

**2024 -- S 2886 SUBSTITUTE A**

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LC005800/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2024**

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND COMMERCE  
CORPORATION

Introduced By: Senators McKenney, and LaMountain

Date Introduced: March 22, 2024

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 42-64-7.1 of the General Laws in Chapter 42-64 entitled "Rhode  
2 Island Commerce Corporation" is hereby amended to read as follows:

3           **42-64-7.1. Subsidiaries.**

4           (a)(1) The parent corporation shall have the right to exercise and perform its powers and  
5 functions, or any of them, through one or more subsidiary corporations whose creation shall be  
6 approved and authorized by the general assembly.

7           (2)(i) Express approval and authorization of the general assembly shall be deemed to have  
8 been given for all legal purposes on July 1, 1995 for the creation and lawful management of a  
9 subsidiary corporation created for the management of the Quonset Point/Davisville Industrial Park,  
10 that subsidiary corporation being managed by a board of directors, the members of which shall be  
11 constituted as follows: (A) two (2) members who shall be appointed by the town council of the  
12 town of North Kingstown; (B) two (2) members who shall be residents of the town of North  
13 Kingstown appointed by the governor; (C) four (4) members who shall be appointed by the  
14 governor; (D) the chairperson, who shall be: (i) the executive director of the Rhode Island economic  
15 development corporation until such time that the secretary of commerce is appointed; (ii) Upon the  
16 appointment of a secretary of commerce, the chief executive officer of the Rhode Island commerce  
17 corporation, who also shall be the secretary of the Rhode Island executive office of commerce; and  
18 (E) non-voting members, who shall include the members of the general assembly whose districts

1 are comprised in any part by areas located within the town of North Kingstown and one non-voting  
2 member who shall be a resident of the town of Jamestown, appointed by the town council of the  
3 town of Jamestown. Upon receipt of approval and authorization from the general assembly, the  
4 parent corporation by resolution of the board of directors may direct any of its directors, officers,  
5 or employees to create subsidiary corporations pursuant to chapter 1.2 or 6 of title 7 or in the manner  
6 described in subsection (b); provided, that the parent corporation shall not have any power or  
7 authority to create, empower or otherwise establish any corporation, subsidiary corporation,  
8 corporate body or any form of partnership or any other separate entity, without the express approval  
9 and authorization of the general assembly.

10 (ii) The approval and authorization provided herein shall terminate upon the establishment  
11 of the Quonset Development Corporation as provided for in chapter 64.10 of this title.

12 (iii) The Quonset Development Corporation shall be deemed a subsidiary of the Rhode  
13 Island commerce corporation:

14 (A) As set forth in § 42-64.10-6(c); and

15 (B) Insofar as it exercises any powers and duties delegated to it by the corporation pursuant  
16 to this chapter for any project other than on real and personal property owned, leased or under the  
17 control of the corporation located in the town of North Kingstown, and the corporation shall be  
18 deemed to have authority to delegate any of its powers, with the exception of the power to issue  
19 any form of negotiable bonds or notes and the power of eminent domain, in order to accomplish  
20 the purposes of chapter 64.10 of this title; provided, however, that the corporation may, as provided  
21 for in this chapter, issue bonds or exercise the power of eminent domain on behalf of the Quonset  
22 Development Corporation or to undertake a project of the Quonset Development Corporation.

23 (b) As used in this section, “subsidiary public corporation” means a corporation created  
24 pursuant to the provisions of this section. The person or persons directed by the resolution referred  
25 to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of the  
26 subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the purpose  
27 or purposes for which the subsidiary public corporation is organized which shall not be more  
28 extensive than the purposes of the corporation set forth in § 42-64-5; (4) the number of directors  
29 (which may, but need not be, more than one) constituting the initial board of directors and their  
30 names and business or residence addresses; (5) the name and business or residence address of the  
31 person preparing the articles of incorporation; (6) the date when corporate existence shall begin  
32 (which shall not be earlier than the filing of the articles of incorporation with the secretary of state  
33 as provided in this subsection); (7) any provision, not inconsistent with law, which the board of  
34 directors elect to set forth in the articles of incorporation for the regulation of the internal affairs of

