

HOUSE No. 4421

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act PROVIDING FOR THE FINANCIAL STABILITY OF THE CITY OF LAWRENCE.

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

- 1 The general court finds that:
- 2 (1) The city of Lawrence has a projected structural deficit for fiscal year 2010.
- 3 (2) Without significant changes the city is likely to project a structural deficit in fiscal
- 4 year 2011.
- 5 (3) As a result of such structural deficits, the city is unable to enact a balanced budget and
- 6 is in fiscal crisis.
- 7 (4) The fiscal crisis poses an imminent danger to the safety of citizens of the city and
- 8 their property.
- 9 (5) Without an approved balanced budget, the city will be unable to collect property taxes
- 10 during part or all of fiscal year 2010.
- 11 (6) The city may be unable to obtain reasonable access to credit markets.

12 (7) The city has received fiscal year 2010 local aid from the commonwealth in excess of
13 \$154,000,000, which is expected to represent over two-thirds of its operating budget, a
14 proportion in keeping with that of recent years.

15 (8) Special acts approved in 1990 and 1992 have not been successful in achieving fiscal
16 stability for the city.

17 (9) In order to assure a comprehensive long-term solution to the city's financial problems,
18 it is necessary to enact extraordinary remedies, including a fiscal overseer and, if necessary, a
19 finance control board, with the powers necessary to achieve the intent of this act.

20 (10) The governor has recommended to the general court pursuant to section 8 of Article
21 LXXXIX of the Amendments to the Constitution that this legislation be enacted to resolve the
22 financial emergency in the city and to restore financial stability to the city.

23 SECTION 2. As used in this act, the following words shall, unless the context requires
24 otherwise, have the following meanings:

25 “City council”, the city council for the city of Lawrence established under its charter.

26 “Charter”, the charter of the city of Lawrence as provided in chapter 425 of the acts of
27 1983, as amended.

28 “Commissioner”, the commissioner of revenue.

29 “City”, the city of Lawrence.

30 “Director”, the director of accounts in the department of revenue.

31 “Board”, a finance control board established under sections 7 and 8 of this act.

32 “School committee”, the school committee of the city of Lawrence established under its
33 charter.

34 “Secretary”, the secretary of administration and finance.

35 SECTION 3. (a) Notwithstanding any general or special law, city charter provision or
36 local ordinance to the contrary, the city, with the approval of the commissioner, may borrow, at
37 time or from time to time, sums approved by the city council and then by the commissioner, but
38 in no event in an amount in the aggregate more than \$35,000,000, to maintain and operate the
39 city while it adjusts the level of its expenses and revenues in the fiscal years beginning July 1,
40 2009 and July 1, 2010. In the fiscal year beginning July 1, 2010 the city may borrow no more
41 than one-half of the amount of its deficit in the fiscal year beginning July 1, 2009. The director
42 of accounts shall certify the amount of the city’s deficit for the fiscal year beginning July 1,
43 2009.

44 (b) The commissioner may limit this borrowing to an amount or amounts less than the
45 amount or amounts approved by the council. Bonds or notes issued under this act for operating
46 purposes may be issued for a term of not more than 20 years and shall be backed by the full faith
47 of the city. The bonds and notes shall be eligible to be issued as qualified bonds or notes under
48 chapter 44A of the General Laws. Indebtedness incurred under this act shall not be included in
49 determining the statutory limit of indebtedness of the city under section 10 of chapter 44 of the
50 General Laws but, except as provided in this act, shall otherwise be subject to said chapter
51 44. Amounts raised to pay indebtedness incurred under authority of this section shall be subject
52 to section 21C of chapter 59 of the General Laws.

53 (c) The maturities of each issue of bonds or notes authorized under this act, including any
54 refunding bonds, may, if approved by the city officers authorized to issue and approve bonds or
55 notes, and by the commissioner, be arranged so that for each issue the amounts payable in the
56 several years for principal and interest combined are as nearly equal as is practicable in the
57 opinion of the officers authorized to issue and approve the bonds or notes, or in the alternative, in
58 accordance with a schedule providing for a more rapid amortization of principal.

