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# ARTICLE 5

## RELATING TO CAPITAL DEVELOPMENT PROGRAM

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 2018, 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 2018 session, authorizing the issuance of bonds, refunding bonds, and/or 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/or temporary notes authorized in accordance with the provisions of said act?"

**Project**

(1) Rhode Island School Buildings \$250,000,000

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 two-hundred-fifty million dollars (\$250,000,000) over a five (5) year period, and not to exceed one-hundred million dollars (\$100,000,000) in any one (1) year, to provide direct funding for foundational level school housing aid and the school building authority capital fund with the amount of the allocation between the two (2) programs to be determined by the School Building Authority as designated in Chapter 105, Title 16 of the General Laws.

(2) Higher Education Facilities \$70,000,000

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 seventy million dollars (\$70,000,000) to higher education facilities, to be allocated as follows:

(a) University of Rhode Island Narragansett Bay Campus \$45,000,000

Provides forty-five million dollars (\$45,000,000) to fund repairs and construct new facilities on the University of Rhode Island's Narragansett Bay campus in support of the educational and research needs for the marine disciplines.

(b) Rhode Island College School of Education and Human Development \$25,000,000

Provides twenty-five million dollars (\$25,000,000) to fund the renovation of Horace Mann

1 Hall on the campus of Rhode Island College, which houses the School of Education and Human  
2 Development.

3 (3) Green Economy and Clean Water \$48,500,000

4 Approval of this question will allow the State of Rhode Island to issue general obligation  
5 bonds, refunding bonds, and/or temporary notes in an amount not to exceed forty-eight million five  
6 hundred thousand dollars (\$48,500,000) for environmental and recreational purposes, to be  
7 allocated as follows:

8 (a) Coastal Resiliency and Public Access Projects \$5,000,000

9 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching  
10 grants to public and non-profit entities for restoring and/or improving resiliency of vulnerable  
11 coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage  
12 significant matching funds to support local programs to improve community resiliency and public  
13 safety in the face of increased flooding, major storm events, and environmental degradation.

14 (b) Capital for Clean Water and Drinking Water \$6,100,000

15 Provides six million one hundred thousand dollars (\$6,100,000) for clean water and  
16 drinking water infrastructure improvements. Projects range from wastewater treatment upgrades  
17 and storm water quality improvements to combine sewer overflow abatement projects.

18 (c) Wastewater Treatment Facility Resilience Improvements \$5,000,000

19 Provides five million dollars (\$5,000,000) for up to fifty percent (50%) matching grants  
20 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased  
21 flooding, major storm events and environmental degradation.

22 (d) Dam Safety \$4,400,000

23 Provides four million four hundred thousand dollars (\$4,400,000) for repairing and/or  
24 removing state-owned dams.

25 (e) State Recreation Projects Program \$10,000,000

26 Provides ten million dollars (\$10,000,000) for capital improvements to state recreational  
27 facilities, including Fort Adams State Park.

28 (f) State Bikeway Development Program \$5,000,000

29 Provides five million dollars (\$5,000,000) for the State to design, repair, and construct  
30 bikeways, including the East Bay bike path.

31 (g) Brownfield Remediation and Economic Development \$4,000,000

32 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants  
33 to public, private, and/or non-profit entities for brownfield remediation projects.

34 (h) Local Recreation Projects \$5,000,000

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

4 (i) Access to Farmland \$2,000,000

5 Provides two million dollars (\$2,000,000) to protect the State's working farms through the  
6 State Farmland Access Program and the purchase of Development Rights by the Agricultural Lands  
7 Preservation Commission

8 (j) Local Open Space \$2,000,000

9 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to  
10 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,  
11 development rights, or conservation easements on open space and urban parklands.

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

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

22 SECTION 4. Bonds for capital development program. -- The General Treasurer is  
23 hereby authorized and empowered, with the approval of the Governor, and in accordance with the  
24 provisions of this Act to issue capital development bonds in serial form, in the name of and on  
25 behalf of the State of Rhode Island, in amounts as may be specified by the Governor in an aggregate  
26 principal amount not to exceed the total amount for all projects approved by the People and  
27 designated as "capital development loan of 2018 bonds." Provided, however, that the aggregate  
28 principal amount of such capital development bonds and of any temporary notes outstanding at any  
29 one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount  
30 for all such projects approved by the People. All provisions in this Act relating to "bonds" shall  
31 also be deemed to apply to "refunding bonds."

