

HOUSE No. 00558

[LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Linda Dean Campbell

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 passage of the accompanying bill:

An Act relative to health insurance in the city of Methuen.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Linda Dean Campbell</i>	<i>15th Essex</i>
<i>Steven A. Baddour</i>	<i>First Essex</i>

HOUSE No. 00558

By Ms. Campbell of Methuen, petition (accompanied by Bill, House, No. 00558) of Linda Dean Campbell and Steven Baddour relative to authorizing the city of Methuen to issue certain bonds for the health insurance trust fund in said city. [Local Approval Received.] Joint Committee on Municipalities and Regional Government.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

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:

1 SECTION 1. (a) Notwithstanding any general or special law, city charter provision or local
2 ordinance to the contrary, the city of Methuen, with the approval of the commissioner of
3 revenue, or the commissioner’s designee, in this act called the commissioner, may borrow, at one
4 time or from time to time, sums approved by the city council and then by the commissioner, but
5 in no event in an amount in the aggregate more than \$1,960,997, for the purpose of funding the
6 deficit in the city’s health insurance trust fund as of June 30, 2010. The commissioner may limit
7 this borrowing to an amount or amounts less than the amount or amounts approved by the city
8 council. Notwithstanding chapter 44A of the General Laws, bonds or notes issued under this act
9 may be issued for a term of not more than 3 years and shall be backed by the full faith and credit
10 of the city and any such bonds or notes shall be issued as qualified bonds or notes within the
11 meaning of chapter 44A of the General Laws without any action or approval by the municipal

12 finance oversight board. Indebtedness incurred under this act shall not be included in
13 determining the statutory limit of indebtedness of the city under section 10 of chapter 44 of the
14 General Laws but, except as provided in this act, shall otherwise be subject to said chapter 44.
15 Amounts raised to pay indebtedness incurred under authority of this section shall be subject to
16 section 21C of chapter 59 of the General Laws.

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

23 (c) All proceeds of any loan authorized by this act shall be deposited in the city's health
24 insurance trust fund and applied to pay expenses lawfully chargeable to such fund. The
25 commissioner shall not consider any deficit in the city's health insurance trust fund as of June
26 30, 2010 in the certification of free cash available to the city as of such date.

27 SECTION 2. (a) With respect to fiscal year 2012, and in any other year in which bonds or notes
28 authorized under this act remain outstanding, not later than 10 days after the adoption of the city
29 budget, or July 1, whichever is earlier, the assessors and mayor shall submit to the director of
30 accounts a pro forma tax rate recapitulation for the following fiscal year, together with a copy of
31 the adopted budget and such supporting revenue and expenditure information as the director of
32 accounts may prescribe. The director of accounts shall ascertain whether the city budget for that
33 fiscal year contains reasonable revenues from taxation and other sources to meet the

34 appropriations and other amounts required by law to be raised under section 23 of chapter 59 of
35 the General Laws, and the director of accounts shall report his or her findings to the mayor and
36 city council. If the director of accounts determines that the city budget as presented would not
37 permit certification of the tax rate for the applicable fiscal year, he or she may recommend
38 further action to achieve a balanced budget. In such a case, no tax rate for the year shall be
39 approved until submission of an annual tax rate recapitulation based on the actions the city has
40 approved or taken to achieve a balanced budget.

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

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

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

51 SECTION 3. No official of the city of Methuen, except in the case of an emergency involving
52 the health and safety of the people or their property, shall knowingly expend or cause to be
53 expended in any fiscal year any sum in excess of that official's departmental or other
54 governmental unit's appropriation duly made in accordance with the law, nor commit the city,

55 nor cause it to be committed, to any obligation for the future payment of money in excess of that
56 appropriation, with the exception of court judgments.

57 Any official who intentionally violates this section shall be personally liable to the city for any
58 amounts expended in excess of an appropriation to the extent that the city does not recover these
59 amounts from the person or persons to whom the amounts were paid. The superior court or a
60 single justice of the supreme judicial court shall have jurisdiction to adjudicate claims brought by
61 the city under this act and to order relief that the court finds appropriate to prevent further
62 violations of this section. Any violation of this section shall be considered sufficient cause for
63 removal.

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

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