

2011 -- H 6052

LC02362

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO TOWNS AND CITIES - BUDGET COMMISSIONS

Introduced By: Representatives Silva, McLaughlin, Blazejewski, and Edwards

Date Introduced: April 12, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 45-9-7 of the General Laws in Chapter 45-9 entitled "Budget Commissions" is hereby amended to read as follows:

45-9-7. Appointment of receiver. – (a) If the budget commission established by section 45-9-5 concludes that its powers are insufficient to restore fiscal stability to the city or town, it shall so notify the director of revenue, and shall forward to the director of revenue a statement of the reasons why it has been unable to restore fiscal stability to the city or town. Upon receipt of such statement, the director of revenue shall terminate the existence of the budget commission, notwithstanding section 45-9-5, and the director of revenue shall appoint a receiver for the city or town for a period as the director of revenue may determine. The director of revenue may, at any time, and without cause, remove the receiver and appoint a successor, or terminate the receivership.

(b) The receiver shall have the following powers:

(1) All powers of the fiscal overseer and budget commission under sections 45-9-2 and 45-9-6. Such powers shall remain through the period of any receivership;

(2) The power to exercise any function or power of any municipal officer or employee, board, authority or commission, whether elected or otherwise relating to or impacting the fiscal stability of the city or town including, without limitation, school and zoning matters; and

(3) The power to file a petition in the name of the city or town under Chapter 9 of Title 11 of the United States Code, and to act on the city's or town's behalf in any such proceeding.

1 (c) Upon the appointment of a receiver, the receiver shall ~~have the right to exercise the~~
2 ~~powers of the elected officials under the general laws, special laws and the city or town charter~~
3 ~~and ordinances relating to or impacting the fiscal stability of the city or town including, without~~
4 ~~limitation, school and zoning matters; provided, further, that the powers of the receiver shall be~~
5 ~~superior to and supersede the powers of the elected officials of the city or town shall continue to~~
6 ~~be elected in accordance with the city or town charter, and shall serve in an advisory capacity to~~
7 ~~the receiver.~~ have the sole right to exercise powers related specifically to the fiscal stability of the
8 city or town; provided further, that the powers of the receiver shall be superior to and supercede
9 the power of the city or town's chief elected official and/or city or town council or city or town
10 manager, or administrator as it directly relates to the fiscal stability of the city or town.
11 Notwithstanding section 45-9-12, the powers of the receiver as related solely to fiscal matters
12 shall be exercised within the parameters of applicable state law and the city or town's charter or
13 code, and in furtherance thereof, the receiver shall be prohibited from preventing or prohibiting a
14 city or town's elected officials or city or town manager, or administrator from conducting their
15 ordinary and customary duties with respect to the daily operation of the city or town.

16 The director of revenue shall determine the salary of the receiver, which salary shall be
17 payable by the ~~city or town~~ state and shall be not greater than the annual salary of the city or
18 town's chief elected official or city or town manager, or administrator.

19 (d) In furtherance of this section, municipal officials are prohibited from executing,
20 without the prior written consent of the receiver, any contract which legally binds (fiscally or
21 otherwise) the municipality.

22 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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- 1 This act would limit the powers of a municipal receiver to matters solely related to the
2 fiscal stability of a city or town, with such powers to be exercised within the parameters of
3 applicable state law, and city or town's charter or code.
4 This act would take effect upon passage.

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