32 Capital development bonds issued under this Act shall be in denominations of one thousand  
33 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the  
34 United States which at the time of payment shall be legal tender for public and private debts. These

1 capital development bonds shall bear such date or dates, mature at specified time or times, but not  
2 mature beyond the end of the twentieth (20<sup>th</sup>) State fiscal year following the fiscal year in which  
3 they are issued; bear interest payable semi-annually at a specified rate or different or varying rates:  
4 be payable at designated time or times at specified place or places; be subject to express terms of  
5 redemption or recall, with or without premium; be in a form, with or without interest coupons  
6 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration  
7 and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,  
8 upon each issue of such capital development bonds at the time of each issue. Whenever the  
9 Governor shall approve the issuance of such capital development bonds, the Governor's approval  
10 shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and  
11 countersigned by Secretary of State and shall bear the seal of the State. The signature approval of  
12 the Governor shall be endorsed on each bond.

13 SECTION 5. Refunding bonds for 2018 capital development program. -- The General  
14 Treasurer is hereby authorized and empowered, with the approval of the Governor, and in  
15 accordance with the provisions of this Act, to issue bonds to refund the 2018 capital development  
16 program bonds, in the name of and on behalf of the state, in amounts as may be specified by the  
17 Governor in an aggregate principal amount not to exceed the total amount approved by the People,  
18 to be designated as "capital development program loan of 2018 refunding bonds" (hereinafter  
19 "Refunding Bonds").

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

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

31 If the General Treasurer shall deposit with the paying agent for the capital development  
32 bonds the proceeds of the Refunding Bonds, or proceeds from other sources, amounts that, when  
33 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all  
34 principal, interest, and premium, if any, on the capital development bonds until these bonds are

1 called for prepayment, then such capital development bonds shall not be considered debts of the  
2 State of Rhode Island for any purpose starting from the date of deposit of such moneys with the  
3 paying agent. The Refunding Bonds shall continue to be a debt of the State until paid.

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

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

14 All monies in the capital development bond fund shall be expended for the purposes  
15 specified in the proposition provided for in Section 1 hereof under the direction and supervision of  
16 the Director of Administration (hereinafter referred to as "Director"). The Director or his or her  
17 designee shall be vested with all power and authority necessary or incidental to the purposes of this  
18 Act, including but not limited to, the following authority: (a) to acquire land or other real property  
19 or any interest, estate or right therein as may be necessary or advantageous to accomplish the  
20 purposes of this Act; (b) to direct payment for the preparation of any reports, plans and  
21 specifications, and relocation expenses and other costs such as for furnishings, equipment  
22 designing, inspecting and engineering, required in connection with the implementation of any  
23 projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,  
24 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other  
25 improvements to land in connection with the implementation of any projects set forth in Section 1  
26 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor  
27 for repair, renovation or conversion of systems and structures as necessary for the 2018 capital  
28 development program bonds or notes hereunder from the proceeds thereof. No funds shall be  
29 expended in excess of the amount of the capital development bond fund designated for each project  
30 authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section  
31 1, the proceeds shall be used for the following purposes:

32 Question 1, relating to bonds in the amount of two hundred-fifty million dollars  
33 (\$250,000,000) to provide funding for the construction, renovation, and rehabilitation of the state's  
34 public schools.

1           Question 2, relating to bonds in the amount of seventy million dollars (\$70,000,000) to  
2 provide funding for higher education facilities to be allocated as follows:

3           (a) Rhode Island College School of Education and Human Development   \$25,000,000

4           Provides twenty-five million dollars (\$25,000,000) to renovate Horace Mann Hall on the  
5 campus of Rhode Island College in Providence. Horace Mann Hall houses the Feinstein School of  
6 Education and Human Development, the historical leader in producing Rhode Island’s public  
7 school teachers. The facility has exceeded its useful life with no major renovations since it was  
8 constructed in 1969. The renovation will allow the Feinstein School of Education and Human  
9 Development to ensure its curriculum and programming are among the best in the nation and create  
10 a top learning environment for students.