1 the subsidiary public corporation; and (8) a reference to the form of authorization and approval by  
2 the general assembly and to the resolution of the board of directors authorizing the preparation of  
3 the articles of incorporation. Duplicate originals of the articles of incorporation shall be delivered  
4 to the secretary of state. If the secretary of state finds that the articles of incorporation conform to  
5 the provisions of this subsection, the secretary shall endorse on each of the duplicate originals the  
6 word "Filed," and the month, day and year of the filing; file one of the duplicate originals in his or  
7 her office; and a certificate of incorporation to which the secretary shall affix the other duplicate  
8 original. No filing fees shall be payable upon the filing of articles of incorporation. Upon the  
9 issuance of the certificate of incorporation or upon a later date specified in the articles of  
10 incorporation, the corporate existence shall begin and the certificate of incorporation shall be  
11 conclusive evidence that all conditions precedent required to be performed have been complied  
12 with and that the subsidiary public corporation has been duly and validly incorporated under the  
13 provisions hereof. The parent corporation may transfer to any subsidiary public corporation any  
14 moneys, real, personal, or mixed property or any project in order to carry out the purposes of this  
15 chapter. Each subsidiary public corporation shall have all the powers, privileges, rights, immunities,  
16 tax exemptions, and other exemptions of the parent corporation except to the extent that the articles  
17 of incorporation of the subsidiary public corporation shall contain an express limitation and except  
18 that the subsidiary public corporation shall not have the condemnation power contained in § 42-  
19 64-9, nor shall it have the powers contained in, or otherwise be subject to, the provisions of § 42-  
20 64-12 and § 42-64-13(a), nor shall it have the power to create, empower or otherwise establish any  
21 corporation, subsidiary corporation, corporate body, any form of partnership, or any other separate  
22 entity, without the express approval and authorization of the general assembly.

23 (c) Any subsidiary corporation shall not be subject to the provisions of § 42-64-8(a), (c),  
24 and (d), except as otherwise provided in the articles of incorporation of the subsidiary corporation.

25 (d) The Rhode Island commerce corporation, as the parent corporation of the Rhode Island  
26 Airport Corporation, shall not be liable for the debts or obligations or for any actions or inactions  
27 of the Rhode Island Airport Corporation, unless the Rhode Island commerce corporation expressly  
28 agrees otherwise in writing.

29 (e) The East Providence Waterfront District shall, with the approval of its commission and  
30 the board of directors of the corporation, be a subsidiary of the Rhode Island commerce corporation  
31 for the purposes of exercising such powers of the corporation as the board of directors shall  
32 determine, and notwithstanding the requirements of subsection (b), the act creating the District shall  
33 be deemed fully satisfactory for the purposes of this section regarding the establishment of  
34 subsidiary public corporations, and the express approval and authorization of the general assembly

1 shall be deemed to have been given for all legal purposes for the creation and lawful management  
2 of a subsidiary corporation created for the purposes of implementing the purposes of the District.

3 (f) The parent corporation is hereby authorized and empowered to create a subsidiary  
4 corporation for the expressed purpose to issue bonds and notes of the type and for those projects  
5 and purposes specified in the Joint Resolution and Act of the general assembly adopted by the  
6 Rhode Island house of representatives and the Rhode Island senate.

7 (g) The I-195 redevelopment district shall be a subsidiary of the Rhode Island commerce  
8 corporation for the purposes of exercising such powers of the corporation as the board of directors  
9 shall determine, and notwithstanding the requirements of subsection (b), the chapter creating the  
10 district shall be deemed fully satisfactory for the purposes of this section regarding the  
11 establishment of subsidiary public corporations, and the express approval and authorization of the  
12 general assembly shall be deemed to have been given for all legal purposes for the creation and  
13 lawful management of a subsidiary corporation created for the purposes of implementing the  
14 purposes of the district.

15 (h) The Rhode Island airport corporation — appointment of directors:

16 The board of directors of the Rhode Island airport corporation shall consist of seven (7)  
17 members: The board of directors shall have extensive experience in the fields of finance, business,  
18 construction and/or organized labor.

19 The governor of the State of Rhode Island shall appoint, with the advice and consent of the  
20 senate when nominated to serve, the seven (7) members of the board of directors. The mayor of  
21 Warwick shall, within thirty (30) days of the effective date of this section, submit a list of three (3)  
22 individuals that the governor shall give due consideration in appointing one individual from this  
23 list. The governor shall appoint the remaining six (6) members without regard to the list provided  
24 by the mayor of Warwick. One director shall be appointed for a term of one year; two (2) directors,  
25 one of whom is an appointment of the governor, shall be an individual appointed after due  
26 consideration of the list submitted by the mayor of Warwick, shall be appointed for a term of two  
27 (2) years; three (3) directors shall be appointed for a term of three (3) years; and one director shall  
28 be appointed for a term of four (4) years. Appointments made thereafter shall be for four (4) year  
29 terms.

30 Any vacancy occurring in the board of directors shall be filled by the governor of the State  
31 of Rhode Island with the advice and consent of the senate in the same manner prescribed for the  
32 original appointments.

33 A director appointed to fill a vacancy of a director appointed by the governor of the State  
34 of Rhode Island shall be appointed with the advice and consent of the senate for the unexpired

1 portion of the term of office of the director whose vacancy is to be filled.

2 All members of the board of directors of the Rhode Island airport corporation shall serve  
3 without compensation.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND COMMERCE  
CORPORATION

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1           This act would require that one of the seven (7) directors of the Rhode Island airport  
2 corporation be appointed by the governor from a list of individuals submitted by the mayor of the  
3 city of Warwick.

4           This act would take effect upon passage.

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