

2020 -- S 2741

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAMS -- STATEWIDE REFERENDUM

Introduced By: Senators Bell, Quezada, Crowley, Ciccone, and Goodwin

Date Introduced: March 04, 2020

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Proposition to be submitted to the people. -- At the general election to be held
2 on the Tuesday next after the first Monday in November, 2020, there shall be submitted to the
3 people ("people") of the State of Rhode Island ("state"), for their approval or rejection, the
4 following proposition:

5 "Shall the action of the general assembly, by an act passed at the January 2020 session,
6 authorizing the issuance of a bond, refunding bond, and/or temporary note of the state of Rhode
7 Island for the local capital projects and in the total amount with respect to the projects listed below
8 be approved, and the issuance of a bond, refunding bond, and/or temporary note authorized in
9 accordance with the provisions of said act?

10 Funding

11 The bond, refunding bond and/or temporary note shall be allocated to each city and town
12 based upon the following formula: $(\text{population} + \text{local jobs})^2 / \text{EWAV}$. For purposes of this formula,
13 "population" means the most recent estimates of population for each city and town as reported by
14 the United States Department of Commerce, Bureau of the Census, "local job" means and includes
15 employment created and provided by a local employer, business, charity, company, government,
16 nonprofit organization, public sector organization, private sector organization, service provider or
17 voluntary sector organization in a local area for a local population, and "EWAV" means the
18 equalized weighted assessed valuation as determined by § 16-7-21.

19 Project

1 of the state of Rhode Island, in amounts as may be specified by the governor in an aggregate
2 principal amount not to exceed the total amount for all projects approved by the people and
3 designated as "capital development loan of 2020 bonds." Provided, however, that the aggregate
4 principal amount of such capital development bonds and of any temporary notes outstanding at any
5 one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount
6 for all such projects approved by the people. All provisions in this act relating to "bonds" shall also
7 be deemed to apply to "refunding bonds."

8 Capital development bonds issued under this act shall be in denominations of one thousand
9 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
10 United States which at the time of payment shall be legal tender for public and private debts.

11 These capital development bonds shall bear such date or dates, mature at specified time or
12 times, but not mature beyond the end of the twentieth state fiscal year following the fiscal year in
13 which they are issued; bear interest payable semi-annually at a specified rate or different or varying
14 rates; be payable at designated time or times at specified place or places; be subject to express terms
15 of redemption or recall, with or without premium; be in a form, with or without interest coupons
16 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
17 and other provisions as may be fixed by the general treasurer, with the approval of the governor,
18 upon each issue of such capital development bonds at the time of each issue. Whenever the
19 governor shall approve the issuance of such capital development bonds, the governor's approval
20 shall be certified to the secretary of state; the bonds shall be signed by the general treasurer and
21 countersigned by the secretary of state and shall bear the seal of the state. The signature approval
22 of the governor shall be endorsed on each bond.

23 SECTION 5. Refunding bonds for 2020 capital development program. -- The general
24 treasurer is hereby authorized and empowered, with the approval of the governor, and in accordance
25 with the provisions of this act, to issue bonds to refund the 2020 capital development program
26 bonds, in the name of and on behalf of the state, in amounts as may be specified by the governor in
27 an aggregate principal amount not to exceed the total amount approved by the people, to be
28 designated as "capital development program loan of 2020 refunding bonds" (hereinafter "refunding
29 bonds"). The general treasurer with the approval of the governor shall fix the terms and form of
30 any refunding bonds issued under this act in the same manner as the capital development bonds
31 issued under this act, except that the refunding bonds may not mature more than twenty (20) years
32 from the date of original issue of the capital development bonds being refunded. The proceeds of
33 the refunding bonds, exclusive of any premium and accrual interest and net the underwriters' cost,
34 and cost of bond insurance, shall, upon their receipt, be paid by the general treasurer immediately

1 to the paying agent for the capital development bonds which are to be called and prepaid. The
2 paying agent shall hold the refunding bond proceeds in trust until they are applied to prepay the
3 capital development bonds. While the proceeds are held in trust, the proceeds may be invested for
4 the benefit of the state in obligations of the United States of America or the State of Rhode Island.

5 If the general treasurer shall deposit with the paying agent for the capital development
6 bonds the proceeds of the refunding bonds, or proceeds from other sources, amounts that, when
7 invested in obligations of the United States or the state of Rhode Island, are sufficient to pay all
8 principal, interest, and premium, if any, on the capital development bonds until these bonds are
9 called for prepayment, then such capital development bonds shall not be considered debts of the
10 State of Rhode Island for any purpose starting from the date of deposit of such monies with the
11 paying agent. The refunding bonds shall continue to be a debt of the state until paid.

12 The term "bond" shall include "note," and the term "refunding bonds" shall include
13 "refunding notes" when used in this act.

14 SECTION 6. Proceeds of capital development program. -- The general treasurer is directed
15 to deposit the proceeds from the sale of capital development bonds issued under this act, exclusive
16 of premiums and accrued interest and net the underwriters' cost, and cost of bond insurance, in one
17 or more of the depositories in which the funds of the state may be lawfully kept in special accounts
18 (hereinafter cumulatively referred to as "such capital development bond fund") appropriately
19 designated for each of the projects set forth in Section 1 hereof which shall have been approved by
20 the people to be used for the purpose of paying the cost of all such projects so approved.

