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# STATE OF RHODE ISLAND

#### IN GENERAL ASSEMBLY

#### **JANUARY SESSION, A.D. 2023**

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#### AN ACT

# RELATING TO TOWNS AND CITIES -- MUNICIPAL DETENTION FACILITY CORPORATIONS

<u>Introduced By:</u> Representatives Giraldo, Morales, Alzate, Henries, Sanchez, Cruz, Potter, and Stewart

Date Introduced: February 22, 2023

Referred To: House State Government & Elections

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 45-54 of the General Laws entitled "Municipal Detention Facility 2 Corporations" is hereby repealed in its entirety. 3 CHAPTER 45-54 **Municipal Detention Facility Corporations** 4 5 45-54-1. Corporations created. (a) For the purposes stated in this chapter there is incorporated in each city and town a body 6 7 corporate and politic which shall be known as the municipal detention facility corporation of the 8 municipality. The corporation is a public corporation, which is an instrumentality and agency of 9 the municipality, but has a distinct legal existence from the municipality, and which has purposes 10 that are consistent with the declaration of purpose set out in this chapter, and which has powers that 11 are necessary and incidental to the effectuation of the stated purposes. 12 (b) The corporation of any city or town shall not have the authority to transact any business 13 or exercise any powers under this chapter until the city or town council shall by resolution declare 14 that there is a need for the corporation to function in the city or town. 15 (c) The corporation of each city or town shall cease to exist unless the city or town council 16 passes the resolution specified in subsection (b) prior to December 31, 1991, the corporation of the

municipality has entered into a contract for the operation of a detention facility with the United

States Marshals' Service prior to December 31, 1991, and the site of the detention facility has

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2	45-54-2. Legislative findings.
3	(a) It has been widely reported that the United States has need for a detention facility to be
4	located within the state of Rhode Island.
5	(b) It is declared that a need for economic development projects exists within the state and
6	that the development of a detention facility would help to meet the need for economic development
7	and address the detention facility needs of the United States.
8	(e) It is further declared that the most efficient and effective method to further the public
9	policy of the state to encourage the development and construction of a detention facility and other
0	authorized projects is to permit the establishment of public corporations in each of the cities and
1	towns of the state with the power to acquire, construct, erect, maintain, operate, manage, and lease
12	land, buildings, and improvements to be used for a detention facility and other authorized projects.
13	(d) Any corporation created under this chapter is subject to the provisions of chapter 2 of
14	title 38 and chapter 46 of title 42 and, in addition, the directors of the corporation are subject to the
15	provisions of chapter 14 of title 36.
6	45-54-3. Definitions.
17	As used in this chapter, the following words and terms have the following meanings, unless
8	the context indicates another or different meaning or intent:
9	(1) "Bonds" means any bonds, interim certificates, notes, debentures, or other evidences of
20	indebtedness of the corporation issued pursuant to this chapter;
21	(2) "Construction" means and includes acquisitions, construction, repair, rehabilitation
22	development, and installation, and the term "to construct" means and includes, to acquire, to
23	construct, to repair, to rehabilitate, to develop, and to install, all in a manner as may be deemed
24	<del>desirable;</del>
25	(3) "Corporation" means the municipal detention facility corporation created under this
26	<del>chapter;</del>
27	(4)(i) "Cost", as applied to any project to be constructed or acquired by the corporation,
28	includes: the cost of acquisition or construction and, if the project consists of public facilities, the
29	cost of acquisition of all land, rights of way, property, rights, easements, and interests acquired by
80	the corporation for the construction; the cost of demolishing or removing any buildings or structures
31	on land so acquired, including the cost of acquiring any lands to which the buildings or structures
32	may be moved; the cost of all machinery and equipment; financing charges; interest prior to and
33	during construction and for one year after completion of construction; the cost of estimates and
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2	the construction; administrative expenses; and other expenses as may be necessary or incident to
3	the construction, the financing of the construction, and the placing of the project in operation.
4	(ii) The word "cost", as applied to any project which the corporation may be authorized to
5	acquire, means the amount of the purchase price of any public equipment or, if the project consists
6	of public facilities, the amount of any condemnation award in connection with the acquisition of
7	the project, and includes: the cost of acquiring all of the capital stock of the corporation owning the
8	project, if that is the case, and the amount to be paid to discharge all of the obligations of the
9	corporation in order to vest title to the project, which may be determined by the corporation to be
0	necessary prior to the financing of the project; interest during the period of construction of the
1	improvements and for one year thereafter; the cost of all lands, properties, rights, easements
12	franchises, and permits acquired; the cost of planning, engineering and legal services, plans
13	specifications, and surveys; estimates of cost and of revenues; other expenses necessary or incident
4	to determining the feasibility or practicability of the acquisition or improvement; administrative
15	expenses; and other expense as may be necessary or incident to the financing of the acquisition or
16	improvement and the placing of project in operation by the corporation.
17	(iii) The word "cost" includes the cost of purchase and installation of solar, wind, and
18	renewable energy systems, which include solar thermal, solar, electric, and wind energy systems
19	that provide heating, cooling, hot water, or electricity to a building, together with equipment for
20	collection, storage, distribution, and control, including components of a building specifically
21	designed to retain heat derived from solar energy;
22	(5) "Council" means the city or town council of a municipality;
23	(6) "Detention facility" means land, buildings, or improvements used for the purposes of
24	detaining prisoners in accordance with the provisions of this chapter;
25	(7) "Director" means one of the members of the corporation appointed in accordance with
26	the provisions of this chapter;
27	(8) "Federal agency" means and includes the United States of America, and any department
28	of, or any corporation, agency, or instrumentality created, designated, or established by, the United
29	States of America;
30	(9) "Improvement" means and includes extension, enlargement, and improvement, and the
31	term "to improve" means and includes, to extend, to enlarge, and to improve, all in a manner as
32	may be deemed desirable;
33	(10) "Municipality" means and includes any city or town within the state now existing or
34	hereafter created:

