

2016 -- S 3043

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM

Introduced By: Senators Ruggerio, Goodwin, and Miller

Date Introduced: May 26, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. At the general election to be held on the Tuesday next after the first
2 Monday in November 2016, there shall be submitted to the people for their approval or rejection
3 the following proposition: "Shall the action of the general assembly, by an act passed at the
4 January 2016 session, authorizing the issuance of bonds, refunding bonds, and temporary notes of
5 the state for the capital projects and in the amount with respect to each such project listed below
6 be approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in
7 accordance with the provisions of said act?"

8 Project:

9 (1) ProvPort, Inc. Port of Providence \$20,000,000

10 Approval of this question will allow the State of Rhode Island to issue general obligation
11 bonds, refunding bonds and temporary notes in an amount not to exceed twenty million dollars
12 (\$20,000,000) to fund the acquisition, expansion and infrastructure improvement of up to
13 approximately 25 acres of land and facilities located between Allens Avenue in the City of
14 Providence and the Providence River by ProvPort, Inc., a non-profit entity which currently
15 provides general commercial port services in the City of Providence.

16 SECTION 2. Ballot labels and applicability of general election laws. -- The secretary of
17 state shall prepare and deliver to the state board of elections ballot labels for the projects provided
18 for in section 1 hereof with the designations "approve" or "reject" provided next to the description
19 of each such project to enable voters to approve or reject each such proposition. The general

1 election laws, so far as consistent herewith, shall apply to this proposition.

2 SECTION 3. Approval of projects by people. -- If a majority of the people voting on the
3 proposition provided for in section 1 hereof shall vote to approve the proposition as to any project
4 provided for in section 1 hereof, said project shall be deemed to be approved by the people. The
5 authority to issue bonds, refunding bonds and temporary notes of the state shall be limited to the
6 aggregate amount for all such projects as set forth in the proposition provided for in section 1
7 hereof, which has been approved by the people.

8 SECTION 4. Bonds for capital development program. -- The general treasurer is hereby
9 authorized and empowered with the approval of the governor and in accordance with the
10 provisions of this act to issue from time to time capital development bonds in serial form in the
11 name and on behalf of the state in amounts as may be specified from time to time by the governor
12 in an aggregate principal amount not to exceed the total amount for all projects approved by the
13 people and designated as "capital development loan of 2016 bonds," provided, however, that the
14 aggregate principal amount of such capital development bonds and of any temporary notes
15 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
16 exceed the total amount for all such projects as have been approved by the people.

17 Capital development bonds issued under this act shall be in denominations of one
18 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
19 of the United States which at the time of payment shall be legal tender for public and private
20 debts. These capital development bonds shall bear such date or dates, mature at specified time or
21 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in
22 which they are issued, bear interest payable semi-annually at a specified rate or different or
23 varying rates, be payable at designated time or times at specified place or places, be subject to
24 expressed terms of redemption or recall, with or without premium, be in a form, with or without
25 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt
26 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
27 approval of the governor, upon each issue of such capital development bonds at the time of each
28 issue. Whenever the governor shall approve the issuance of such capital development bonds, he
29 or she shall certify approval to the secretary of state; the bonds shall be signed by the general
30 treasurer and countersigned by the manual or facsimile signature of the secretary of state and
31 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be
32 endorsed on each bond so approved with a facsimile of his or her signature.

33 SECTION 5. Refunding of bonds for 2016 capital development program. -- The general
34 treasurer shall deposit with is hereby authorized and empowered, with the approval of the

1 governor and in accordance with the provisions of this act, to issue from time to time bonds to
2 refund the 2016 capital development program bonds in the name and on behalf of the state, in
3 amounts as may be specified from time to time by the governor in an aggregate principal amount
4 not to exceed the total amount approved by the people, to be designated as "capital development
5 program loan of 2016 refunding bonds" (hereinafter "refunding bonds").

