

2018 -- H 7876

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

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

Introduced By: Representative Gregg Amore

Date Introduced: February 28, 2018

Referred To: House Corporations

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

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

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

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

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

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

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

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

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

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

33 (e) The East Providence Waterfront District shall, with the approval of its commission
34 and the board of directors of the corporation, be a subsidiary of the Rhode Island commerce

1 corporation for the purposes of exercising such powers of the corporation as the board of
2 directors shall determine, and notwithstanding the requirements of subsection (b), the act creating
3 the District shall be deemed fully satisfactory for the purposes of this section regarding the
4 establishment of subsidiary public corporations, and the express approval and authorization of the
5 general assembly shall be deemed to have been given for all legal purposes for the creation and
6 lawful management of a subsidiary corporation created for the purposes of implementing the
7 purposes of the District. Furthermore, the composition of the East Providence waterfront district
8 commission shall be appointed as follows:

9 (1) The city council of East Providence shall have two (2) appointees from among the
10 city residents or property owners, nominated by the council president and appointed by the full
11 city council for two (2) year terms on a rotating basis each February. One appointee shall have
12 experience in engineering or architecture and the other shall be a member from the general
13 public;

14 (2) The mayor of East Providence shall have two (2) appointees from among the city
15 residents or property owners; one appointee shall have experience in economic development or
16 planning and the other shall be a member from the general public. Appointments shall be for four
17 (4) year terms on August of even numbered years;

18 (3) That the East Providence Chamber of Commerce shall nominate a member from the
19 East Providence business community subject to the assent of the mayor and approval of the city
20 council for a term of three (3) years;

21 (4) The governor, with the advice and consent of the senate, shall have four (4)
22 appointees; one with experience in construction related labor, one with experience in commercial
23 real-estate, one with experience in finance and one from the general public for a four (4) year
24 term on a rotating basis each March;

25 (5) The position of chairperson, vice-chairperson and secretary be elected from among
26 the appointed commissioners on a yearly basis; and

27 (6) The mayor or the mayor's designee and the council president or designated city
28 council member shall serve as exofficio non-voting members.

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

33 (g) The I-195 redevelopment district shall be a subsidiary of the Rhode Island commerce
34 corporation for the purposes of exercising such powers of the corporation as the board of

1 directors shall determine, and notwithstanding the requirements of subsection (b), the chapter
2 creating the district shall be deemed fully satisfactory for the purposes of this section regarding
3 the establishment of subsidiary public corporations, and the express approval and authorization of
4 the general assembly shall be deemed to have been given for all legal purposes for the creation
5 and lawful management of a subsidiary corporation created for the purposes of implementing the
6 purposes of the district.

7 (h) The Rhode Island airport corporation -- appointment of directors:

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

11 The governor of the State of Rhode Island shall appoint, with the advice and consent of
12 the senate when nominated to serve, the seven (7) members of the board of directors. One director
13 shall be appointed for a term of one year; two (2) directors shall be appointed for a term of two
14 (2) years; three (3) directors shall be appointed for a term of three (3) years; and one director shall
15 be appointed for a term of four (4) years. Appointments made thereafter shall be for four (4) year
16 terms.

17 Any vacancy occurring in the board of directors shall be filled by the governor of the
18 State of Rhode Island in the same manner prescribed for the original appointments.

19 A director appointed to fill a vacancy of a director appointed by the governor of the State
20 of Rhode Island shall be appointed for the unexpired portion of the term of office of the director
21 whose vacancy is to be filled.

22 All members of the board of directors of the Rhode Island airport corporation shall serve
23 without compensation.

24 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
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- 1 This act would include the East Providence Waterfront District Commission's
- 2 appointment process within its subsidiary creation.
- 3 This act would take effect upon passage.

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