

2013 -- H 5097

=====
LC00291
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

—————
A N A C T

RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

Introduced By: Representatives Ruggiero, Abney, and Finn

Date Introduced: January 16, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-12-4.4 of the General Laws in Chapter 45-12 entitled
2 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

3 **45-12-4.4. Borrowing in payment of certain judgments.** -- (a) A city or town may
4 authorize the issuance of bonds, notes, or other evidences of indebtedness to pay the uninsured
5 portion of any court judgment or settlement, except any court judgment or settlement arising out
6 of any pension obligation of a city or town; provided, however, that the outstanding principal
7 amount, in aggregate, shall not exceed five percent (5%) of the total amount of the city or town's
8 most recently adopted municipal budget. Notwithstanding the aforementioned, the ~~town~~ towns of
9 Coventry and Middletown are ~~is~~ authorized to issue bonds, notes, or other evidences of
10 indebtedness to pay the uninsured portion of any court judgment or settlement, except any court
11 judgment or settlement arising out of any pension obligation of a city or town; provided,
12 however, that the outstanding principal amount, in aggregate, shall not exceed ten percent (10%)
13 of the total amount of the ~~town of Coventry's~~ applicable municipality's most recently adopted
14 municipal budget.

15 (b) These bonds, notes, or other evidences of indebtedness are subject to the maximum
16 aggregate indebtedness permitted to be issued by any city or town under section 45-12-2.

17 (c) The bonds, notes, or other evidences of indebtedness may be issued to pay a
18 judgment or settlement or may be issued to pay or refund notes issued under section 45-12-4.1.

19 (d) The denominations, maturities, interest rates, methods of sale, and other terms,

1 conditions, and details of any bonds or notes issued under the provisions of this section may be
2 fixed by the vote or resolution of the city or town council authorizing them, or if no provision is
3 made in the vote or resolution, by the treasurer or other officer authorized to issue the bonds or
4 notes or to hire the money; provided, that the payment of principal of bonds shall be by sufficient
5 annual payments that will extinguish the debt at maturity, the first of these annual payments to be
6 made not later than one year, and the last payment not later than fifteen (15) years after the date
7 of the bonds.

8 (e) The bonds, notes, or other evidences of indebtedness may be issued under this section
9 by any political subdivision without obtaining the approval of its electors, notwithstanding the
10 provisions of sections 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to
11 the contrary, unless the electors when assembled in a meeting are the local legislative body for
12 the purpose of authorizing indebtedness of the political subdivision.

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

=====
LC00291
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

1 This act would authorize the town of Middletown to borrow to finance a court judgment
2 or settlement to an amount not to exceed ten percent (10%) of the town's most recently adopted
3 budget.

4 This act would take effect upon passage.

=====
LC00291
=====