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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TOWNS AND CITIES - BUDGET COMMISSIONS

Introduced By: Representatives Maldonado, McLaughlin, Carnevale, Slater, and Abney

Date Introduced: February 25, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-9-10 of the General Laws in Chapter 45-9 entitled "Budget  
2 Commissions" is hereby amended to read as follows:

3 **45-9-10. Appointment of administration and finance officer upon abolition of**  
4 **receiver where petition filed under Chapter 9 of Title 11 of the United States Code. -- (a)**

5 Notwithstanding any general or special law or city or town ordinance to the contrary, this section  
6 shall apply upon abolition of a receiver established under this chapter, where petition was filed  
7 under Chapter 9 of Title 11 of the United States Code, upon a determination, in writing, by the  
8 director of revenue, that the financial condition of the city or town has improved to a level such  
9 that a receiver is no longer needed.

10 (b) For a period of five (5) years after the abolition of a receiver in any such city, town,  
11 or fire district, there shall be in the city, town, or fire district a department of administration and  
12 finance that shall be responsible for the overall budgetary and financial administration of the city,  
13 town, or fire district. The department shall be under the direction and control of the officer  
14 appointed pursuant to subsection (c) below. The officer shall report to, and be under the charge  
15 and direction of, the elected chief executive officer, or in the case of a municipality without an  
16 elected chief executive officer, then the city or town council, or in the case of a fire district, the  
17 governing body of the fire district. Nothing in this section shall abrogate the powers and duties of  
18 the school committee under any general or special law, except as specifically provided in this  
19 section.

1           Whenever the term "department of finance" or "finance department" appears in a general  
2 or special law or an ordinance, regulation, contract, or other document with reference to the city,  
3 town, or fire district, it shall mean the department of administration and finance of the city, town,  
4 or fire district. Whenever the term "chief financial officer", "director of finance", "financial  
5 director", or "treasurer" appears in a general or special law or an ordinance, regulation, contract,  
6 or other document with reference to the city, town, or fire district, it shall mean the officer of the  
7 city, town, or fire district.

8           (c) The elected chief executive officer, or in the case of a municipality without an elected  
9 chief executive officer then the city or town council, or in the case of a fire district, the governing  
10 body of the fire district, shall appoint the officer from a list of three (3) names submitted by the  
11 division of municipal finance, for a term of not more than five (5) years, as provided in this  
12 subsection. The officer shall be an employee of the city, town, or fire district who shall be  
13 appointed solely on the basis of administrative and executive qualifications and shall be a person  
14 especially fitted by education, training, and experience to perform the duties of the office. The  
15 officer need not be a resident of the city, town, or fire district, or the state. In the event of a  
16 vacancy in the office of officer the same process will be used.

17           (d) While the process of appointing an officer under subsection (c) is proceeding, the  
18 elected chief executive officer, or in the case of a municipality without an elected chief executive  
19 officer then the city or town council, may appoint an acting officer, or in the case of a fire district,  
20 then the governing body of the fire district may appoint an acting officer.

21           (e) The appointment, including an acting appointment, or removal of the officer, shall  
22 not take effect until it has been approved in writing by the division of municipal finance.

23           (f) The powers and duties of the officer shall include the following:

24           (1) Coordinating, administering, and supervising all financial services and activities;

25           (2) Assisting in all matters related to municipal or fire district financial affairs;

26           (3) Implementing and maintaining uniform systems, controls, and procedures for all  
27 financial activities in all departments, boards, commissions, agencies, offices, or other units of  
28 city, town, or fire district government the operations of which have a financial impact upon the  
29 general fund and enterprise funds of the city, town, or fire district, and including, but not limited  
30 to, maintaining all financial and accounting data and records;

31           (4) Implementing and maintaining uniform financial data processing capabilities for all  
32 departments, boards, commissions, agencies, and offices;

33           (5) Supervising all financial data processing activities;

34           (6) Implementing and maintaining uniform budget guidelines and procedures within all

1 departments, boards, commissions, agencies, offices, and other units of city, town, or fire district  
2 government;

3 (7) Assisting in the development and preparation of all department, board, commission,  
4 agency, and office budgets and spending plans;

5 (8) Reviewing all proposed contracts to which the city, town, or fire district is party;

6 (9) Monitoring the expenditure of all city, town, or fire district funds, including periodic  
7 reporting by and to appropriate agencies of the status of accounts;

8 (10) Reviewing the spending plan for each department, board, commission, agency, and  
9 office; and

10 (11) Providing for the allotment of funds on a periodic basis as provided for in this  
11 chapter.

12 In all cases where the duty is not expressly charged to any other department, board,  
13 commission, agency, or office, it shall be the duty of the officer to promote, secure, and preserve  
14 the financial interests of the city, town, or fire district.