59 (d) In any year during which a loan issued under this section remains outstanding, the city
60 shall not issue any other bond, note or other form of indebtedness without written notification to,
61 and the approval of, the director.

62 (e) In the fiscal year beginning July 1, 2009, notwithstanding section 57C of chapter 59
63 of the General Laws and chapter 183 of the acts of 2009, an actual tax bill issued upon the
64 establishment of the tax rate for the fiscal year, after credit is given for a preliminary tax payment
65 previously made, shall be due and payable in 2 installments. The first installment shall be due
66 and payable on February 1, 2010, or 30 days after the actual real estate tax bills are mailed,
67 whichever is later, if the bills are mailed no later than March 15, 2010, and the second
68 installment shall be due and payable on May 1, 2010, after which dates, if unpaid, they shall
69 become delinquent.

70 SECTION 4. All proceeds of any loan issued under section 3 shall be deposited in a
71 separate fund which shall be set up on the books of the city and be maintained separate and apart
72 from all other funds and accounts of the city. This fund shall be called the City of Lawrence
73 Financial Stability Fund, in this act called the fund. The city council, with the approval of the
74 commissioner, may authorize disbursements from the fund for purposes that the mayor considers

75 appropriate to maintain and continue city operations. Funds borrowed for city operating
76 purposes may be applied, with the approval of the director, as general revenue for purposes of
77 section 23 of chapter 59 of the General Laws. The director may establish rules and procedures
78 that he considers appropriate relating to disbursements from the fund and the reporting and
79 accounting for these disbursements.

80 SECTION 5. (a) There shall be in the city a fiscal overseer, appointed by the secretary to
81 assess the ability of the city government to manage the city's fiscal challenges, and develop
82 within 120 days of appointment a 3-year operating and capital financial plan to achieve fiscal
83 stability. The overseer shall:

84 (1) recommend to the mayor, city council and school committee sound fiscal policies for
85 implementation;

86 (2) supervise all financial services and activities including the school department;

87 (3) advise the director of budget and finance, assessors, comptroller, treasurer-collector,
88 purchasing agent and employees performing similar duties but with different titles;

89 (4) provide assistance in all matters related to municipal financial affairs including the
90 school department;

91 (5) assist in development and preparation of all department budgets and spending plans;

92 (6) review all proposed contracts and obligations with a term in excess of 1 year; and

93 (7) monitor the expenditures of all funds;

94 (8) report to the secretary.

95 (b) All department budgets and request for budget transfers shall be submitted to the
96 fiscal overseer for review and recommendation before submission to the mayor, city council or
97 school committee.

98 (c) The city shall annually appropriate amounts sufficient for the proper administration
99 of the fiscal overseer and staff, as determined in writing by the secretary. If the city fails to
100 appropriate such amounts, the secretary shall direct the state treasurer to deduct the necessary
101 funds from the city's distribution of unrestricted general aid and shall expend those funds
102 directly for the benefit of the overseer and staff.

103 (d) The city shall be deemed to have accepted section 37M of chapter 71 of the General
104 Laws for the purpose of consolidating the business and financial operations and functions of the
105 school department with those of the city under the authority of the director of the department of
106 budget and finance. This acceptance may be revoked, but no revocation of acceptance shall be
107 valid or effective in any year during which a loan issued under section 3 remains outstanding,
108 without the written approval of the secretary. Upon consolidation of the business and financial
109 operations and functions of the school department with those of the city, the fiscal overseer shall
110 advise the new consolidated department of budget and finance.

