

2018 -- S 2221

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LC004143
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO WATERS AND NAVIGATION - RHODE ISLAND INFRASTRUCTURE
BANK

Introduced By: Senators Pearson, Metts, Gallo, Conley, and Picard

Date Introduced: February 01, 2018

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 46-12.2-4.2 of the General Laws in Chapter 46-12.2 entitled
2 "Rhode Island Infrastructure Bank" is hereby amended to read as follows:

3 **46-12.2-4.2. Establishment of the efficient buildings fund.**

4 (a) There is hereby authorized and created within the Rhode Island infrastructure bank an
5 efficient buildings fund for the purpose of providing technical, administrative and financial
6 assistance to local governmental units for energy efficient and renewable energy upgrades to
7 public buildings and infrastructure, including, but not limited to, streetlights. The Rhode Island
8 infrastructure bank shall review and approve all applications for projects to be financed through
9 the efficient buildings fund.

10 The office of energy resources shall promulgate rules and regulations establishing a
11 project priority list for efficient buildings fund and the process through which a local
12 governmental unit may submit an application for inclusion of a project on the project priority list.
13 Upon issuance of the project priority list by the office of energy resources, the project priority list
14 shall be used by the Rhode Island infrastructure bank to determine the order in which financial
15 assistance shall be awarded. The Rhode Island infrastructure bank shall promulgate rules and
16 regulations to effectuate the provisions of this section which may include, without limitation,
17 forms for financial assistance applications, loan agreements, and other instruments. All rules and
18 regulations promulgated pursuant to this chapter shall be promulgated in accordance with the

1 provisions of chapter 35 of title 42. Eligibility for receipt of this financial assistance by a local
2 governmental unit shall be conditioned upon that local governmental unit reallocating their
3 remaining proportional QECB allocation to the state of Rhode Island.

4 (b) The Rhode Island infrastructure bank shall have all the powers necessary and
5 convenient to carry out and effectuate the purposes and provisions of this section including,
6 without limiting the generality of the preceding statement, the authority:

7 (1) To receive and disburse such funds from the state and federal government as may be
8 available for the purpose of the fund subject to the provisions of this section;

9 (2) To make and enter into binding commitments to provide financial assistance to
10 eligible borrowers from amounts on deposit in the fund;

11 (3) To levy administrative fees on eligible borrowers as necessary to effectuate the
12 provisions of this section, provided the fees have been previously authorized by an agreement
13 between the Rhode Island infrastructure bank and the eligible borrower;

14 (4) To engage the services of third-party vendors to provide professional services;

15 (5) To establish one or more accounts within the fund; and

16 (6) Such other authority as granted to the Rhode Island infrastructure bank under this
17 chapter.

18 (c) Subject to the provisions of this section and to any agreements with the holders of any
19 bonds of the Rhode Island infrastructure bank or any trustee therefor, amounts held by the Rhode
20 Island infrastructure bank for the account of the fund shall be applied by the Rhode Island
21 infrastructure bank, either by direct expenditure, disbursement, or transfer to one or more other
22 funds and accounts held by the Rhode Island infrastructure bank or maintained under any trust
23 agreement pertaining to bonds, either alone or with other funds of the Rhode Island infrastructure
24 bank, to the following purposes:

25 (1) To provide financial assistance to local governmental units to finance costs of
26 approved projects, as set forth in subsection (a), and to refinance the costs of the projects, subject
27 to such terms and conditions, if any, as are determined by the Rhode Island infrastructure bank;

28 (2) To fund reserves for bonds of the Rhode Island infrastructure bank and to purchase
29 insurance and pay the premiums therefor, and pay fees and expenses of letters or lines of credit
30 and costs of reimbursement to the issuers thereof for any payments made thereon or on any
31 insurance, and to otherwise provide security for, and a source of payment for obligations of the
32 Rhode Island infrastructure bank, by pledge, lien, assignment, or otherwise as provided in this
33 chapter;

34 (3) To pay expenses of the Rhode Island infrastructure bank in administering the fund;

1 (4) To provide a reserve for, or to otherwise secure, amounts payable by borrowers on
2 loans and obligations outstanding in the event of default thereof; amounts in any account in the
3 fund may be applied to defaults on loans outstanding to the borrower for which the account was
4 established and, on a parity basis with all other accounts, to defaults on any loans or obligations
5 outstanding; and

6 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
7 otherwise as provided in this chapter, any bonds of the Rhode Island infrastructure bank.

8 (d) In addition to other remedies of the Rhode Island infrastructure bank under any loan
9 agreement or otherwise provided by law, the Rhode Island infrastructure bank may also recover
10 from a borrower, in an action in superior court, any amount due the Rhode Island infrastructure
11 bank together with any other actual damages the Rhode Island infrastructure bank shall have
12 sustained from the failure or refusal of the borrower to make the payments or abide by the terms
13 of the loan agreement.

14 (e) The Rhode Island infrastructure bank may create one or more loan loss reserve funds
15 to serve as further security for any loans made by the Rhode Island infrastructure bank or any
16 bonds of the Rhode Island infrastructure bank issued to fund energy efficiency improvements in
17 public buildings in accordance with this section.

18 (f) To the extent possible, and in accordance with law, the ~~infrastructure bank~~ [Rhode](#)
19 [Island infrastructure bank](#) shall encourage the use of project labor agreements for projects over
20 ten million dollars (\$10,000,000) and local hiring on projects funded under this section.

21 ~~(g) Any financial assistance provided by the Rhode Island infrastructure bank to a public~~
22 ~~entity for the purpose of retrofitting a school building shall not be subject to the match established~~
23 ~~by Rhode Island general laws §§ 16-7-35 to 16-7-47, and shall be made subject to coordination~~
24 ~~with the Rhode Island department of education. Notwithstanding any provisions to the contrary in~~
25 ~~chapter 7 of title 16, but subject to § 16-7-41(c), any approved project as set forth in subsection~~
26 ~~(a) of this section that is also an "approved project" as defined in § 16-7-36 shall be eligible for~~
27 ~~school housing aid assistance under §§ 16-7-35 through 16-7-47, and shall include the payment of~~
28 ~~interest on bonds, lease revenue bonds, capital leases, or capital reserve funding issued by a local~~
29 ~~governmental unit.~~

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would provide school housing aid for certain projects approved by the state
- 2 including funding for payment of interest on certain bonds and leases.
- 3 This act would take effect upon passage.

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