

2010 -- H 7808

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO TOWNS AND CITIES - BUDGET COMMISSIONS

Introduced By: Representative Robert A. Watson

Date Introduced: February 25, 2010

Referred To: House Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-9-3 of the General Laws in Chapter 45-9 entitled "Budget
2 Commissions" is hereby amended to read as follows:

3 **45-9-3. Budget and Review Commission.** -- (a) (1) Notwithstanding the provisions of
4 sections 45-9-1 and 45-9-2 or any other general or special laws of the state or charter provisions,
5 the general assembly vests in the director of the state department of revenue (hereinafter
6 "director") the power to authorize, create, and establish a budget and review commission in any
7 town or city where the director finds that the town or city's bond rating has been assigned by one
8 or more recognized rating agencies to a rating which is below investment grade and there is an
9 imminent threat of default on any or all of its debt obligations.

10 (2) Whereupon the director of revenue shall authorize said budget and review
11 commission, to convene specifically to deal with the aforementioned town or city, that shall
12 consist of the chief executive officer of the town or city; the president of the town or city council;
13 three (3) public members from the affected municipality, at least one of whom shall be qualified
14 by training or experience in the fields of finance or accounting, to be appointed by the governor,
15 with the advice and consent of the senate; two (2) ex-officio state officials who shall be the
16 director, or his or her designee from the department of revenue; and one member of the public
17 finance management board to be appointed by the governor who, in making his or her
18 appointment, shall give due consideration to the recommendation of the chair of the public
19 finance management board, with the advice and consent of the senate.

1 (3) No one shall be eligible for appointment unless he or she is a resident of this state.

2 (4) Where there is no chief executive officer of the town or city, the vice president of the
3 town council or city council shall serve on the commission. The director of the state department
4 of revenue shall serve as chair of the commission.

5 (5) The commission may elect from among its members such other officers as they deem
6 necessary.

7 (6) Four (4) or more members of the commission shall constitute a quorum and the vote
8 of a majority of said quorum at any meeting shall be required for action. No vacancy in the
9 membership of the commission shall impair the right of a quorum to exercise all of the rights and
10 perform all of the duties of the commission.

11 (7) Newly appointed and qualified commission members of the municipality shall,
12 within six (6) weeks of their qualification or designation, attend a training course that is
13 developed with commission approval and conducted by the chair or his or her designee and shall
14 include instruction in the subject area of chapter 9 of this title and chapters 46 of title 42, chapter
15 14 of title 36, and chapter 2 of title 38 of Rhode Island general laws; and the commission's rules
16 and regulations.

17 (8) Public members of the commission shall be removable by the governor pursuant to
18 section 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to
19 capacity or fitness for the office shall be unlawful.

20 (9) The powers of the budget and review commission shall be to impose taxes and to
21 make appropriations for the expenditure of moneys, for the purpose of adopting a budget and, for
22 the purpose of maintaining a balanced budget, the budget and review commission shall make
23 reductions or suspensions in the appropriations to any or all departments, offices or other
24 agencies of town or city government as will prevent a deficit for the fiscal year. The budget and
25 review commission shall also be authorized to suspend and/or modify any collective bargaining
26 agreement between the municipality or school district and its employees relating to
27 compensation, assignment of personnel or deployment of equipment while recognizing the public
28 welfare and safety of the residents of the city or town. The budget and review commission shall
29 be subject to the open meetings and open records law. The budget and review commission shall
30 remain in office until that time as the chief executive officer of the town or city and the town or
31 city council petitions the director of the state department of revenue to disband the budget and
32 review commission.

33 (b) (1) The budget and review commission shall commence its work by examining the
34 financial and operating condition of the city or town and shall also advise the chief executive

1 officer, city or town council and the fiscal officials of the city or town on the formulation of
2 adequate budget and budgetary controls.

3 (2) Reporting Requirements. - Within ninety (90) days of its being disbanded as
4 provided for in section 45-9-3(a)(9), the budget and review commission shall approve and issue a
5 report detailing its findings and recommendations. This report shall be submitted to the governor,
6 the speaker of the house of representatives, the president of the senate, and the secretary of state
7 of its activities during that fiscal year. The report shall provide: an operating statement
8 summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or
9 regulations promulgated, studies conducted, policies and plans developed, approved, or modified,
10 and programs administered or initiated; a consolidated financial statement of all funds received
11 and expended including the source of the funds, a listing of any staff supported by these funds,
12 and a summary of any clerical, administrative or technical support received; a summary of
13 performance during the course of its existence, including accomplishments, shortcomings and
14 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the
15 authority of the board; a summary of any training courses held pursuant to section 45-9-3(a)(7); a
16 briefing on anticipated activities in the upcoming fiscal year; and findings and recommendations
17 for improvements. The report shall be posted electronically on the general assembly and the
18 secretary of state's websites as prescribed in section 42-20-8.2.

19 (3) The examination and report shall be completed and published no sooner than three
20 (3) weeks after the formation of the budget and review commission. The commission shall
21 exercise any of the powers set forth in this section only after the examination and publication of
22 the commission's report.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TOWNS AND CITIES - BUDGET COMMISSIONS

1 This act would authorize budget commissions in the various cities and towns to suspend
2 or modify collective bargaining agreements with municipal employees and/or school district
3 employees.

4 This act would take effect upon passage.

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