

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

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Morrissey, Michael (SEN)**

*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 cities and towns borrowing outside their debt limit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Morrissey, Michael (SEN)	Norfolk and Plymouth

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. S01175 OF 2007-2008.]

**The Commonwealth of Massachusetts**

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**In the Year Two Thousand and Nine**

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

12 may authorize a town to incur indebtedness under this clause in excess of five per cent but not in  
13 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 adding after  
15 section 40 the following new section:-

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