

**SENATE . . . . . No. 781**

---

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the Year Two Thousand Nine**  
\_\_\_\_\_

An Act relative to cities and towns borrowing outside their debt limit..

*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 8 of chapter 44 of the General Laws, as appearing in the 2004  
2 Official Edition, is hereby amended by adding after paragraph (8A) the following new  
3 paragraph:-

4 (8B) For paying power supply contract termination costs, which are incurred by an  
5 electric lighting plant as part of a plan to restructure its power supply arrangements, with its  
6 wholesale supplier or suppliers of electricity for resale by the electric lighting plant, twenty  
7 years; but the outstanding indebtedness so incurred shall not exceed in a town five per cent in a  
8 city two and one half per cent of the equalized valuation of such town or city; provided,  
9 however, that the emergency finance board, established under chapter forty-nine of the acts of  
10 nineteen hundred and thirty-three, may authorize a city to incur indebtedness under this clause in  
11 excess of two and one half per cent but not in excess of five per cent of the equalized valuation  
12 of such city, and may authorize a town to incur indebtedness under this clause in excess of five  
13 per cent but not in excess of ten per cent of the equalized valuation of such town.

14           SECTION 2. Chapter 164 of the General Laws, so appearing, is hereby amended by  
15 adding after section 40 the following new section:-

16           40A. A city or town which has duly voted to acquire a municipal lighting plant may incur  
17 debt as provided for in section eight of chapter forty-four for paying power supply contract  
18 termination costs, which are incurred by an electric lighting plant as part of a plan to restructure  
19 its power supply arrangements with its wholesale supplier or suppliers of electricity for resale by  
20 the electric lighting plant.