

HOUSE No. 4292

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to Help Towns Finance School Buildings..

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

1 SECTION 1. Section 7 of chapter 44 of the General Laws, as appearing in the 2008
2 Official edition is hereby amended by inserting after the word "specified", in line 3, the
3 following words: - or, except with respect to clauses (II), (16), (18), (21) and (22), within such
4 longer period not to exceed 30 years based upon the maximum useful life of the public work,
5 improvement or asset being financed, as determined in accordance with guidelines established by
6 the division of local services of the department of revenue.

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

11 SECTION 3. Said section 7 of said chapter 44, as appearing, is hereby further amended
12 by inserting after clause (31) the following clause:-

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

16 SECTION 4. Section 8 of said chapter 44, as appearing, is hereby amended by inserting
17 after the word "specified", in line 3, the following words: - or except with respect to clauses (I),
18 (2), (3A), (5), (6),

19 (7), (9) and (19), within such longer period not to exceed 30 years based upon the
20 maximum useful life of the public work, improvement or asset being financed as determined in
21 accordance with guidelines established by the division of local services of the department of
22 revenue.

23 SECTION 5. Said section 8 of said chapter 44, as appearing, is hereby further amended
24 by striking out, in lines 77 and 78, the words "a board composed of the attorney general, the state
25 treasurer and the director" and inserting in place thereof the following words: - the municipal
26 finance oversight board.

27 SECTION 6. Said section 8 of said chapter 44, as appearing, is hereby further amended
28 by inserting after the word "vote", in line 190, the following words: - , provided, however, that
29 debt under clause (9) of this section may be authorized by the treasurer of a city, with the
30 approval of the official whose approval is required by the city charter in the borrowing of money,
31 the treasurer of a town with a town council form of government, with the approval of the official
32 whose approval is required by the town charter in the borrowing of money, the treasurer of a
33 town without a town council form of government, with the approval of the board of selectmen,

34 and the treasurer of a district, with the approval of the prudential committee, if any, otherwise of
35 the commissioners.

36 SECTION 7. Said chapter 44 is hereby further amended by striking out section 19, as so
37 appearing, and inserting in place thereof the following section:-

38 Section 19. Cities, towns and districts shall not issue any notes payable on demand, and
39 they shall provide for the payment of all debts, except temporary loans incurred under sections 4,
40 6, 6A, 8C, and 17, or under section 3 of chapter 74 of the acts of 1945, by annual payments that
41 will extinguish the same at maturity, and so that the first of these annual payments on account of
42 any serial loan shall be made not later than the end of the next complete fiscal year commencing
43 after the date of the bonds or notes issued for the serial loan, and shall be arranged so that for
44 each issue the amounts payable in the several years for principal and interest combined shall be
45 as nearly equal as practicable in the opinion of the officers authorized to issue the bonds or notes,
46 or in the alternative, in accordance with a schedule providing a more rapid amortization of
47 principal; and these annual amounts, together with the interest on all debts, shall, without further
48 vote, be assessed until the debt is extinguished.

49 SECTION 8. Section 21A of said chapter 44, as so appearing, is hereby amended by
50 inserting after the word "law", in line 10, the following words: - , and provided further that no
51 order or vote authorizing the issuance of refunding bonds or notes shall be subject to any
52 referendum provisions contained in any general or special law, any city or town charter, any city
53 ordinance or town by-law, or other provision.

54 SECTION 9. Section 22 of said chapter 44, as so appearing, is hereby amended by
55 adding the following sentence: - Notwithstanding the above, the selectmen may delegate to the

56 town treasurer the approval of the rate or rates of interest with any limitations that the selectmen
57 determine to be in the best interests of the town.

58 SECTION 10. Section 22A of said chapter 44, as so appearing, is hereby amended by
59 striking out the first sentence and inserting in place thereof the following sentence: - Bonds or
60 notes issued by a city may be secured in whole or in part by insurance or by letters or lines of
61 credit or other credit facilities, provided that the city treasurer and mayor or city manager, as
62 applicable, determine that issuing bonds or notes on this basis is in the best interests of the city.

63 SECTION 11. Section 22B of said chapter 44 is hereby repealed.