111 SECTION 6. Before setting a tax rate under section 23 of the chapter 59 of the General
112 Laws for the fiscal year beginning July 1, 2010 or for any subsequent fiscal year in which a loan
113 issued under section 3 remains outstanding, the city shall submit to the director a pro forma tax
114 rate for the succeeding fiscal year, which shall contain all information required to set the tax rate
115 under said section 23 of chapter 59 except for the assessed valuation of all real and personal
116 property subject to taxation for the fiscal year. The pro forma tax rate recapitulation, together

117 with a copy of the adopted budget and such supporting revenue and expenditure information as
118 the director may prescribe, shall be submitted no later than 10 days after the adoption of the city
119 budget, or July 1, whichever is earlier. The director shall ascertain whether the city budget for
120 that fiscal year contains reasonable revenues from taxation and other sources to meet the
121 appropriations and other amounts required by law to be raised under said section 23 of chapter
122 59, and the director shall report his conclusion to the commissioner. For the fiscal year
123 beginning July 1, 2009 or for any subsequent fiscal year in which a loan issued under section 3
124 remains outstanding, upon submission of the annual tax rate recapitulation by the city, the
125 director shall also ascertain whether the city budget for that fiscal year contains reasonable
126 revenues from taxation and other sources to meet the appropriations and other amounts required
127 by law to be raised under said section 23 of said chapter 59 and the director shall report his
128 conclusion to the commissioner. If the commissioner determines that the city budget as
129 presented on the pro forma or annual tax rate recapitulation would not permit certification of the
130 tax rate for the applicable fiscal year, the commissioner shall certify this determination in writing
131 and provide notice of the determination with a copy of the certificate to the secretary. In this
132 case, no tax rate for the year shall be approved until submission of an annual tax rate
133 recapitulation based on the actions taken to achieve a balanced budget.

134 (b) In any year in which a loan issued under section 3 remains outstanding, the
135 commissioner shall not certify the annual tax rate of the city until an audit report and balance
136 sheet for the preceding fiscal year has been received and accepted by the director. The audit
137 report shall be prepared by a certified public accountant in accordance with generally accepted
138 auditing standards and shall include accompanying financial statements.

139 (c) In any year in which a loan issued under section 3 remains outstanding, the city shall
140 submit to the director quarterly reports presenting a budget to actual comparison of revenues and
141 expenditures. The written reports shall be submitted within 30 days after the conclusion of each
142 fiscal quarter and shall be in the form and include the information and detail that the director
143 may prescribe.

144 (e) The director may waive any reporting or filing requirements contained in this section.

145 SECTION 7. If the city cannot set a tax rate for the fiscal year beginning July 1, 2010 by
146 January 31, 2011, the fiscal overseer shall report this, as well as the underlying reasons, to the
147 secretary. At any time after January 31, 2011, if the overseer concludes that the city is unable to
148 achieve a balanced budget and fiscal stability, the overseer shall report this in writing to the
149 secretary, and the secretary may abolish the overseer and appoint a finance control board. The
150 board shall have all of the powers and duties set forth in section 8. At any time after July 1, 2011
151 and while debt issued under this act is outstanding, if a finance control board has not been
152 appointed and if the secretary, in his sole discretion, determines that the city has taken steps
153 necessary to achieve long-term fiscal sustainability and no longer requires active state oversight,
154 the secretary may abolish the overseer. If the director notifies the secretary in writing that the
155 city is unable to achieve a balanced budget or set a tax rate at any time after the removal of the
156 overseer and while the debt issued under this act is still outstanding, then the secretary may
157 establish a finance control board in accordance with section 8.

158 SECTION 8. (a) If a finance control board is established in accordance with section 7, it
159 shall consist of 5 members: 3 designees of the secretary, 1 of whom shall be a resident of the
160 city, the mayor of the city, and the president of the city council of the city. The secretary may at

161 any time and without cause remove any member whom he designated and appoint a successor.
162 The board shall act by a majority vote of all its members. The board shall initiate and assure the
163 implementation of appropriate measures to secure the financial stability of the city. The board
164 shall continue in existence until the secretary abolishes it. The board shall be a state agency for
165 the purpose of chapter 268A of the General Laws.

