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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM - UNIVERSITY OF RHODE
ISLAND INNOVATION CAMPUS

Introduced By: Representatives Fogarty, Tanzi, Craven, Gallison, and Maldonado

Date Introduced: March 04, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Proposition to be submitted to the people – University of Rhode Island
2 Innovation Campus. -- At the general election to be held on the Tuesday next after the first
3 Monday in November 2016, there shall be submitted to the people for their approval or rejection
4 the following proposition:

5 "Shall the action of the general assembly, by an act passed at the January 2016 session,
6 authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the
7 capital project at the University of Rhode Island and in the amount of twenty million dollars
8 (\$20,000,000) be approved, and the issuance of bonds, refunding bonds, and temporary notes
9 authorized in accordance with the provisions of said act?"

10 Project:

11 (a) Innovation Campus at the University of Rhode Island \$20,000,000

12 Provides twenty million dollars (\$20,000,000) to build one or more innovation campuses
13 at the University of Rhode Island involving a university/business collaboration where cutting-
14 edge research can be turned into new products, services and businesses.

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

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

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

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

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

34 SECTION 5. Refunding bonds for the University of Rhode Island 2016 capital

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

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

11 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and
12 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the
13 general treasurer immediately to the paying agent for the capital development bonds which are to
14 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they
15 are applied to prepay the capital development bonds. While such proceeds are held in trust, they
16 may be invested for the benefit of the state in obligations of the United States of America or the
17 State of 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 or the State of Rhode Island, are sufficient to pay all
21 principal, interest, and premium, if any, on the capital development bonds until these bonds are
22 called for prepayment, then such capital development bonds shall not be considered debts of the
23 State of Rhode Island for any purpose from the date of deposit of such monies with the paying
24 agent. The refunding bonds shall continue to be a debt of the state until paid.

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

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

34 All monies in the capital development bond fund shall be expended for the purposes

1 specified in the proposition provided for in section 1 hereof under the direction and supervision of
2 the director of administration (hereinafter referred to as "director"). The director or their designee
3 shall be vested with all power and authority necessary or incidental to the purposes of this act,
4 including but not limited to, the following authority:

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

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

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

14 (4) To direct payment for the cost of equipment, supplies, devices, materials and labor for
15 repair, renovation or conversion of systems and structures as necessary for the 2016 capital
16 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
17 expended in excess of the amount of the capital development bond fund designated for the project
18 authorized in section 1 hereof. With respect to the bonds and temporary notes described in section
19 1, the proceeds shall be used for the following purposes:

20 (a) Innovation Campus at the University of Rhode Island \$20,000,000

21 Provides funds to build one or more innovation campuses involving a university/business
22 collaboration where cutting-edge research can be turned into new products, services, and
23 businesses. The state will run a competitive selection process to determine the location and type
24 of campus or campuses to build. A winning proposal must involve a Rhode Island-based
25 university, more than match the state's investment with private or federal funds, include at least
26 one business partner, and spur a substantial number of new jobs at a variety of skill levels.
27 Preference will be given to proposals that include a state university as a sponsor.

28 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority of
29 this act shall be sold from time to time at not less than the principal amount thereof, in such mode
30 and on such terms and conditions as the general treasurer, with the approval of the governor, shall
31 deem to be for the best interests of the state.

32 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
33 discount, which may be received on the sale of the capital development bonds or notes shall
34 become part of the Rhode Island Capital Plan Fund of the state, unless directed by federal law or

1 regulation to be used for some other purpose.

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

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

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

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

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

33 SECTION 11. Advances from general fund. -- The general treasurer is authorized from
34 time to time with the approval of the director and the governor, in anticipation of the issue of

1 notes or bonds under the authority of this act, to advance to the capital development bond fund for
2 the purposes specified in section 6 hereof, any funds of the state not specifically held for any
3 particular purpose; provided, however, that all advances made to the capital development bond
4 fund shall be returned to the general fund from the capital development bond fund forthwith upon
5 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
6 to the extent of such advances.

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

19 SECTION 13. Effective Date. -- Sections 1, 2, 3, 11, 12 and this section 13 of this act
20 shall take effect upon passage. The remaining sections of this act shall take effect when and if the
21 state board of elections shall certify to the secretary of state that a majority of the qualified
22 electors voting on the proposition contained in section 1 hereof have indicated their approval of
23 any projects thereunder.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM - UNIVERSITY OF RHODE
ISLAND INNOVATION CAMPUS

1 This act would authorize a referendum to be submitted at the November 2016 election
2 which would authorize the issuance of twenty million dollars (\$20,000,000) in bonds to develop
3 an innovation campus at the University of Rhode Island.

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

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