15 (g) All department, board, commission, agency, and office budgets and requests for  
16 budget transfers shall be submitted to the officer for review and recommendation before  
17 submission to the elected chief executive officer, city or town council, fire district governing  
18 body, or school committee, as appropriate. For each proposed appropriation order, lease, or  
19 contract arrangement for a term including more than one fiscal year; collective bargaining  
20 agreement; and with respect to any proposed city or town council or fire district governing body  
21 vote necessary to effectuate a financial transfer, ordinance revision, or special legislation that may  
22 require the expenditure of funds or otherwise financially obligate the city, town, or fire district for  
23 a period in excess of one year; or with respect to a vote to authorize a borrowing under a law  
24 other than §§ 45-12-4.1, 45-12-4.2 or 45-12-4.3; the officer shall, if it be the case, submit in  
25 writing to the elected chief executive officer, city or town council, fire district governing body, or  
26 school committee, as appropriate, a certification that it is the officer's professional opinion, after  
27 an evaluation of all pertinent financial information reasonably available, that the city's, town's, or  
28 fire district's financial resources and revenues are, and will continue to be, adequate to support  
29 such proposed expenditures or obligations without a detrimental impact on the provision of  
30 municipal or fire district services. If the officer fails to provide this certification within seven (7)  
31 days after a request for such certification from the elected chief executive officer, city or town  
32 council, fire district governing body, or school committee, the appropriation order, financial  
33 transfer, ordinance revision, special legislation, or borrowing authorization may nonetheless be  
34 approved, but the absence of the certification of the officer shall be expressly noted in that order

1 or vote.

2 (h) All departments, officers, boards, commissions, agencies, and other units of the city,  
3 town, or fire district shall submit budget requests to the elected chief executive officer, or  
4 appropriate authority under applicable charter and ordinance provisions, upon the schedule and in  
5 the form established by the officer.

6 (i) Annually, not later than ninety (90) days prior to the beginning of the municipality's  
7 or fire district's fiscal year, the officer shall submit a four-year (4) financial plan and a five-year  
8 (5) capital plan to the city or town council or fire district governing body that includes all capital  
9 needs of the city, town, or fire district.

10 (j) The assessor, treasurer, finance director, controller, purchasing agent, labor relations  
11 director, and employees performing similar duties but with different titles shall report to, and be  
12 under the direction of, the officer. The officer, with the approval of the elected chief executive  
13 officer or appropriate authority under applicable charter and ordinance provisions, shall appoint  
14 all such officers and employees. The elected chief executive officer, or in the case of a  
15 municipality without an elected chief executive officer then the city or town council, or in the  
16 case of a fire district, the governing body of the fire district, may also place other positions and  
17 departments under the direction of the officer.

18 (k) The officer shall not assume the duties or responsibilities of the treasurer or the  
19 finance director and shall not hold an elective office and shall devote the officer's full time and  
20 attention to the officer's duties.

21 (l) The city, town, or fire district shall annually appropriate amounts sufficient for the  
22 proper administration of the department. If the city, town, or fire district fails to appropriate such  
23 amounts, the division of municipal finance shall direct the general treasurer to deduct the  
24 necessary funds from the city's, town's, or fire district's distribution of the city's, town's, or fire  
25 district's state aid and shall expend those funds directly for the benefit of the department. The  
26 city or town shall annually appropriate amounts sufficient to cover the costs of the administration  
27 and finance officer. The state shall annually reimburse the city, town, or fire district for fifty  
28 percent (50%) share of such costs. The city, town, or fire district at its expense shall provide  
29 office space and adequate resources needed by the administration and finance officer in the  
30 performance of his/her duties.

31 (m) The officer shall comply with all requests of the school department to provide any  
32 information relating to the operation of the school department held within the authority or control  
33 of the officer as the result of the consolidation of school and city or town business and financial  
34 functions under §§ 45-9-3 or 45-9-6. If the officer, or any employee under the control of the

1 officer, refuses to provide such information or engages in unreasonable delay, the school  
2 department shall notify the division of municipal finance. The division of municipal finance shall,  
3 within a reasonable time, make a determination whether any such information shall be provided  
4 to the school department that shall be binding upon the officer and the school department. The  
5 division of municipal finance's determination shall not be an adjudicatory proceeding reviewable  
6 under chapter 35 of title 42. Nothing in this subsection shall abrogate any of the other powers or  
7 duties of the school committee under the general laws.

8 (n) Notwithstanding any general or special law or city or town ordinance to the contrary,  
9 any city or town subject to this section shall have the total costs associated with the receivership  
10 and bankruptcy and owed to the state eliminated by an amount of twenty percent (20%) for each  
11 year that the officer certifies, under penalty of perjury, that the municipality is in conformity with  
12 the bankruptcy plan as ordered by the United States Bankruptcy Court.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TOWNS AND CITIES - BUDGET COMMISSIONS

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1           This act would provide that a city or town in receivership or bankruptcy may have the  
2 costs associated with the receivership or bankruptcy that are owed to the state reduced by twenty  
3 percent (20%) for each year that the municipality is in conformity with the bankruptcy plan.

4           This act would take effect upon passage.

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