166 (b) Action by the board under the authority of this act shall in all respects constitute
167 action by the city for all purposes under the General Laws and under any special law.

168 (c) Until the board ceases to exist, no appropriation, borrowing authorization, transfer,
169 including transfer from or replenishment of funds into the fiscal stability reserve fund under
170 section 4 of chapter 41 of the acts of 1990, as amended by section 5 of chapter 377 of the acts of
171 1992, the capital reserve fund established under section 11, or other municipal spending
172 authority shall take effect until approved by the board. The board shall approve all
173 appropriations, borrowing authorizations, transfers, or any other municipal spending
174 authorizations, in whole or part.

175 (d) In addition to the authority and powers conferred elsewhere in this act, and
176 notwithstanding any city charter provision or local ordinance to the contrary, the board shall
177 have the following powers:

178 (1) to amend formulate and execute the annual or supplemental budgets of the city and
179 the school committee, including the establishment, increase or decrease of any appropriations
180 and spending authority for all departments, boards, committees, agencies or other units of the
181 city and the school committee, but, notwithstanding section 34 of chapter 71 of the General
182 Laws, this clause shall fully apply to the school department and all school spending purposes;

183 (2) to implement and maintain uniform budget guidelines and procedures for all
184 departments;

185 (3) to amend, formulate and execute capital budgets, including to amend any borrowing
186 authorization, or finance or refinance any debt in accordance with law;

187 (4) to amortize operational deficits in an amount and for such term as the secretary
188 approves on an annual basis;

189 (5) to develop and maintain a uniform system for all financial planning and operations in
190 all departments, offices, boards, commissions, committees, agencies or other units of the city's
191 government, including the school department;

192 (6) to review and approve or disapprove all proposed contracts for goods or services;

193 (7) notwithstanding any general or special law to the contrary, to establish, increase, or
194 decrease any fee, rate, or charge, for any service, license, permit or other municipal activity,
195 otherwise within the authority of the city;

196 (8) notwithstanding the charter or any city ordinance to the contrary, to appoint, remove,
197 supervise and control all city employees and have control over all personnel matters; the board
198 shall hold all existing powers to hire and fire and set the terms and conditions of employment
199 held by other employees or officers of the city, whether or not elected; the board shall have the
200 authority to exercise all powers otherwise available to a municipality regarding contractual
201 obligations during a fiscal emergency; and no city employee or officer shall hire, fire, transfer or
202 alter the compensation or benefits of any employee except with the written approval of the board.
203 The board may delegate or otherwise assign these powers with the approval of the secretary;

204 (9) to alter the compensation of elected officials of the city to reflect the fiscal emergency
205 and changes in the responsibilities of the officials as provided by this act;

206 (10) to employ, retain, and supervise such managerial, professional and clerical staff as
207 are necessary to carry out its responsibilities, with the approval of the secretary. The board, with
208 the approval of the secretary, shall have authority to set the compensation, terms, and conditions
209 of employment of its own staff. The city shall annually appropriate amounts sufficient for the
210 compensation of personnel hired under this subsection as determined and fixed by the board. If
211 the city fails to appropriate such amounts, the secretary shall direct the state treasurer to deduct
212 the necessary funds from the city's distribution of unrestricted general aid and shall expend those
213 funds directly for the benefit of the board. Staff hired under this subsection shall be deemed
214 employees of the commonwealth, except such employees as the board formally designates
215 independent contractors, but chapters 31 and 150E of the General Laws shall not apply to such
216 employees.

