

2016 -- H 7551

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LC004347  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

Introduced By: Representatives DeSimone, Palangio, Slater, and Carnevale

Date Introduced: February 10, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-38.2-4 of the General Laws in Chapter 45-38.2 entitled "School  
2 Building Authority Capital Fund" is hereby amended to read as follows:

3 **45-38.2-4. Payment of state funds.** -- (a) Subject to the provisions of subsection (b),  
4 upon the written request of the corporation, the general treasurer shall pay to the corporation,  
5 from time to time, from the proceeds of any bonds or notes issued by the state for the purposes of  
6 this chapter or funds otherwise lawfully payable to the corporation for the purposes of this  
7 chapter, such amounts as shall have been appropriated or lawfully designated for the fund. All  
8 amounts so paid shall be credited to the fund in addition to any other amounts credited or  
9 expected to be credited to the fund.

10 (b) The corporation and the state may enter into, execute, and deliver one or more  
11 agreements setting forth or otherwise determining the terms, conditions, and procedures for, and  
12 the amount, time, and manner of payment of, all amounts available from the state to the  
13 corporation under this section.

14 (c) The corporation, per order of the School Building Authority, is authorized to grant a  
15 district or municipality its state share of an approved project cost, pursuant to § 16-7-39 and 16-  
16 77.1-5. Construction pay-as-you-go grants received from the school building authority capital  
17 fund shall not be considered a form of indebtedness subject to the provisions of § 16-7-44.

18 (d)[\(1\) Notwithstanding the provisions of §§45-12-19 and 45-12-20 and notwithstanding](#)  
19 [city or town charter provisions to the contrary, prior to July 1, 2016 no voter approval shall be](#)

1 [required for loans in any amount made to a city or town for the LEA's share of total project costs.](#)

2           (2) Notwithstanding [the provisions of §§45-12-19 and 45-12-20 and notwithstanding](#) city  
3 or town charter provisions to the contrary, [on or after July 1, 2016](#) up to five hundred thousand  
4 dollars (\$500,000) may be loaned to a city or town for the LEA's share of total project costs  
5 without the requirement of voter approval.

6           (e) Notwithstanding any provision to the contrary, the term of any bond, capital lease or  
7 other financing instrument shall not exceed the useful life of the project being financed.

8           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 permit cities and towns to borrow any amount from the School Building  
2 Authority Capital Fund to fund the LEA's share of total project costs without voter approval prior  
3 to July 1, 2016. After July 1, 2016, voter approval would be required for loans in excess of  
4 \$500,000.

5           This act would take effect upon passage.

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