11          (b) University of Rhode Island Narragansett Bay Campus                 \$45,000,000

12          Provides forty-five million dollars (\$45,000,000) to renovate, build additions, and  
13 construct new facilities, including a new Ocean Innovation Center building, to support the ongoing  
14 and evolving educational and research needs in marine biology, oceanography, oceanic  
15 instrumentation and other marine disciplines at the Narragansett Bay Campus. Constructing new  
16 facilities will allow the University to accommodate a new one hundred twenty-five million dollars  
17 (\$125,000,000) National Science Foundation federal research vessel and other University-  
18 supported research vessels at the University’s Narragansett Bay campus facilities.

19          Question 3, relating to bonds in the amount of exceed forty-eight million five hundred  
20 thousand dollars (\$48,500,000) for environmental and recreational purposes, to be allocated as  
21 follows:

22          (a) Coastal Resiliency and Public Access Projects                             \$5,000,000

23          Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching  
24 grants to public and non-profit entities for restoring and/or improving resiliency of vulnerable  
25 coastal habitats, and restoring rivers and stream floodplains.

26          (b) Capital for Clean Water and Drinking Water                                 \$6,100,000

27          Provides six million one hundred thousand dollars (\$6,100,000) for clean water and  
28 drinking water infrastructure improvements such as from wastewater treatment upgrades and storm  
29 water quality improvements to combined sewer overflow abatement projects.

30          (c) Wastewater Treatment Facility Resilience Improvements                 \$5,000,000

31          Provides five million dollars (\$5,000,000) for up to fifty percent (50%) matching grants  
32 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased  
33 flooding, major storm events, and environmental degradation.

34          (d) Dam Safety   \$4,400,000

1 Provides four million four hundred thousand dollars (\$4,400,000) for repairing and/or  
2 removing State-owned dams.

3 (e) State Recreation Projects Program \$10,000,000

4 Provides ten million dollars (\$10,000,000) for capital improvements to State recreational  
5 facilities, including Fort Adams State Park.

6 (f) State Bikeway Development Program \$5,000,000

7 Provides five million dollars (\$5,000,000) for the State to design, repair, and construct  
8 bikeways, including the East Bay bike path.

9 (g) Brownfield Remediation and Economic Development \$4,000,000

10 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants  
11 to public, private, and/or non-profit entities for brownfield remediation projects.

12 (h) Local Recreation Projects \$5,000,000

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

16 (i) Access to Farmland \$2,000,000

17 Provides two million dollars (\$2,000,000) to protect the State's working farms through the  
18 State Farmland Access Program and the purchase of Development Rights by the Agricultural Lands  
19 Preservation Commission

20 (j) Local Open Space \$2,000,000

21 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to  
22 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,  
23 development rights, or conservation easements on open space and urban parklands.

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

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

32 In the event that the amount received from the sale of the capital development bonds or  
33 notes exceeds the amount necessary for the purposes stated in Section 6 hereof, the surplus may be  
34 used to the extent possible to retire the bonds as the same may become due, to redeem them in

1 accordance with the terms thereof or otherwise to purchase them as the General Treasurer, with the  
2 approval of the Governor, shall deem to be in the best interests of the state.

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

8 SECTION 8. **Bonds and notes to be tax exempt and general obligations of the State.** -

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

13 SECTION 9. **Investment of moneys in fund.** -- All moneys in the capital development

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

25 SECTION 10. **Appropriation.** -- To the extent the debt service on these bonds is not

26 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and  
27 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise  
28 appropriated.

29 SECTION 11. **Advances from general fund.** -- The General Treasurer is authorized, with

30 the approval of the Director and the Governor, in anticipation of the issue of notes or bonds under  
31 the authority of this Act, to advance to the capital development bond fund for the purposes specified  
32 in Section 6 hereof, any funds of the State not specifically held for any particular purpose; provided,  
33 however, that all advances made to the capital development bond fund shall be returned to the  
34 general fund from the capital development bond fund forthwith upon the receipt by the capital

1 development fund of proceeds resulting from the issue of notes or bonds to the extent of such  
2 advances.

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

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