217 (11) to reorganize, consolidate or abolish departments, commissions, boards, offices or
218 functions of the city, in whole or in part, and to establish such new departments, commissions,
219 boards, offices or functions as it deems necessary, and to transfer the duties, powers, functions
220 and appropriations of 1 department, commission, board or other unit to another;

221 (12) to appoint in consultation with the secretary persons to fill vacancies on any board,
222 committee, department, or office acting in an advisory capacity to the board;

223 (13) to sell, lease, or otherwise transfer real property and other assets of the city with the
224 approval of the secretary;

225 (14) to purchase, lease, or otherwise acquire property or other assets on behalf of the city
226 with the approval of the secretary;

227 (15) to adopt rules and regulations governing the operation and administration of the city;

228 (16) to seek voter approval of general override, debt exclusion or capital expenditure
229 exclusion ballot questions as provided in section 21C of chapter 59 of the General Laws;

230 (17) to approve the allocation of the tax levy through the selection of a residential factor
231 pursuant to section 56 of chapter 40 of the General Laws, but no choice of a residential factor
232 under said section 56 shall be valid until it has been approved by the board;

233 (18) to alter or rescind any action or decision of any municipal officer, employee, board
234 or commission within 14 days after receipt of notice of such action or decision;

235 (19) to suspend in consultation with the secretary any rules and regulations of the city and
236 to adopt rules and regulations to carry out this act; and

237 (20) to exercise all powers under the General Laws and this or any other special act, any
238 charter provision or ordinance that any elected official of the city may exercise, acting separately
239 or jointly. With respect to any such exercise of powers by the board, the elected officials shall
240 not rescind or take any action contrary to such action by the board so long as the board continues
241 to exist.

242 SECTION 9. (a) Notwithstanding any general or special law or local ordinance to the
243 contrary, this section shall apply upon abolition of a finance control board established under this
244 act. There shall be in the city a department of administration and finance which shall be
245 responsible for the overall budgetary and financial administration of the city. The department

246 shall be under the charge and control of a chief administrative and financial officer, in this
247 section called the CAFO. The CAFO shall report to and be under the charge and direction of the
248 mayor. Nothing in this section shall abrogate the powers and duties of the school committee
249 under any general or special law, except as specifically provided in this section.

250 Whenever the term “department of budget and finance” appears in any general or special
251 law or any ordinance, regulation, contract or other document with reference to the city, it shall
252 mean the department of administration and finance of the city. Whenever the term “chief
253 financial officer” or “director of budget and finance” appears in any general or special law or any
254 ordinance, regulation, contract or other document with reference to the city, it shall mean the
255 CAFO of the city.

256 (b)(1) The mayor shall appoint the CAFO for a term of not more than 3 years, as
257 provided in this subsection. The CAFO shall be appointed solely on the basis of administrative
258 and executive qualifications and shall be a person especially fitted by education, training and
259 experience to perform the duties of the office. The CAFO need not be a resident of the city.

260 (2) When the office of CAFO is vacant or it is known that it will become vacant, the
261 mayor shall initiate the selection process by giving notice of the intention to establish a screening
262 committee to review applicants for the position and shall send a copy of the notice to each
263 agency or officer responsible for appointing persons to serve on the screening committee. The
264 mayor shall appoint the screening committee not earlier than 21 days after sending that notice.
265 No screening committee shall be required if the mayor reappoints an incumbent CAFO.

266 (3) The screening committee shall consist of 7 members. The school committee, city
267 council and secretary shall each appoint 1 person to serve on the screening committee. The

268 mayor shall appoint 4 other members to the screening committee, 2 of whom shall be experts in
269 municipal management.

270 (4) The screening committee shall recommend to the mayor the names of not less than 2
271 or more than 5 candidates whom it believes to be best suited to perform the duties of the CAFO.
272 If the screening committee determines that there are not at least 2 candidates qualified to perform
273 the duties of the CAFO, the screening committee shall report to the mayor that it is unable to
274 complete its assigned task. In that event, the mayor shall direct the screening committee to
275 reopen the search.

276 (5) The mayor shall appoint as the CAFO 1 of the candidates recommended by the
277 screening committee or, if the mayor finds that no such candidate to be qualified for the office,
278 the mayor shall direct the screening committee to reopen the search.

279 (c) While the process of appointing a CAFO under subsection (b) is proceeding, the
280 mayor may appoint an acting CAFO.

