

**HOUSE . . . . . No. 5069**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Ten**  
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An Act RELATIVE TO THE FINANCIAL CONDITION OF THE TOWN OF ORANGE ..

*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 (a) Notwithstanding any general or special law, city charter provision or  
2 local ordinance to the contrary, the town of Orange, with the approval of the commissioner of  
3 revenue, may borrow, \$445,000.00 or a lesser amount as may be approved by the town and the  
4 commissioner to fully fund the Group Health Insurance Trust Fund for fiscal year 2011, so as to  
5 address the underfunding of the Group Health Insurance Trust fund in prior fiscal years. The  
6 commissioner may limit amounts borrowed to amounts less than approved by the town.  
7 Notwithstanding chapter 44 of the General Laws, any bonds or notes issued for the purposes of  
8 this act may be issued for terms of not more than 5 years and shall be backed by the full faith and  
9 credit of the town and the bonds or notes may be issued as qualified bonds or notes. Indebtedness  
10 incurred under this act shall not be included in determining the statutory limit of indebtedness of  
11 the town under section 10 of said chapter 44 but, except as provided in this act, shall otherwise  
12 be subject to said chapter 44. Amounts raised to pay indebtedness incurred under this act shall be  
13 subject to section 21C of chapter 59 of the General Laws.

14 (b) The maturities of each issue of bonds or notes authorized under this act, including any  
15 refunding bonds, may, if approved by the town officers authorized to issue and approve these  
16 bonds or notes, and by the commissioner, be arranged so that for each issue the amounts payable  
17 in the several years for principal and interest combined are as nearly equal as is practicable in the  
18 opinion of the officers authorized to issue and approve the bonds or notes or, in the alternative, in  
19 accordance with a schedule providing for a more rapid amortization of principal.

20 (c) All proceeds of bonds or notes issued pursuant to this act exclusive of any costs of  
21 preparing issuing and marketing such bonds or notes shall be deposited in the Group Health  
22 Insurance Trust Fund for the purposes described in this act.

23 (d) The director of accounts in the department of revenue may establish such rules and  
24 procedures as may be appropriate relative to disbursements from the Group Health Insurance  
25 Trust Fund and the reporting and accounting for these disbursements.

26 (e) Any residual in the Group Health Insurance Trust Fund shall be applied to repay any  
27 outstanding debt issued pursuant to this act associated with this legislation.

28 SECTION 2 (a) Notwithstanding any general or special law, to the contrary and as an  
29 alternative to the borrowing authorized in section 1, the town of Orange may capitalize not to  
30 exceed \$445,000.00 for the purpose stated in said section 1, the amortization amount, and fund  
31 the amortization amount in equal or decreasing annual installments over a period starting with  
32 fiscal year 2012 and not exceeding 5 years. For fiscal year 2012 and fully subject to section 21C  
33 of chapter 59 of the General Laws, the board of assessors of the town of Orange may, subject to  
34 the approval of the commissioner, deduct such portion of the amortization amount as the  
35 commissioner approves as consistent with this act, from the amount to be assessed under section

36 23 of said chapter 59. Under the conditions imposed in this act, the assessors of the town of  
37 Orange may similarly deduct such portion of the amortized amount in any year until the  
38 amortization is completed no later than fiscal year 2017.

39 (b) Any residual in the Group Health Insurance Trust shall be applied to the amortization  
40 amount described in this act.

41 SECTION 3 (a) With respect to fiscal year 2012 and in any other year in which bonds,  
42 notes or an amortization amount authorized under this act remain outstanding, not later than 10  
43 days after the adoption of the town budget, or July 1, whichever is earlier, the assessors and the  
44 selectmen shall submit to the director a pro forma tax rate recapitulation for the following fiscal  
45 year, together with a copy of the adopted budget and such supporting revenue and expenditure  
46 information as the director may prescribe. The director of accounts in the department of revenue  
47 shall ascertain whether the town budget for that fiscal year contains reasonable revenues from  
48 taxation and other sources to meet the appropriations and other amounts required by law to be  
49 raised under section 23 of chapter 59 of the General Laws and the director shall report his  
50 findings to the Administrator and Board of Selectmen. If the director determines that the town  
51 budget as presented would not permit certification of the tax rate for the applicable fiscal year,  
52 the director may recommend further action to achieve a balanced budget. In such a case, no tax  
53 rate for the year shall be approved until submission of an annual tax rate recapitulation based on  
54 the actions the town has approved or taken to achieve a balanced budget.

55 (b) In any year during which bonds, notes or an amortization amount authorized in this  
56 act remain outstanding, the commissioner of revenue shall not certify the annual tax rate of the  
57 town of Orange until an audit report for the preceding fiscal year has been received and accepted

58 by the director. The audit report shall be prepared by a certified public accountant in accordance  
59 with generally accepted auditing standards and shall include accompanying financial statements.  
60 The audit report shall include an analysis of all revenues and expenditures associated with health  
61 care costs for the town, including employer and employee contribution requirements.

62 (c) In any year during which bonds, notes or an amortization amount authorized in this  
63 act remain outstanding, the town shall submit to the director quarterly reports presenting a  
64 budget to actual comparison of revenues and expenditures. The written reports shall be submitted  
65 within 30 days after the conclusion of each fiscal quarter and shall be in such form and include  
66 such information and detail as the director may prescribe.

67 (d) In any year during which bonds, notes or an amortization amount authorized in this  
68 act remain outstanding, the town shall not issue any bond, note or other form of indebtedness  
69 without written notification to, and the prior approval of, the director.

70 (e) In any year during which bonds, notes or an amortization amount authorized in this  
71 act remain outstanding, the town shall submit to the director a balance sheet and shall have its  
72 free cash certified prior to setting the annual tax rate.

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

74 SECTION 4 No official of the town of Orange, except in the case of an emergency  
75 involving the health and safety of the people or their property, shall knowingly expend or cause  
76 to be expended in a fiscal year any sum in excess of that official's departmental or other  
77 governmental unit's appropriation duly made in accordance with the law, nor commit the town,  
78 nor cause it to be committed, to any obligation for the future payment of money in excess of that  
79 appropriation, with the exception of court judgments.

80           Any official who intentionally violates this section shall be personally liable to the town  
81 for any amounts expended in excess of an appropriation to the extent that the town does not  
82 recover those amounts from the persons to whom the amounts were paid. The superior court or a  
83 single justice of the supreme judicial court shall have jurisdiction to adjudicate claims brought by  
84 the town under this act and to order such other relief as the court finds appropriate to prevent  
85 further violations of this section. A violation of this section shall be considered sufficient cause  
86 for removal.

87           SECTION 5 For the purposes of this act, “official” shall mean a permanent, temporary or  
88 acting town department head, including the board of selectmen which recommends, authorizes or  
89 approves the expenditure of funds, and “emergency” shall mean a major disaster including, but  
90 not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether  
91 natural or otherwise, which poses an unexpected and immediate threat to the health and safety of  
92 persons or property.

93           SECTION 6 This act shall take effect upon its passage.

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