1	(11) Owner means and mendees an individuals, meorporated companies, coparticismps,
2	societies, or associations, and, also, all municipalities and political subdivisions, and all public
3	agencies and instrumentalities, having any title or interest in any property, rights, easements, or
4	franchises authorized to be acquired under the provisions of this chapter;
5	(12) "Persons" means and includes natural persons, firms, associations, corporations,
6	business trusts, partnerships, and public bodies;
7	(13) "Project" means any detention facility or public equipment which the corporation is
8	authorized to construct, improve, equip, furnish, maintain, acquire, install, or operate under the
9	provisions of this chapter, and includes all real and personal property related to it;
10	(14) "Public equipment" means and includes all tangible personal property, new or used,
11	including, without limiting the generality of the preceding, all machinery, equipment,
12	transportation equipment, maintenance equipment, construction equipment, sanitation equipment,
13	police, fire, and public safety equipment, and all other things and rights usually included within
14	that term, including any and all interests in property which are less than full title, as leasehold
15	interests, security interests, and every other interest or right, legal or equitable; provided, that the
16	public equipment is related to and used in connection with a detention facility; and
17	(15) "State" means and includes the state of Rhode Island, and any office, department,
18	board, commission, bureau, division, authority, public corporation, agency, or instrumentality of
19	the state.
20	45-54-4. Resolution conclusive as to capacity of corporation.
21	In any suit, action, or proceeding involving the validity or enforcement of, or relating to,
22	any contract by, or on behalf of, a corporation, the corporation is exclusively deemed to be
23	established and authorized to transact business and exercise its powers upon proof of the adoption
24	of a resolution by the city or town council declaring the need for the corporation to function.
25	45-54-5. Board of directors Tenure Quorums.
26	(a) When the council of a city or town first adopts a resolution as provided for in § 45-54
27	1, the elected chief executive officer, in cities and towns having a popularly elected chief executive
28	officer, shall appoint five (5) persons, at least three (3) of whom shall be resident electors of the
29	city or town as directors of the corporation. These appointments are subject to approval by the city
30	or town council. In cities and towns where there is no popularly elected chief executive officer, the
31	city or town council shall appoint five (5) persons, at least three (3) of whom shall be resident
32	electors of the city or town as directors of the corporation.
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33	(b) The directors who are first appointed are designated to serve for terms as follows: two