281 (d) If a loan issued under section 3 remains outstanding, the appointment, including an
282 acting appointment, or removal of the CAFO shall not take effect until it has been approved in
283 writing by the secretary.

284 (e) The powers and duties of the CAFO shall include the following:

285 (1) coordinating, administering, and supervising of all financial services and activities;

286 (2) assisting in all matters related to municipal financial affairs;

287 (3) implementing and maintaining uniform systems, controls, and procedures for all
288 financial activities in all departments, including the school department, boards, commissions,

289 agencies or other units of city government the operations of which have a financial impact upon
290 the general fund and enterprise funds of the city, and including, but not limited to, maintaining of
291 all financial and accounting data and records;

292 (4) implementing and maintaining uniform financial data processing capabilities for all
293 departments;

294 (5) supervision of all financial data processing activities;

295 (6) implementing and maintaining uniform budget guidelines and procedures;

296 (7) assisting in the development and preparation of all department budgets and spending
297 plans;

298 (8) reviewing all proposed contracts and obligations with a term in excess of 1 year;

299 (9) monitoring the expenditure of all funds, including periodic reporting by and to
300 appropriate agencies of the status of accounts;

301 (10) reviewing the spending plan for each department; and

302 (11) providing for the allotment of funds on a periodic basis as provided for in this act.

303 In all cases where the duty is not expressly charged to any other department or office, it
304 shall be the duty of the CAFO to promote, secure, and preserve the financial interests of the city.

305 (f) All department budgets and requests for budget transfers shall be submitted to the
306 CAFO for review and recommendation before submission to the city council or school
307 committee, as appropriate. For each proposed appropriation order, lease or contract arrangement
308 for a term including more than 1 fiscal year, collective bargaining agreement and with respect to

309 any proposed city council vote necessary to effectuate a financial transfer, ordinance revision or
310 special legislation which may require the expenditure of funds or otherwise financially obligate
311 the city for a period in excess of 1 year, or with respect to a vote to authorize a borrowing
312 pursuant to a provision of law other than section 4, 6 or 6A of chapter 44 of the General Laws,
313 the CAFO shall, if it be the case, submit in writing to the city council a certification that it is the
314 CAFO's professional opinion, after an evaluation of all pertinent financial information
315 reasonably available, that the city's financial resources and revenues are and will continue to be
316 adequate to support such proposed expenditures or obligations without a detrimental impact on
317 the continuous provision of the existing level of municipal services. If the CAFO fails to provide
318 this certification within 7 days after a request for such certification from the city council or
319 school committee, the appropriation order, financial transfer, ordinance revision, special
320 legislation or borrowing authorization may nonetheless be approved, but the absence of the
321 certification of the CAFO shall be expressly noted in that order or vote.

322 (g) All departments, officers, boards, commissions, agencies and other units of the city,
323 including the school department, shall submit budget requests to the mayor upon the schedule
324 and in the form established by the CAFO.

325 (h) Annually, not later than March 30, the CAFO shall submit a 4-year financial plan and
326 a 5-year capital plan to the city council that includes all capital needs of the city.

327 (i) The board of assessors, treasurer-collector, budget director, comptroller, director of
328 information technology, purchasing agent, director of human resources, labor relations director,
329 and employees performing similar duties but with different titles shall report to and be under the
330 direction of the CAFO. The CAFO shall appoint all such officers and employees with the

331 approval of the mayor. The mayor may also place other positions and departments under the
332 direction of the CAFO.

333 (j) The CAFO shall not assume the duties or responsibilities of the treasurer-collector
334 and shall not hold an elective office or engage in any other business or occupation.

335 (k) The city shall annually appropriate amounts sufficient for the proper administration
336 of the department, as determined in writing by the secretary. If the city fails to appropriate such
337 amounts, the secretary shall direct the state treasurer to deduct the necessary funds from the
338 city's distribution of the city's unrestricted general aid and shall expend those funds directly for
339 the benefit of the department.

