It is enacted by the General Assembly as follows:

SECTION 1. Section 45-2-35.2 of the General Laws in Chapter 45-2 entitled “General Powers” is hereby amended to read as follows:

45-2-35.2. Town of Narragansett -- Landing fee.

(a) The town of Narragansett is hereby authorized to charge, assess, or otherwise collect a thirty-five cents ($0.35) fifty cents ($0.50) landing fee on each passenger over the age of twelve (12) arriving in the Port of Galilee, Narragansett, Rhode Island, by public or private boat; provided, however, that this provision shall not apply to vessels when they are engaged in commercial fishing. All fees collected, less expenses of collection, if any, shall be utilized by the town of Narragansett to protect the health, safety, and welfare of all passengers, including, but not limited to, emergency medical services, acquisition of both personal and real property to provide support to the ferry passengers, and to establish a fund to assist the town of Narragansett in resolving problems which arise due to the impact of vessels landing passengers in the town of Narragansett. The town of Narragansett may enter into agreements with any common carriers by water operating in the town of Narragansett and any operator of a marina in the town of Narragansett authorizing the common carrier or marina operator to collect the landing fee on behalf of the town of Narragansett. The agreement shall provide for the payment of a reasonable fee, (not to exceed fifteen percent) (15%) of the landing fee, by the town to the common water carrier or marina operator and indemnification of the water carrier or marina operator from and against any liability to, or claim of liability by
third parties, arising from the collection of the boarding fee. All such common carriers shall collect
the landing fee on behalf of the town of Narragansett, by including the amount of the fee in its rate
and charge to adult passengers without the necessity of approval of the landing fee from the public
utilities commission ("PUC") or the division of public utilities and carriers ("DPUC") under Title
39. The landing fee authorized by this chapter does not apply to any persons receiving free
transportation from the public utility under § 39-2-5. The town council of the town of Narragansett
shall promulgate rules and regulations to implement the provisions of this section. The town of
Narragansett may seek no fees from the common carriers other than those set forth in this section;
provided, however, that this sentence shall not preclude the taxation of property, but not the vessels,
of the common carriers pursuant to Title 44.

(b) The rate relief previously authorized by the PUC for Interstate Navigation Company in
1997 (PUC Docket No. 2484) which authorized the increase of Interstate Navigation Company's
rates (except the Block Island Passenger Commuter Rate) by one and four-tenths percent (1.4%) in
order to pay for property taxes assessed against Interstate Navigation Company's vessels by the
town of Narragansett shall continue in full force and effect until June 1, 2002. Notwithstanding the
restriction placed by the PUC on the money collected by Interstate Navigation Company pursuant
to this rate relief, the money shall be disposed of as follows: (1) from the monies collected as of
June 30, 2001, Interstate Navigation Company shall make a one time payment to the town of
Narragansett of eighty-five thousand dollars ($85,000) and the town of Narragansett shall be
authorized to retain the fifteen thousand dollars ($15,000) previously paid to it by Interstate
Navigation Company; (2) the balance of the funds collected as of June 30, 2001, are to be invested
in equipment and facilities to serve the rate payers of Interstate Navigation Company subject to
DPUC subsequent verification of that investment. If a dispute arises regarding the disposition of
the funds as set forth in this section, then the DPUC or Interstate Navigation Company may petition
the PUC for review, and the decision of the PUC shall be final and binding and not appealable. For
purposes of this section, the use of such funds by Interstate Navigation Company for: (1) the repair
and/or replacement of the bulkhead and related facilities at Interstate's Block Island facility; or (2)
Interstate's expenses related to the construction of its new terminal facility in Galilee, including the
construction of facilities for the connector road lots; and/or (3) the pre-payment of principal and
related pre-payment fees on the loan outstanding for the M/V Block Island, shall be deemed to be
equipment and facilities that serve the rate payers of Interstate Navigation and shall not be subject
to any prior review or approval by the DPUC and/or PUC; provided that subsequent verification
and approval shall remain within the purview of the DPUC and PUC for rate making purposes.
Any expenditures out of the funds collected as of June 30, 2001, for any other purposes shall require
the prior approval of the DPUC to assure that the proposed expenditures are in the best interest of the rate payers. If a dispute arises between Interstate Navigation Company and the DPUC as to such proposed expenditures, then the DPUC or Interstate Navigation Company may petition the PUC for review.

(c) From the funds collected between July 1, 2001 and May 31, 2002, one-third (⅓) of the total shall be paid to the town of Narragansett in June, 2002, and the balance shall be retained by Interstate Navigation Company to be invested in equipment and facilities to serve the rate payers of Interstate Navigation Company. Interstate Navigation Company shall be required to obtain the prior approval of the DPUC in order to expend these funds. If a dispute arises regarding the disposition of these funds as set forth in this section, the DPUC or Interstate Navigation Company may petition the PUC for review.

(d) As to property over which the town of Narragansett has regulatory control, the town of Narragansett may not prohibit overnight parking on private property and currently existing parking lots in Galilee, and there will be no mandatory offsite parking for cars in Galilee.

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

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO TOWNS AND CITIES -- GENERAL POWERS -- TOWN OF NARRAGANSETT -- LANDING FEE

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1 This act would increase the landing fee at the Port of Galilee in the town of Narragansett from thirty-five cents ($0.35) to fifty cents ($0.50).

2 This act would take effect upon passage.

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LC005891/SUB A

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