SENATE DOCKET, NO. 1005 FILED ON: 1/17/2013

SENATE . . . . . No. 934

The Commonwealth of Massachusetts

PRESENTED BY:

Kenneth J. Donnelly

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing a tax title collection revolving fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Kenneth J. Donnelly	*Fourth Middlesex*
Michael R. Knapik	*Second Hampden and Hampshire*
James B. Eldridge	*Middlesex and Worcester*

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SENATE . . . . . No. 934

By Mr. Donnelly, a petition (accompanied by bill, Senate, No. 934) of Kenneth J. Donnelly, Michael R. Knapik and James B. Eldridge for legislation to establish a tax title collection revolving fund. Municipalities and Regional Government.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act establishing a tax title collection revolving fund.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to to immediately provide for tax collection/title revolving funds in cities and towns, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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. Chapter 44 of the General Laws is hereby amended by inserting after section 53E 3/4 the following new section:

Section 53E7/8: (a) Notwithstanding the provisions of section 53, a city or town may annually authorize the use of a tax title collection revolving fund by one or more municipal agency, board, department or office which shall be accounted for separately from all other monies in the city or town and to which shall be credited any sums as may from time to time be provided by appropriation, as well as from repayment of any and all filing fees, fees for serving the summons, complaints, or other court papers, repayment for any legal receipts or legal fees, or repayment for any costs incurred by treasurer or tax collector through the course of tax collection and/or foreclosure. Expenditures may be made from such revolving fund without further appropriation, subject to the provisions of this section; provided, however, that expenditures shall not be made or liabilities incurred from this revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from this fund, nor shall any expenditures be made unless approved in accordance with section 41, 42, 52 and 56 of chapter 41.

(b) Interest earned on any tax title collection revolving fund balance shall be treated as general fund revenue of the city or town. No such tax title collection revolving fund may be

established if the aggregate limit of all revolving funds authorized under this section exceeds 1 per cent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section 23 of chapter 59. No tax title collection revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees.

(c) A tax title collection revolving fund established under this section shall be by vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation of the mayor or city manager, in Plan E cities, and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made annually prior to each respective fiscal year; provided, however, that authorization for a tax title collection revolving fund shall specify: (1) the purpose for which the tax title collection revolving funds may be expended; (2) the departmental receipts that shall be credited to the tax title collection revolving fund; (3) the board, department or officer authorized to expend from such fund; (4) a limit on the total amount which may be expended from the fund in the ensuing fiscal year; and provided, further that no board, department or officer shall be authorized to expend in any one fiscal year from all revolving funds under its direct control more than 1 per cent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section 23 of chapter 59.

(d) In any fiscal year the limit on the amount that may be spent from a tax title collection revolving fund may be increased with the approval of the city council and mayor in a city, or with the approval of the selectmen and finance committee, if any, in a town; provided, however, that the 1 percent limit established by clause (4) of subsection (c) is not exceeded.

(e) The board, department or officer having charge of such tax title collection revolving fund shall report to the annual town meeting or to the city council and the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the legislative body and the chief administrative or executive officer, the total amount of receipts and expenditures for each tax title collection revolving fund under its control for the prior fiscal year and for the current fiscal year through December 31, or at a later date as the town meeting or city council, may by vote determine, and the amount of any increases in spending authority granted during the prior and current fiscal years, together with any other information as the town meeting or city council may require by vote.

(f) At the close of a fiscal year in which the tax title collection revolving fund is not reauthorized for the following year, the balance in the fund at the end of that fiscal year shall revert to surplus revenue unless the annual town meeting or the city council and mayor or city manager in a Plan E city and in any other city or town the legislative body vote to transfer such balance to another revolving fund established under chapter 44 section 53E1/2.

The director of accounts may issue guidelines further regulating a tax title collection revolving fund established under this section.

SECTION 2. For the purposes of establishing a tax title collection revolving fund under this act during the year it is enacted by the legislature and signed by the governor, a town by majority vote of a special town meeting in a town, upon recommendation of the board of selectmen, or by vote of the city council in a city, upon recommendation of the mayor or city manager, in a Plan E city, and in any other city or town by vote of the legislative body, upon recommendation of the chief administrative or executive officer, may authorize the use of a tax title collection revolving fund during this fiscal year; provided, however, that prior to such vote the finance committee in a town and the auditor or chief financial officer in a city designated by special law, General Law or ordinance, certifies to the assessors that the estimated revenue of the proposed revolving fund has not been used as a local estimated receipt, offset receipt, enterprise revenue or otherwise within the city or town's fiscal twenty hundred and thirteen appropriations.