340 (l) The CAFO shall comply with all requests of the school department to provide any
341 information relating to the operation of the school department held within the authority or control
342 of the CAFO as the result of the consolidation of school and city business and financial functions
343 under section 5. If the CAFO, or any employee thereof refuses to provide such information or
344 engages in unreasonable delay, the school department shall notify the secretary. The secretary
345 shall, within a reasonable time, make a determination that any such information shall be provided
346 to the school department which shall be binding upon the CAFO and the school department. The
347 secretary's determination shall not be an adjudicatory proceeding reviewable under chapter 30A
348 of the General Laws. Nothing in this subsection shall abrogate any of the other powers or duties
349 of the school committee under chapter 71 of the General Laws.

350 (m) In any year in which a loan issued under section 3 remains outstanding, the CAFO
351 shall submit to the director all reports required under section 6.

352 SECTION 10. The overseer shall include in the 3-year operating and capital financial
353 plan to achieve fiscal stability required under section 5 an assessment and analysis of the
354 financial impact of the city's (a) acceptance of section 18 of chapter 32B of the General Laws
355 and (b) termination of providing group health insurance coverage by self-insurance under section
356 3A of said chapter 32B and acceptance of section 19 of said chapter 32B for purposes of
357 obtaining group health insurance coverage from the group insurance commission established by
358 section 3 of chapter 32A of the General Laws or participation in a joint purchasing group or
359 agreement under section 12 of said chapter 32B for purposes of obtaining such coverage. If the
360 overseer determines that any such acceptance or action would assist the city achieve fiscal
361 stability, the overseer shall recommend such acceptance and action and the city shall take all
362 actions needed by law to implement any such recommendation.

363 SECTION 11. In addition to the fiscal stability reserve fund under section 4 of chapter 41
364 of the acts of 1990, as amended by section 5 of chapter 377 of the acts of 1992, there shall be in
365 the city a capital reserve fund into which the city shall appropriate in each fiscal year beginning
366 in fiscal year 2012 at least 1.5 per cent of the amount of property taxes committed for the
367 preceding fiscal year. The fund may be appropriated only for purposes for which the city could
368 borrow for 10 years or longer under chapter 44 of the General Laws.

369 SECTION 12. (a) No official of the city, except in the case of an emergency involving
370 the health and safety of the people or their property declared by the council under section 31 of
371 chapter 44 of the General Laws, shall knowingly expend or cause to be expended in any fiscal
372 year any sum in excess of that official's departmental or other governmental unit's appropriation
373 duly made in accordance with the law, nor commit the city, nor cause it to be committed, to any

374 obligation for the future payment of money in excess of that appropriation, with the exception of
375 court judgments.

376 (b) An official who intentionally violates this section shall be personally liable to the city
377 for any amounts expended in excess of an appropriation to the extent that the city does not
378 recover such amounts from the person or persons to whom such amounts were paid. The
379 superior court or a single justice of the supreme judicial court shall have jurisdiction to
380 adjudicate claims brought by the city, or on the city's behalf by a finance control board
381 established under this act, under this act and to order relief that the court finds appropriate to
382 prevent further violations of this section. A violation of this section shall be sufficient cause for
383 removal.

384 (c) For the purposes of this section, the word "official" shall mean a city department
385 head, permanent, temporary or acting, including the superintendent of schools, and all members
386 of municipal boards, committees, including the school committee, and commissions which
387 recommend, authorize or approve the expenditure of funds, and the word "emergency" shall
388 mean a major disaster, including, but not limited to, flood, drought, fire, hurricane, earthquake,
389 storm or other catastrophe, whether natural or otherwise, which poses an unexpected and
390 immediate threat to the health and safety of persons or property.

391 SECTION 13. This act shall be effective notwithstanding any charter provision or
392 ordinance to the contrary.

393 SECTION 14. This act shall take effect upon its passage.