2024 -- S 2496

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2024

A N A C T
RELATING TO THE CAPITAL DEVELOPMENT PROGRAM

Introduced By: Senators DiPalma, Valverde, Burke, Miller, Felag, Bissaillon, Pearson, Lawson, Murray, and Acosta

Date Introduced: February 21, 2024
Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Proposition to be submitted to the people. -- At the general election to be held on the Tuesday next after the first Monday in November 2024, there shall be submitted to the people ("People") of the State of Rhode Island ("State"), for their approval or rejection, the following proposition:

"Shall the action of the general assembly, by an act passed at the January 2024 session, authorizing the issuance of bonds, refunding bonds, and temporary notes of the State of Rhode Island for the capital projects and in the amount with respect to each such project listed below be approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the provisions of said act?"

Project

(1) Green Economy Bonds $66,000,000

Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and/or temporary notes in an amount not to exceed sixty-six million dollars ($66,000,000) for environmental and recreational purposes, to be allocated as follows:

(a) Port of Davisville Infrastructure at Quonset $20,000,000

Provides twenty million dollars ($20,000,000) for infrastructure projects that will support the continued growth and modernization at the Port of Davisville. This investment will finance the Port master plan. The work will include new port access roads, laydown area improvements, and security upgrades to support the new Terminal Five Pier. These projects will upgrade World War
II-era infrastructure and position Davisville to accommodate offshore wind project cargo and logistics staging while continuing to support the Port’s existing businesses.

(b) Climate Resiliency and Public Access Projects $2,000,000

Provides two million dollars ($2,000,000) for up to seventy-five percent (75%) matching grants to public and nonprofit entities for restoring and/or improving resiliency of vulnerable coastal habitats and restoring rivers and stream floodplains. These funds are expected to leverage significant matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation.

(c) Brownfields Remediation and Economic Development $5,000,000

Provides five million dollars ($5,000,000) for up to eighty percent (80%) matching grants to public, private, and/or nonprofit entities for brownfield remediation projects.

(d) Local Recreation Projects $5,000,000

Provides five million dollars ($5,000,000) for up to eighty percent (80%) matching grants for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the growing needs for active outdoor recreational facilities.

(e) Municipal Resiliency $10,000,000

Provides ten million dollars ($10,000,000) to provide financial assistance to municipalities for restoring and/or improving resiliency of infrastructure, vulnerable coastal habitats, and restoring rivers and stream floodplains. These funds will be prioritized to leverage significant matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation.

(f) Newport Cliff Walk $8,000,000

Provides eight million dollars ($8,000,000) for restoring and improving the resiliency of the historic statewide tourism infrastructure of the public access walkway known as the Newport Cliff Walk located in Newport, Rhode Island.

(g) Agriculture Land Preservation Committee $5,000,000

Provides five million dollars ($5,000,000) to the agricultural land preservation committee for farmland protection.

(h) Open Space Program $5,000,000

Provides five million dollars ($5,000,000) to the department of environmental management to bring state open space program amounts back to historic levels.

(i) Local Open Space Program $3,000,000

Provides three million dollars ($3,000,000) to support local open space program.

(j) Forests and Habitat Management $3,000,000
Provides three million dollars ($3,000,000) to the department of environmental
management, division of agriculture and forest environment, to fund forests and habitat
management on state property.

SECTION 2. Ballot labels and applicability of general election laws. -- The Secretary of
State shall prepare and deliver to the State Board of Elections ballot labels for each of the projects
provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the
description of each such project to enable voters to approve or reject each such proposition. The
general election laws, so far as consistent herewith, shall apply to this proposition.

SECTION 3. Approval of projects by the people. -- If a majority of the People voting on
the proposition in Section 1 hereof shall vote to approve any project stated therein, said project
shall be deemed to be approved by the People. The authority to issue bonds, refunding bonds and/or
temporary notes of the State shall be limited to the aggregate amount for all such projects as set
forth in the proposition, which has been approved by the People.

SECTION 4. Bonds for the capital development program. -- The General Treasurer is
hereby authorized and empowered, with the approval of the Governor, and in accordance with the
provisions of this Act to issue capital development bonds in serial form, in the name of and on
behalf of the State of Rhode Island, in amounts as may be specified by the Governor in an aggregate
principal amount not to exceed the total amount for all projects approved by the People and
designated as "capital development loan of 2024 bonds." Provided, however, that the aggregate
principal amount of such capital development bonds and of any temporary notes outstanding at any
one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount
for all such projects approved by the People. All provisions in this Act relating to "bonds" shall
also be deemed to apply to "refunding bonds."

Capital development bonds issued under this Act shall be in denominations of one thousand
dollars ($1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
United States which at the time of payment shall be legal tender for public and private debts. These
capital development bonds shall bear such date or dates, mature at specified time or times, but not
mature beyond the end of the twentieth State fiscal year following the fiscal year in which they are
issued; bear interest payable semi-annually at a specified rate or different or varying rates: be
payable at designated time or times at specified place or places; be subject to express terms of
redemption or recall, with or without premium; be in a form, with or without interest coupons
attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,
upon each issue of such capital development bonds at the time of each issue. Whenever the
Governor shall approve the issuance of such capital development bonds, the Governor’s approval shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and countersigned by Secretary of State and shall bear the seal of the State. The signature approval of the Governor shall be endorsed on each bond.

