

ARTICLE 2

RELATING TO PUBLIC FINANCE MANAGEMENT BOARD

SECTION 1. Sections 42-10.1-2 and 42-10.1-4 of the General Laws in Chapter 42-10.1 entitled "Public Finance Management Board" are hereby amended to read as follows:

42-10.1-2. Purpose. -- It shall be the purpose and responsibility of the board:

(1) To advise and assist all state departments, municipal and regional authorities, agencies, boards, commissions, ~~and~~ public and quasi-public corporations, and fire districts and other special districts having authority to issue revenue or general obligation bonds or GARVEE bonds or notes or other various types of conduit debt or enter into financing leases with respect to issuance of and financial planning related to all those bonds, leases, and notes;

(2) ~~Upon request, t~~To advise and/or assist any city or town and any municipal or regional agency, authority, board, commission, ~~or~~ public or quasi-public corporations, or fire districts or other special districts having authority to issue revenue or general obligation bonds or GARVEE bonds or notes or other various types of conduit debt or enter into financing leases with respect to the issuance and financial planning related to those bonds, leases, and notes;

(3) To collect, maintain, and provide information on all state, municipal and regional authority, agency, board, commission, public or quasi-public corporation, and fire district and other special district debt authorization, sold and outstanding, and serve as a statistical center for all state and municipal debt issues;

(4) To maintain contact with state, municipal and regional authority, agency, board, commission, public or quasi-public corporation, fire district and other special district bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues;

(5) To undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local debt issues;

(6) To recommend changes in state laws and local practices to improve the sale and servicing of state and local debts.

(7) To annually ascertain the total amount of state, regional, municipal, and public and quasi-public corporation debt authorized, sold and unsold.

(8) To oversee the undertaking of a debt affordability study no less frequently than every

1 two (2) years, which shall include recommended limits for the debt capacity of state, municipal
2 and regional department, authority, agency, board, commission, and public and quasi-public
3 corporations having authority to issue revenue or general obligation bonds or notes.

4 **42-10.1-4. Notice of debt issue to board. --** (a) Each state, municipal and regional
5 department, authority, agency, board, commission, ~~and~~ public and quasi-public corporation, and
6 fire district and other special district having authority to issue revenue or general obligation bonds
7 or GARVEE bonds or notes or other various types of conduit debt shall, no later than thirty (30)
8 days prior to the sale of any such debt issue at public or private sale, give written notice of the
9 proposed sale to the board; and each such issuer shall, within the later of thirty (30) days after
10 such sale or five (5) days after closing, submit to the board a report of final sale.

11 (b) The notice of proposed debt shall include one proposed sale date, the name of the
12 issuer, the nature of the debt issue, and the estimated principal amount thereof, and such further
13 information as may be required by rule of the board and shall be delivered in accordance with
14 procedures to be established by rule of the board; and the notice of final sale shall be made on a
15 form approved by the board and contain all of the information requested on said form. Any issuer
16 which fails to submit the report of proposed debt or report of final sale by the appropriate
17 deadline may be subject to a per diem fine of two hundred fifty dollars (\$250), which shall be
18 collected and enforced by the Office of the General Treasurer.

19 (c) Each state, municipal and regional department, authority, agency, board, commission,
20 public and quasi-public corporation, and fire district and other special district having authority to
21 issue revenue or general obligation bonds or GARVEE bonds or notes or other various types of
22 conduit debt shall provide annually, by the end of each fiscal year, the following information for
23 each outstanding debt incurred:

- 24 (1) the principal amount of the issue outstanding;
- 25 (2) the amount of proceeds of the issue that remains unspent;
- 26 (3) the amount of debt authorized by the bond act or other appropriate authorization
27 relevant to the issue that remains authorized but unissued; and
- 28 (4) a list of the purposes for which the debt has been issued and the amounts expended
29 for each purpose in the prior fiscal year from the proceeds of the issue.

30 ~~(d)~~ Failure of delivery of the above notice or of the time or efficiency thereof shall not
31 affect the validity of the issuance of any debt, bond or note.

32 ~~(e)~~ The board shall submit a report annually on or before September 30th of each year
33 to the director of administration, the speaker of the house, the chairman of the house finance
34 committee, the president of the senate, the chairman of the senate finance committee, and the

1 auditor general on debt issues by cities and towns and other authorities, agencies, boards,
2 commissions, public and quasi-public corporations, fire districts, and other special districts
3 subject to the provision of chapter 45-12, which report shall include the information set forth in
4 division (b) of this section and shall be for the notices of debt issues received during the state's
5 fiscal year next preceding. An electronic transmission of the report shall be considered an
6 acceptable submission.

7 SECTION 2. Chapter 42-10.1 of the General Laws entitled "Public Finance Management
8 Board" is hereby amended by adding thereto the following sections:

9 **42-10.1-9. Report of debt affordability and targets. --** (a) The board shall compile and
10 publish annually the total amount of public state, regional, municipal, and public and quasi-public
11 corporation debt authorized, sold and unsold.

12 (b) No less frequently than every two (2) years, the board shall oversee the undertaking of
13 a debt affordability study, which shall include recommended limits for the debt capacity of each
14 state, municipal and regional authority, agency, board, commission, public and quasi-public
15 corporation and fire district and other special district having authority to issue revenue or general
16 obligation bonds or GARVEE bonds or notes or other various types of conduit debt or enter into
17 financing leases.

18 **42-10.1-10. Public finance management board advisory opinions. --** The board shall
19 have the authority to offer non-binding, advisory opinions on all aspects of debt management
20 practices of state, municipal, and public and quasi-public corporations.

21 SECTION 3. This article shall take effect as of January 1, 2017.