town shall be in the manner provided in section 4 of chapter 4 and in a regional school district by vote of the regional school committee. In a city, town or regional school district that** ~~Three years from the date a city or town accepts the provisions of this paragraph, and every third year thereafter, said city, or town~~ or district may ~~act to~~ rescind its original acceptance **every third year thereafter.**

## VOCATIONAL SCHOOL REVOLVING FUND General Laws Chapter 74, § 14B (218:190)

Section 14B. In any city or town ~~that~~ ~~which~~ ~~accepts the provisions of this section~~ **that accepts this section in the manner provided in section 4 of chapter 4 or in a regional school district that accepts it as provided in this section,** any income received ~~in a fiscal year not exceeding, in the aggregate, fifteen thousand dollars derived from the purchase and sale of products produced in the culinary arts subject area of the home economics program, or any other vocational-technical program conducted in any public vocational-technical high school~~ shall be deposited in a special fund by the school committee in any

banking institution in the commonwealth. Expenditures may be made from said fund by the school committee for purposes needed for the culinary arts subject area or in the case of a fund established for any other program, such funds may be expended for the purposes of such program area without further appropriation, notwithstanding the provisions of section ~~53~~ **53** ~~fifty three~~ of chapter ~~44~~ **44** ~~forty four~~; provided, however, that said special funds shall not be used to pay the salary of any employee, ~~and in any fiscal year no more than five thousand dollars from said funds shall be used in the purchase of equipment.~~ Three years from the year a city or town accepts the provisions of this section, and every third year thereafter, said city or town may act to rescind its original acceptance. The superintendent of a school district with such a fund shall submit annually a report of said fund to the mayor, city council, city manager, board of selectmen or town manager of each city and town in said district and a copy of said report shall be submitted to the director of the bureau of accounts. The provisions of this section shall be effective in any regional school district upon its acceptance by the school committee of said district and a majority of the towns and cities and said district by vote of the board of selectmen or city council of said cities and towns.

**OPEB TRUST FUND**  
**General Laws Chapter 32B, §§ 20 (218:238)**

SECTION 238. Any city, town, district, municipal lighting plant or county that established an OPEB Fund pursuant to section 20 of chapter 32B of the General Laws before the effective date of this act shall continue said fund under the terms originally established unless such city, town, district or municipal lighting plant or county reaccepts said section 20 of said chapter 32B after the effective date of this act.

**AFFORDABLE HOUSING TRUST FUNDS**  
**General Laws Chapter 44, § 55C (218:246)**

SECTION 246. Sections 95 to 97, inclusive, shall apply to all funds held in trust under chapter 44B of the General Laws on or after the effective date of this act.

**OVERLAY**  
**General Laws Chapter 59, §§ 23, 25, 70A (218:249)**

SECTION 249. Sections 131, 133 and 152 shall apply to overlay raised under section 25 of chapter 59 of the General Laws for any fiscal year whether it is before or after the effective date of this act.