

MA GENERAL LAW CHAPTER 44; Section 10: Debt limit

Section 10: Except as otherwise provided by law, a city or town shall not authorize indebtedness to an amount exceeding 5 per cent of the equalized valuation of the city or town. A city or town may authorize indebtedness in excess of 5 per cent but not in excess of 10 per cent, of the aforesaid equalized valuation; provided, however, that the amount of indebtedness so authorized shall be subject to the approval of the members of the municipal finance oversight board, which approval may be given either before or after such authorization.

In determining the debt limit for Boston hereunder the provisions of chapter ninety-three of the acts of eighteen hundred and ninety-one and of section one of chapter one hundred and ninety-one of the acts of nineteen hundred and three shall apply.

The debt limit for a district shall be based on an amount determined by applying to the equalized valuation of the town the same ratio which the assessors' valuation of the taxable property of the district for the preceding fiscal year bears to the assessors' valuation of the taxable property of the town for the preceding fiscal year. In the case of the district which is located in two or more towns, said debt limit shall be based on the total amount determined by applying to the equalized valuation of each of the towns in which any part of the district is located the same ratio which the assessors' valuation of the taxable property of the district in the respective towns for the preceding fiscal year bears to the assessors' valuation of the taxable property of said town for the preceding fiscal year.

All authorized debts, except those expressly authorized by law to be incurred outside the debt limit, shall be reckoned in determining the limit of indebtedness under this section.