

**2014 -- H 8291 SUBSTITUTE A**

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LC005845/SUB A/3  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2014**

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A N A C T

RELATING TO TOWNS AND CITIES -- BUDGET COMMISSIONS

Introduced By: Representatives Silva, Casey, Morin, McLaughlin, and Phillips

Date Introduced: June 05, 2014

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 or  
11           town, there shall be in the city or town a department of administration and finance ~~which~~ that  
12           shall be responsible for the overall budgetary and financial administration of the city or town. The  
13           department shall be under the direction and control of the officer appointed pursuant to subsection  
14           (c) below. The officer shall report to    and be under the charge and direction of    the elected chief  
15           executive officer, or in the case of a municipality without an elected chief executive officer, then  
16           the city or town council. Nothing in this section shall abrogate the powers and duties of the school  
17           committee under any general or special 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

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

13 (d) While the process of appointing an officer under subsection (c) is proceeding, the  
14 elected chief executive officer, or in the case of a municipality without an elected chief executive  
15 officer, then the city or town council, may appoint an acting officer.

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

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

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

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

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

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

28 (5) Supervising all financial data processing activities;

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

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

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

34 (9) Monitoring the expenditure of all city or town funds, including periodic reporting by

1 and to appropriate agencies of the status of accounts;

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

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

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

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

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

32 (i) Annually, not later than ninety (90) days prior to the beginning of the municipality's  
33 fiscal year, the officer shall submit a four ~~(4)~~-year (4) financial plan and a five ~~(5)~~-year (4) capital  
34 plan to the city or town council that includes all capital needs of the city or town.

1 (j) The assessor, treasurer, finance director, controller, ~~director of information~~  
2 ~~technology~~, purchasing agent, ~~director of human resources~~, labor relations director and employees  
3 performing similar duties but with different titles shall report to and be under the direction of the  
4 officer. The officer, with the approval of the elected chief executive officer or appropriate  
5 authority under applicable charter and ordinance provisions, shall appoint all such officers and  
6 employees. The elected chief executive officer, or in the case of a municipality without an elected  
7 chief executive officer, then the city or town council, may also place other positions and  
8 departments under the direction of the officer.

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

12 (l) The city or town shall annually appropriate amounts sufficient for the proper  
13 administration of the department. If the city or town fails to appropriate such amounts, the  
14 division of municipal finance shall direct the general treasurer to deduct the necessary funds from  
15 the city's or town's distribution of the city's or town's state aid and shall expend those funds  
16 directly for the benefit of the department. The city or town shall annually appropriate amounts  
17 sufficient to cover the costs of the administration and finance officer. The state shall annually  
18 reimburse the city or town for fifty percent (50%) share of such costs. The city or town at its  
19 expense shall provide office space and adequate resources needed by the administration and  
20 finance officer in the performance of his/her duties.

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

32 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 for a municipality where a receiver has been abolished  
2 because of a chapter 9 bankruptcy filing, the director of information technology and the director  
3 of human resources would not report to or be under the direction of the administration and  
4 finance officer for the municipality.

5           This act would take effect upon passage.

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