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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TOWNS AND CITIES - BUDGET COMMISSIONS

Introduced By: Senators DaPonte, Conley, Picard, and Cote

Date Introduced: June 05, 2013

Referred To: Senate 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 fiscal**
4 **overseer, budget commission or receiver. --** (a) Notwithstanding any general or special law or
5 city or town ordinance to the contrary, this section shall apply upon abolition of the fiscal
6 overseer or a budget commission or a receiver established under this chapter, upon a
7 determination, in writing, by the director of revenue that the financial condition of the city or
8 town has improved to a level such that a fiscal overseer, a budget commission or a receiver is no
9 longer needed.

10 (b) For a period of five (5) years after the abolition of a fiscal overseer, or a budget
11 commission or a receiver in any city or town, there shall be in the city or town a department of
12 administration and finance which shall be responsible for the overall budgetary and financial
13 administration of the city or town. The department shall be under the direction and control of the
14 officer appointed pursuant to subsection (c) below. The officer shall report to and be under the
15 charge and direction of the ~~elected chief executive officer~~ director of revenue. Nothing in this
16 section shall abrogate the powers and duties of the school committee under any general or special
17 law, except as specifically provided in this section.

18 Whenever the term "department of finance" or "finance department" appears in a general
19 or special law or an ordinance, regulation, contract or other document with reference to the city or

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

5 (c) The ~~elected chief executive officer~~ director of revenue shall appoint the officer from
6 a list of three (3) names submitted by the division of municipal finance, for a term of not more
7 than five (5) years, as provided in this subsection. The officer shall be appointed solely on the
8 basis of administrative and executive qualifications and shall be a person especially fitted by
9 education, training and experience to perform the duties of the office. The officer need not be a
10 resident of the city or town or the state. In the event of a vacancy in the office of officer the same
11 process will be used.

12 (d) While the process of appointing an officer under subsection (c) is proceeding, the
13 ~~elected chief executive officer~~ director of revenue may appoint an acting officer.

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

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

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

18 (2) Assisting in all matters related to municipal financial affairs;

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

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

26 (5) Supervising all financial data processing activities;

27 (6) Implementing and maintaining uniform budget guidelines and procedures within all
28 departments, boards, commissions, agencies, offices and other units of city or town government;

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

31 (8) Reviewing all proposed contracts to which the city or town is party;

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

34 (10) Reviewing the spending plan for each department, board, commission, agency and

1 office; and

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

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

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

26 (h) All departments, officers, boards, commissions, agencies and other units of the city
27 or town, shall submit budget requests to the elected chief executive officer upon the schedule and
28 in the form established by the officer.

29 (i) Annually, not later than March 30, the officer shall submit a four (4)-year financial
30 plan and a five (5)-year capital plan to the city or town council that includes all capital needs of
31 the city or town.

32 (j) The assessor, treasurer, finance director, controller, director of information
33 technology, purchasing agent, director of human resources, labor relations director and employees
34 performing similar duties but with different titles shall report to and be under the direction of the

1 officer. The officer, with the approval of the ~~elected chief executive officer~~ director of revenue
2 shall appoint all such officers and employees. The ~~elected chief executive officer~~ director of
3 revenue may also place other positions and departments under the direction of the officer.

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

7 (l) ~~The city or town shall~~ The state of Rhode Island shall annually appropriate amounts
8 sufficient for the proper administration of the department, as determined in writing by the
9 division of municipal finance. ~~If the city or town fails to appropriate such amounts, the division of~~
10 ~~municipal finance shall direct the general treasurer to deduct the necessary funds from the city's~~
11 ~~or town's distribution of the city's or town's state aid and shall expend those funds directly for the~~
12 ~~benefit of the department.~~

13 (m) The officer shall comply with all requests of the school department to provide any
14 information relating to the operation of the school department held within the authority or control
15 of the officer as the result of the consolidation of school and city or town business and financial
16 functions under sections 45-9-3 or 45-9-6. If the officer, or any employee under the control of the
17 officer, refuses to provide such information or engages in unreasonable delay, the school
18 department shall notify the division of municipal finance. The division of municipal finance shall,
19 within a reasonable time, make a determination whether any such information shall be provided
20 to the school department which shall be binding upon the officer and the school department. The
21 division of municipal finance's determination shall not be an adjudicatory proceeding reviewable
22 under chapter 42-35 of the general laws. Nothing in this subsection shall abrogate any of the other
23 powers or duties of the school committee under the general laws.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would authorize the director of revenue, rather than the elected chief executive
2 officer, to appoint the finance officer who would be under the director's charge and direction
3 upon abolition of the fiscal overseer, budget commissioner or receiver. This act would also
4 require that the state of Rhode Island bear the costs for the finance officer and all personnel
5 within said department.

6 This act would take effect upon passage.

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