

2012 -- H 7971

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TOWNS AND CITIES -- INDEBTEDNESS OF TOWNS AND CITIES

Introduced By: Representatives Reilly, Newberry, Morgan, Ehrhardt, and Trillo

Date Introduced: March 20, 2012

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-12-22.7 of the General Laws in Chapter 45-12 entitled
2 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

3 **45-12-22.7. Enforcement and remedies.** -- In the event that a municipality does not
4 comply with the requirements of this law the state auditor general or the division of municipal
5 finance through the director of revenue may elect any or all of the following remedies:

6 (1) Petition the superior court for mandatory injunctive relief seeking compliance with
7 the provisions of this section. The superior court shall make a finding of fact as to whether there
8 has been compliance with the provisions of this section. As herein before stated, the approval or
9 disapproval of a plan shall be conclusive upon the court in making its finding as to compliance.

10 (2) In the event a municipality fails to provide a year-end deficit elimination plan under
11 section 45-12-22.3, such noncompliance shall allow for the implementation of a budget review
12 commission pursuant to section 45-9-5, and such municipality shall immediately employ the
13 budgetary process known as "zero-based" budgeting with respect to all of its departments
14 including, but not limited to, the budget process employed by any school committee.

15 (3) Withholding of state aid. In the event that the state director of revenue with the
16 concurrence of the auditor general elect to withhold state aid, said amounts shall be placed in a
17 special account within the general fund. At such time the municipality comes into compliance
18 with the reporting requirements of this section, said funds shall be released to the municipality by
19 order of the state director of revenue and state auditor general.

1 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 -- INDEBTEDNESS OF TOWNS AND CITIES

1 This act would provide that, in the event a municipality fails to provide a year-end deficit
2 elimination plan when required by statute, such municipality shall immediately employ the
3 budgetary process known as “zero-based” budgeting with respect to all of its departments
4 including, but not limited to, the budget process employed by any school committee.

5 This act would take effect upon passage.

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