

HOUSE No. 2084

The Commonwealth of Massachusetts

PRESENTED BY:

Joan Meschino and Patrick M. O'Connor

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 authorizing the town of Hull to issue pension obligation bonds or notes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Joan Meschino</i>	<i>3rd Plymouth</i>	<i>1/18/2023</i>
<i>Patrick M. O'Connor</i>	<i>First Plymouth and Norfolk</i>	<i>8/23/2023</i>

HOUSE No. 2084

By Representative Meschino of Hull and Senator O'Connor, a joint petition (accompanied by bill, House, No. 2084) of Joan Meschino and Patrick M. O'Connor (by vote of the town) relative to authorizing the town of Hull to issue pension obligation bonds or notes. Municipalities and Regional Government. [Local Approval Received.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act authorizing the town of Hull to issue pension obligation bonds or notes.

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. The town of Hull may issue bonds or notes from time to time for the
2 purpose of funding the unfunded pension liability of the retirement system of the town. The
3 proceeds for any such issuance, other than amounts necessary, in the judgment of the Select
4 Board, to be maintained in a pension stabilization fund and to pay issuance costs and expenses,
5 shall be transferred by the town to the retirement system. The term of any such bonds or notes
6 shall not exceed 30 years from their date or dates of issuance and the amount of any such bonds
7 or notes shall be outside the limit of indebtedness prescribed in section 10 of chapter 44 of the
8 General Laws. No such bonds or notes shall be issued without, for each issuance, a 2/3 vote of
9 the town meeting of the Town of Hull. Upon the authorization of the issuance of pension
10 obligation bonds by the town meeting, the town shall submit the vote and a plan demonstrating
11 how the town will finance and allocate the debt service associated with the bonds or notes to the
12 executive office for administration and finance, and no bonds or notes authorized to be issued by

13 this act shall be issued until the secretary for administration and finance has approved the plan
14 and the issuance of such bonds or the provisions of said chapter 44. Pursuant to section 21C of
15 chapter 59 of the General Laws, the Select Board of the Town of Hull may, by a 2/3 vote, seek
16 voter approval at a regular or special election to exempt from the provisions of proposition two
17 and one-half, so-called, the amounts required to pay principal and interest on such bonds or
18 notes.

19 SECTION 2. The aggregate principal amount of the bonds or notes issued under this act
20 shall not be greater than the amount sufficient to extinguish the unfunded pension liability of the
21 retirement system of the town of Hull as determined in accordance with this section, plus an
22 amount to fund a pension stabilization fund and to provide for issuance costs and other expenses
23 necessary or incidental thereto. The retirement board of the town shall first determine the amount
24 sufficient to extinguish the unfunded pension liability of the retirement system of the town in
25 accordance with the report of a nationally recognized independent consulting firm, which may be
26 the consulting actuary generally retained by the retirement board. Such report shall also set forth
27 the present value savings to the town reasonably expected to be achieved as a result of the
28 issuance of such bonds or notes and an allocation of the unfunded pension liability of the
29 retirement system of the town among each governmental unit, the employees of which are
30 members of the retirement system. A pension stabilization fund shall be established in
31 accordance with section 5B of chapter 40 of the General Laws, and amounts held within any
32 pension stabilization fund established in conjunction with the issuance of bonds or notes
33 authorized to be issued pursuant to this act shall be held by the treasurer and invested in
34 accordance with section 55 of chapter 44 of the General Laws.

35 SECTION 3. The maturities of the bonds or notes issued under this act shall be scheduled
36 such that the annual combined payments of principal and interest for each issue shall be as nearly
37 equal as practicable in the opinion of the Select Board; provided, however, that the maturities of
38 such bonds or notes may be scheduled so as to provide for a more rapid amortization of
39 principal, or in accordance with any other manner consistent with the town's plan of finance
40 submitted to and approved by the secretary for administration and finance, as the secretary for
41 administration and finance shall approve.

42 SECTION 4. Every governmental unit, the employees of which are members of the
43 retirement system of the town of Hull, shall be responsible, in accordance with this section, for
44 paying such proportion of the annual debt service expense paid by the town for bonds issued
45 under the authority of this act is equal to the proportion of the total unfunded pension liability of
46 the retirement system allocated to such member under section 2. Notwithstanding any general or
47 special law to the contrary, the public employee retirement administration commission shall
48 increase the annual amount to be certified under section 22 of chapter 32 of the General Laws as
49 the amount necessary to be paid by each governmental unit in the retirement system other than
50 the town by each such governmental unit's proportional share of the annual debt service expense
51 as determined herein and shall decrease the amount to be paid by the town by an equal amount.
52 The town shall have the same legal rights and authority as the retirement board of the town to
53 collect any amount so assessed by the retirement board to any such governmental unit.

54 SECTION 5. Notwithstanding chapter 70 of the General Laws or any other general or
55 special law to the contrary, the portion of the annual debt service paid by the town of Hull for
56 bonds or notes issued under this act applicable to school department personnel who are members

57 of the town's retirement system shall be included in the computation of net school spending for
58 the purposes of said chapter 70 or any other law.

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