6 The general treasurer with the approval of the governor shall fix the terms and form of
7 any refunding bonds issued under this act in the same manner as the capital development bonds
8 issued under this act, except that the refunding bonds may not mature more than twenty (20)
9 years from the date of original issue of the capital development bonds being refunded.

10 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and
11 net the underwriter's cost, and cost of bond insurance, shall, upon their receipt, be paid by the
12 general treasurer immediately to the paying agent for the capital development bonds which are to
13 be called and prepaid.

14 The paying agent shall hold the refunding bond proceeds in trust until they are applied to
15 prepay the capital development bonds. While such proceeds are held in trust, they may be
16 invested for the benefit of the state in obligations of the United States of America or the State of
17 Rhode Island.

18 If the general treasurer shall deposit with the paying agent for the capital development
19 bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when
20 invested in obligations of the United States of America or the State of Rhode Island, are sufficient
21 to pay all principal, interest, and premium, if any, on the capital development bonds until these
22 bonds are called for prepayment, then such capital development bonds shall not be considered
23 debts of the State of Rhode Island for any purpose from the date of deposit of such monies with
24 the paying agent. The refunding bonds shall continue to be a debt of the state until paid. The term
25 "bond" shall include "note," and the term "refunding bonds" shall include "refunding notes" when
26 used in this act.

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

34 The term "bond" shall include "note," and the term "refunding bonds" shall include

1 "refunding notes" when used in this act.

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

10 All monies in the capital development bond fund shall be expended for the purposes
11 specified in the proposition provided for in section 1 hereof under the direction and supervision of
12 the director of administration (hereinafter referred to as "director"). The director or his or her
13 designee shall be vested with all power and authority necessary or incidental to the purposes of
14 this act, including, but not limited to, the following authority: (a) To acquire land or other real
15 property or any interest, estate or right therein as may be necessary or advantageous to
16 accomplish the purposes of this act; (b) To direct payment for the preparation of any reports,
17 plans and specifications, and relocation expenses and other costs such as for furnishings,
18 equipment designing, inspecting and engineering, required in connection with the implementation
19 of any projects set forth in section 1 hereof; (c) To direct payment for the costs of construction,
20 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
21 improvements to land in connection with the implementation of any projects set forth in section 1
22 hereof; and (d) To direct payment for the cost of equipment, supplies, devices, materials and labor
23 for repair, renovation or conversion of systems and structures as necessary for the 2016 capital
24 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
25 expended in excess of the amount of the capital development bond fund designated for each
26 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
27 section 1, the proceeds shall be used for the following purposes:

28 Question 1 relating to bonds in the amount of twenty million dollars (\$20,000,000) will
29 be used for the acquisition, expansion and infrastructure improvement of up to approximately 25
30 acres of land and facilities located between Allens Avenue in the City of Providence and the
31 Providence River by ProvPort, Inc., a non-profit entity which currently provides general
32 commercial port services in the City of Providence.

33 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority of
34 this act shall be sold from time to time at not less than the principal amount thereof, in such mode

1 and on such terms and conditions as the general treasurer, with the approval of the governor, shall
2 deem to be for the best interests of the state.

3 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
4 discount, which may be received on the sale of the capital development bonds or notes shall
5 become part of the Rhode Island Capital Plan Fund of the state, unless directed by federal law or
6 regulation to be used for some other purpose.

7 In the event that the amount received from the sale of the capital development bonds or
8 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
9 be used to the extent possible to retire the bonds as the same may become due, to redeem them in
10 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
11 approval of the governor, shall deem to be for the best interests of the state.

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

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

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

34 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not

1 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
2 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
3 appropriated.

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO CAPITAL DEVELOPMENT PROGRAM

1 This act would provide for a bond referendum which would authorize the issuance of
2 bonds, refunding bonds, and temporary notes of the state in the aggregate amount of twenty
3 million dollars (\$20,000,000) to fund the acquisition, expansion and infrastructure improvement
4 of up to approximately 25 acres of land and facilities located between Allens Avenue in the City
5 of Providence and the Providence River by ProvPort, Inc. at the election to be held in November,
6 2016.

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

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