21 All monies in the capital development bond fund shall be expended for the purposes
22 specified in the proposition provided for in Section 1 hereof under the direction and supervision of
23 the director of administration (hereinafter referred to as "director"). The director, or designee, shall
24 be vested with all power and authority necessary or incidental to the purposes of this act, including,
25 but not limited to, the following authority:

26 (1) To acquire land or other real property or any interest, estate, or right therein as may be
27 necessary or advantageous to accomplish the purposes of this act;

28 (2) To direct payment for the preparation of any reports, plans and specifications, and
29 relocation expenses and other costs such as for furnishings, equipment designing, inspecting, and
30 engineering, required in connection with the implementation of any projects set forth in Section 1
31 hereof;

32 (3) To direct payment for the costs of construction, rehabilitation, enlargement, provision
33 of service utilities, and razing of facilities, and other improvements to land in connection with the
34 implementation of any projects set forth in Section 1 hereof; and

1 (4) To direct payment for the cost of equipment, supplies, devices, materials, and labor for
2 repair, renovation, or conversion of systems and structures as necessary for the 2020 capital
3 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
4 expended in excess of the amount of the capital development bond fund designated for each project
5 authorized in Section 1 hereof.

6 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority of
7 this act shall be sold at not less than the principal amount thereof, in such mode and on such terms
8 and conditions as the general treasurer, with the approval of the governor, shall deem to be in the
9 best interests of the state.

10 Any bonds or notes issued under the provisions of this act and coupons on any capital
11 development bonds, if properly executed by the manual or electronic signatures of officers of the
12 state in office on the date of execution, shall be valid and binding according to their tenor,
13 notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall
14 for any reason have ceased to hold office.

15 SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -- All
16 bonds and notes issued under the authority of this act shall be exempt from taxation in the state and
17 shall be general obligations of the state, and the full faith and credit of the state is hereby pledged
18 for the due payment of the principal and interest on each of such the bonds and notes as the same
19 shall become due.

20 SECTION 9. Investment of monies in fund. -- All monies in the capital development fund
21 not immediately required for payment pursuant to the provisions of this act may be invested by the
22 investment commission, as established by chapter 10 of title 35, entitled "state investment
23 commission," pursuant to the provisions of such chapter; provided, however, that the securities in
24 which the capital development fund is invested shall remain a part of the capital development fund
25 until exchanged for other securities; and provided further, that the income from investments of the
26 capital development fund shall become a part of the general fund of the state and shall be applied
27 to the payment of debt service charges of the state, unless directed by federal law or regulation to
28 be used for some other purpose, or to the extent necessary, to rebate to the United States treasury
29 any income from investments (including gains from the disposition of investments) of proceeds of
30 bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on
31 such bonds or notes from federal income taxation.

32 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not
33 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
34 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise

1 appropriated.

2 SECTION 11. Advances from general fund. -- The general treasurer is authorized, with the
3 approval of the director and the governor, in anticipation of the issuance of notes or bonds under
4 the authority of this act, to advance to the capital development bond fund for the purposes specified
5 in Section 1 hereof, any funds of the state not specifically held for any particular purpose; provided,
6 however, that all advances made to the capital development bond fund shall be returned to the
7 general fund from the capital development bond fund forthwith upon the receipt by the capital
8 development fund of proceeds resulting from the issue of notes or bonds to the extent of such
9 advances.

10 SECTION 12. Federal assistance and private funds. -- In carrying out this act, the director,
11 or designee, is authorized on behalf of the state, with the approval of the governor, to apply for and
12 accept any federal assistance which may become available for the purpose of this act, whether in
13 the form of loan or grant or otherwise, to accept the provision of any federal legislation therefor, to
14 enter into, act and carry out contracts in connection therewith, to act as agent for the federal
15 government in connection therewith, or to designate a subordinate so to act. Where federal
16 assistance is made available, the project shall be carried out in accordance with applicable federal
17 law, the rules and regulations thereunder and the contract or contracts providing for federal
18 assistance, notwithstanding any contrary provisions of state law. Subject to the foregoing, any
19 federal funds received for the purposes of this act shall be deposited in the capital development
20 bond fund and expended as a part thereof. The director or designee may also utilize any private
21 funds that may be made available for the purposes of this act.

22 SECTION 13. Effective Date. -- Sections 1, 2, 3, 11, 12 and 13 of this act shall take effect
23 upon passage. The remaining sections of this act shall take effect when and if the state board of
24 elections shall certify to the secretary of state that a majority of the qualified electors voting on the
25 proposition contained in Section 1 hereof have indicated their approval of all or any projects
26 thereunder.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO CAPITAL DEVELOPMENT PROGRAMS -- STATEWIDE REFERENDUM

1 This act would provide for a statewide voter referendum seeking approval of capital
2 development bonds for the improvement of local roadways and highways (\$500,000,000);
3 pedestrian infrastructure (\$125,000,000); the local bikeway development program (\$125,000,000);
4 and municipal parks (\$250,000,000).

5 Sections 1, 2, 3, 11, 12 and 13 of this act would take effect upon passage. The remaining
6 sections of the act would take effect when and if the state board of elections shall certify to the
7 secretary of state that a majority of the qualified electors voting on the proposition contained in
8 Section 1 hereof have indicated their approval of all or any projects thereunder.

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