

Executive Orders Modifying Referenda Requirements Relating to Budgets and Fiscal Actions

By: Jessica Schaeffer-Helmecki, Associate Legislative Attorney
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Issue

Provide an overview of the Executive Orders (EO) issued due to the COVID-19 emergency that modify requirements for referenda on municipal fiscal matters and budgets.

Summary

Two EOs, and two subsequent orders that amended them, suspend existing state and municipal laws requiring municipalities to hold referenda to (1) approve certain fiscal actions and (2) adopt budgets and set mill rates.

The EOs are effective through the state of emergency, which expires on September 9, unless the governor suspends them earlier.

Referenda on Municipal Fiscal Actions

As of April 1, [EO 7S](#), § 7, as amended by [EO 7CC](#), § 1, allows a municipality's legislative body (or board of selectmen in certain town meeting towns) and budget-making authority to vote to take certain fiscal actions without holding otherwise-required in-person votes of residents or taxpayers (i.e., a referendum at an annual or special town meeting).

The covered financial actions include authorizing:

1. legal settlements and collective bargaining agreements;

2. tax anticipation notes;
3. supplemental appropriations (subject to specified requirements);
4. general obligation bonds or bond anticipation notes;
5. applications for or acceptance of grants or gifts;
6. transfers to or from capital or reserve accounts;
7. investments in postemployment benefit funds; and
8. certain financial actions required by contract, court order, or consent decree.

Under the order, municipalities may conduct in-person meetings or referenda if they first consult with local or state public health officials and conduct the meetings or referenda in a way that lessens the risk of COVID-19 transmission.

If a municipality opts not to hold a referenda, it must comply with [EO 7B](#)'s open meeting requirements (e.g., provide the public with electronic meeting access). Additionally, to the extent possible, the municipality must comply with all other existing state and local procedural requirements (e.g., public notice) for making such authorizations.

Budget Referenda for FY 21 Budgets

[EO 7HH](#), § 1, requires each municipal budget-making authority to adopt a FY 21 budget and set a mill rate, subject to specified limitations. It specifies that the mill rate must be sufficient, in combination with any other estimated income and revenue surplus, to pay the municipality's expenses for the fiscal year and absorb any revenue deficit.

The order also suspends requirements that municipalities hold a vote of residents, electors, or property owners on the budget or mill rate. It does not invalidate any such votes held at an annual town meeting or referendum before May 1. (This EO amended [EO 7I](#), § 13, which authorized but did not require the municipality to suspend its in-person voting requirements.)

As with [EO 7S](#), the municipality must comply with [EO 7B](#)'s open meeting requirements and other existing procedural requirements, to the extent possible.

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