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HOUSE . . . . . No. 5090

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act Relative to Health Insurance in the City of Methuen..

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

SECTION 1. (a) Notwithstanding any general or special law, city charter provision or local ordinance to the contrary, the city of Methuen, with the approval of the commissioner of revenue, or the commissioner's designee, in this act called the commissioner, may borrow, at one time or from time to time, sums approved by the city council and then by the commissioner, but in no event in an amount in the aggregate more than $1,960,997, for the purpose of funding the deficit in the city's health insurance trust fund as of June 30, 2010. The commissioner may limit this borrowing to an amount or amounts less than the amount or amounts approved by the city council. Notwithstanding chapter 44A of the General Laws, bonds or notes issued under this act may be issued for a term of not more than 3 years and shall be backed by the full faith and credit of the city and any such bonds or notes shall be issued as qualified bonds or notes within the meaning of chapter 44A of the General Laws without any action or approval by the municipal finance oversight board. Indebtedness incurred under this act shall not be included in determining the statutory limit of indebtedness of the city under section 10 of chapter 44 of the General Laws but, except as provided in this act, shall otherwise be subject to said chapter 44.

Amounts raised to pay indebtedness incurred under authority of this section shall be subject to section 21C of chapter 59 of the General Laws.

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

(c) All proceeds of any loan authorized by this act shall be deposited in the city's health insurance trust fund and applied to pay expenses lawfully chargeable to such fund. The commissioner shall not consider any deficit in the city's health insurance trust fund as of June 30, 2010 in the certification of free cash available to the city as of such date.

SECTION 2. (a) With respect to fiscal year 2012, and in any other year in which bonds or notes authorized under this act remain outstanding, not later than 10 days after the adoption of the city budget, or July 1, whichever is earlier, the assessors and mayor shall submit to the director of accounts a pro forma tax rate recapitulation for the following fiscal year, together with a copy of the adopted budget and such supporting revenue and expenditure information as the director of accounts may prescribe. The director of accounts shall ascertain whether the city budget for that fiscal year contains reasonable revenues from taxation and other sources to meet the appropriations and other amounts required by law to be raised under section 23 of chapter 59 of the General Laws, and the director of accounts shall report his or her findings to the mayor and city council. If the director of accounts determines that the city budget as presented would

not permit certification of the tax rate for the applicable fiscal year, he or she may recommend further action to achieve a balanced budget. In such a case, no tax rate for the year shall be approved until submission of an annual tax rate recapitulation based on the actions the city has approved or taken to achieve a balanced budget.

(b) In any year during which bonds or notes authorized under this act remain outstanding, the commissioner of revenue shall not certify the annual tax rate of the city of Methuen until an audit report for the preceding fiscal year has been received and accepted by the director of accounts. The audit report shall be prepared by a certified public accountant in accordance with generally accepted auditing standards and shall include accompanying financial statements.

(c) In any year during which bonds or notes authorized by this act remain outstanding, the city shall not issue any bond, note or other form of indebtedness without written notification to, and the approval of, the director of accounts.

(d) The director of accounts may waive any reporting or filing requirements contained in this section.

SECTION 3. No official of the city of Methuen, except in the case of an emergency involving the health and safety of the people or their property, shall knowingly expend or cause to be expended in any fiscal year any sum in excess of that official's departmental or other governmental unit's appropriation duly made in accordance with the law, nor commit the city, nor cause it to be committed, to any obligation for the future payment of money in excess of that appropriation, with the exception of court judgments.

Any official who intentionally violates this section shall be personally liable to the city for any amounts expended in excess of an appropriation to the extent that the city does not

recover these amounts from the person or persons to whom the amounts were paid. The superior court or a single justice of the supreme judicial court shall have jurisdiction to adjudicate claims brought by the city under this act and to order relief that the court finds appropriate to prevent further violations of this section. Any violation of this section shall be considered sufficient cause for removal.

SECTION 4. For the purposes of this act, the word "official" shall mean a permanent, temporary or acting city department head, including the superintendent of schools, and all members of municipal boards, committees, including the school committee, and commissions which recommend, authorize or approve the expenditure of funds, and the word "emergency" shall mean a major disaster, including, but not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an unexpected and immediate threat to the health and safety of persons or property.

SECTION 5. This act shall take effect upon its passage.