SECTION 5. Refunding bonds for the 2024 capital development program.-- The General Treasurer is hereby authorized and empowered, with the approval of the Governor, and in accordance with the provisions of this Act, to issue bonds to refund the 2024 capital development program bonds, in the name of and on behalf of the State, in amounts as may be specified by the Governor in an aggregate principal amount not to exceed the total amount approved by the People, to be designated as “capital development program loan of 2024 refunding bonds” (hereinafter "Refunding Bonds").

The General Treasurer with the approval of the Governor shall fix the terms and form of any Refunding Bonds issued under this Act in the same manner as the capital development bonds issued under this Act, except that the Refunding Bonds may not mature more than twenty (20) years from the date of original issue of the capital development bonds being refunded.

The proceeds of the Refunding Bonds, exclusive of any premium and accrual interest and net the underwriters’ cost, and cost of bond issuance, shall, upon their receipt, be paid by the General Treasurer immediately to the paying agent for the capital development bonds which are to be called and prepaid. The paying agent shall hold the Refunding Bond proceeds in trust until they are applied to prepay the capital development bonds. While such proceeds are held in trust, the proceeds may be invested for the benefit of the State in obligations of the United States of America or the State of Rhode Island.

If the General Treasurer shall deposit with the paying agent for the capital development bonds the proceeds of the Refunding Bonds, or proceeds from other sources, amounts that, when invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all principal, interest, and premium, if any, on the capital development bonds until these bonds are called for prepayment, then such capital development bonds shall not be considered debts of the State of Rhode Island for any purpose starting from the date of deposit of such monies with the paying agent. The Refunding Bonds shall continue to be a debt of the State until paid.

The term "bond" shall include "note," and the term "refunding bonds" shall include "refunding notes" when used in this Act.

SECTION 6. Proceeds of the capital development program.-- The General Treasurer is directed to deposit the proceeds from the sale of capital development bonds issued under this Act, exclusive of premiums and accrued interest and net the underwriters’ cost, and cost of bond...
issuance, in one or more of the depositories in which the funds of the State may be lawfully kept in
special accounts (hereinafter cumulatively referred to as "such capital development bond fund")
appropriately designated for each of the projects set forth in Section 1 hereof which shall have been
approved by the People to be used for the purpose of paying the cost of all such projects so
approved.

All monies in the capital development bond fund shall be expended for the purposes
specified in the proposition provided for in Section 1 hereof under the direction and supervision of
the Director of Administration (hereinafter referred to as "Director"). The Director, or designee
shall be vested with all power and authority necessary or incidental to the purposes of this Act
including, but not limited to, the following authority:

(1) To acquire land or other real property or any interest, estate or right therein as may be
necessary or advantageous to accomplish the purposes of this Act;

(2) To direct payment for the preparation of any reports, plans and specifications, and
relocation expenses and other costs such as for furnishings, equipment designing, inspecting and
engineering, required in connection with the implementation of any projects set forth in Section 1
hereof;

(3) To direct payment for the costs of construction, rehabilitation, enlargement, provision
of service utilities, and razing of facilities, and other improvements to land in connection with the
implementation of any projects set forth in Section 1 hereof; and

(4) To direct payment for the cost of equipment, supplies, devices, materials and labor for
repair, renovation or conversion of systems and structures as necessary for the 2024 capital
development program bonds or notes hereunder from the proceeds thereof. No funds shall be
expended in excess of the amount of the capital development bond fund designated for each project
authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section
1, the proceeds shall be used for the following purposes:

Question 1, relating to bonds in the amount of sixty-six million dollars ($66,000,000) for
environmental and recreational purposes, to be allocated as follows:

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to bring state open space program amounts back to historic levels.

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management, division of agriculture and forest environment, to fund forests and habitat
management on state property.

SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority of this Act shall be sold at not less than the principal amount thereof, in such mode and on such terms and conditions as the General Treasurer, with the approval of the Governor, shall deem to be in the best interests of the State.

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

In the event that the amount received from the sale of the capital development bonds or notes exceeds the amount necessary for the purposes stated in Section 6 hereof, the surplus may be used to the extent possible to retire the bonds as the same may become due, to redeem them in accordance with the terms thereof or otherwise to purchase them as the General Treasurer, with the approval of the Governor, shall deem to be in the best interests of the state.

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

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

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

SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise appropriated.

SECTION 11. Advances from general fund. -- The General Treasurer is authorized, with the approval of the Director and the Governor, in anticipation of the issue of notes or bonds under the authority of this Act, to advance to the capital development bond fund for the purposes specified in Section 6 hereof, any funds of the State not specifically held for any particular purpose; provided, however, that all advances made to the capital development bond fund shall be returned to the general fund from the capital development bond fund forthwith upon the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds to the extent of such advances.

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

SECTION 13. Effective Date. -- Sections 1, 2, 3, 11, 12 and Section 13 of this act shall take effect upon passage. The remaining sections of this act shall take effect when and if the State Board of Elections shall certify to the Secretary of State that a majority of the qualified electors voting on the proposition contained in Section 1 hereof have indicated their approval of all or any projects thereunder.
This act would authorize the submission of proposals for several bonds to the people of the state at the general election to be held in November, 2024. These bonds relate to capital development and the "green economy."

Sections 1, 2, 3, 11, 12 and Section 13 of this act would take effect upon passage. The remaining sections of this act would take effect when and if the State Board of Elections shall certify to the Secretary of State that a majority of the qualified electors voting on the proposition contained in Section 1 hereof have indicated their approval of all or any projects thereunder.

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