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ARTICLE 2

RELATING TO BORROWING IN ANTICIPATION OF RECEIPTS FROM TAXES

SECTION 1. (a) The state of Rhode Island is hereby authorized to borrow during its fiscal year ending June 30, 2013, in anticipation of receipts from taxes such sum or sums, at such time or times and upon such terms and conditions not inconsistent with the provisions and limitations of Section 17 of Article VI of the constitution of Rhode Island, as the general treasurer, with the advice of the Governor, shall deem for the best interests of the state, provided that the amounts so borrowed shall not exceed two hundred fifty hundred million dollars (\$250,000,000), at any time outstanding. The state is hereby further authorized to give its promissory note or notes signed by the general treasurer and counter-signed by the secretary of state for the payment of any sum so borrowed. Any such proceeds shall be invested by the general treasurer until such time as they are needed. The interest income earned from such investments shall be used to pay the interest on the promissory note or notes, or other forms of obligations, and any expense of issuing the promissory note or notes, or other forms of obligations, with the balance remaining at the end of said fiscal year, if any, shall be used toward the payment of long-term debt service of the state, unless prohibited by federal law or regulation.

(b) Notwithstanding any other authority to the contrary, duly authorized bonds or notes of the state issued during the fiscal year ending June 30, 2013 may be issued in the form of commercial paper, so-called. In connection herewith, the state, acting through the general treasurer, may enter into agreements with banks, trust companies or other financial institutions within or outside the state, whether in the form of letters or lines of credit, liquidity facilities, insurance or other support arrangements. Any notes issued as commercial paper shall be in such amounts and bear such terms as the general treasurer, with the advice of the governor, shall determine, which may include provisions for prepayment at any time with or without premium at the option of the state. Such notes may be sold at a premium or discount, and may bear interest or not and, if interest bearing, may bear interest at such rate or rates variable from time to time as determined by the Federal Reserve Bank Composite Index of Commercial Paper, or the Municipal Market Data General Market Index or other similar commercial paper offerings, or other method specified in any agreement with brokers for the placement or marketing of any such notes issued as commercial paper, or other like agreements. Any such agreement may also

1 include such other covenants and provisions for protecting the rights, security and remedies of the
2 lenders as may, in the discretion of the general treasurer, be reasonable, legal and proper. The
3 general treasurer may also enter into agreements with brokers for the placement or marketing of
4 any such notes of the state issued as commercial paper. Any notes to the state issued as
5 commercial paper in anticipation of receipts from taxes in any fiscal year must also be issued in
6 accordance with the provisions of Section 17 of Article VI of the constitution of Rhode Island and
7 within the limitations set forth in Subsection (a) of Section 1 of this Article.

8 (c) Notwithstanding any other authority to the contrary, other forms of obligations of the
9 state not to exceed twenty million dollars (\$20,000,000) of the two hundred fifty hundred million
10 dollar (\$250,000,000) amount authorized in Section 1 may be issued during the fiscal year ending
11 June 30, 2013 in the form of a commercial or business credit account, at any time outstanding,
12 with banks, trust companies or other financial institutions within or outside the state in order to
13 finance a payables incentive program for the state with its vendors. Any such forms of obligations
14 entered into pursuant to this subsection shall be in such amounts and bear such terms as the
15 general treasurer, with the advice of the governor, shall determine which may include provisions
16 for prepayment at any time with or without premium at the option of the state. Any such forms of
17 obligations entered into pursuant to this subsection may also include such other covenants and
18 provisions for protecting the rights, security and remedies of the lenders as may, in the discretion
19 of the general treasurer, be reasonable, legal and proper. Any such forms of obligations entered
20 into pursuant to this subsection must also be issued in accordance with the provisions of Section
21 17 of Article VI of the Constitution of Rhode Island and within the limitations set forth in
22 Subsection (a) of Section 1 of this Article.

23 SECTION 2. This article shall take effect upon passage.