2	for a term of five (5) years, except that all vacancies shall be filled for the unexpired term by the
3	chief executive officer of the city or town, if any, or the city or town council.
4	(c) Each director whose term of office expires shall continue to hold office until his or her
5	successor is appointed and has qualified. Each director before entering upon his or her other duties
6	will take an oath to support the constitution and laws of the state and the constitution of the United
7	States and to faithfully and impartially discharge the duties of his or her office. The directors are
8	subject to removal for cause by the elected chief executive officer, in cities and towns having a
9	popularly elected chief executive officer, or by the town council, where there is no popularly elected
0	chief executive officer. The directors receive no compensation for the performance of their duties
1	but are reimbursed for their reasonable expenses incurred in carrying out their duties under this
12	<del>chapter.</del>
13	(d) No director or employee of the corporation shall acquire any direct interest in any
14	project or in any property included or planned to be included in any project, nor shall he or sha
15	have any interest, direct or indirect, in any proposed contract for materials or services to be
16	furnished in connection with any project. If any director or employee of the corporation owns or
17	controls an interest, direct or indirect, in any property included or planned to be included in any
18	project, he or she shall immediately disclose the interest, in writing, to the corporation and that
19	disclosure shall be entered upon the minutes of the corporation. Failure to disclose the interest
20	constitutes misconduct in office.
21	(e) No elected official of any city or town or director of the corporation shall become ar
22	employee of the corporation for at least two (2) years after leaving public office or ceasing to be a
23	director of the corporation, as applicable.
24	(f) The corporation shall elect one of its directors as chairperson and another as vice-
25	chairperson and shall also elect a secretary and a treasurer. Three (3) directors of the corporation
26	constitutes a quorum and the vote of three (3) members is necessary for any action taken by the
27	corporation. No vacancy in the board of directors of the corporation shall impair the right of the
28	quorum to exercise all the rights and perform all the duties of the corporation.
29	45-54-6. Powers.
30	Except to the extent inconsistent with any specific provision of this chapter, the corporation
31	has the power:
32	(1) To sue and be sued, complain, and defend in its corporate name;
33	(2) To have a seal, which may be altered at pleasure, and to use the seal by causing it or a
34	facsimile to be impressed, affixed, or in any other manner reproduced. The seal shall be clearly

2	(3) To maintain an office at a place or places that it may designate within the boundaries
3	of the city or town whose council established the corporation;
4	(4) To determine the location and character of any project to be financed under the
5	provisions of this chapter, not inconsistent with local zoning ordinances;
6	(5) To purchase, hold, and use any property, real, personal, or mixed, tangible or intangible,
7	or any interest in it, necessary or desirable for carrying out the purposes for the corporation, and to
8	mortgage, lease, or sell any of that property;
9	(6) To acquire, whether by purchase, lease, gift, exchange, or otherwise, and to construct
10	reconstruct, improve, erect, maintain, operate, manage, equip, and furnish, one or more projects,
11	including all real, personal, or mixed properties which it may deem necessary in connection with
12	that, and regardless of whether or not the project or projects shall then be in existence or shall then
13	be partially or wholly constructed;
14	(7) To lease, as lessor, to any person, firm, partnership, or corporation, either public or
15	private, any or all of its projects, and to charge and collect rent for them, and to terminate any lease
16	upon the failure of the lessee to comply with any of the obligations of the lease;
17	(8) To lease, as lessee, any property, real, personal or mixed, or any interest in property;
18	(9) To sell, exchange, mortgage, donate, and convey any or all of its properties whenever
19	it finds an action to be in furtherance of the purposes for which the corporation was established;
20	(10) To grant options to purchase any of its projects on whatever terms it may deem
21	advisable, and to grant options to renew any leases entered into by it in connection with any of its
22	projects on any terms it may deem advisable;
23	(11) To issue bonds of the corporation for the purpose of carrying out any of its purposes,
24	payable solely from the revenues pledged by the bonds for their payment, and to refund its bonds,
25	all as provided in this chapter;
26	(12) As security for the payment of the principal and interest on any bonds so issued and
27	any agreements made in connection with that, to mortgage and pledge any or all of its projects, or
28	any part or parts of them, whether then owned or thereafter acquired, to pledge their revenues and
29	receipts or from an interest of the bonds, and to assign or pledge the income received by virtue of
30	the lease or leases;
31	(13) To borrow money in anticipation of the issuance of bonds for any of its purposes, and
32	to issue notes, certificates, or other evidences of the borrowing, upon terms as may be authorized
33	by resolution of the corporation;
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2	provided, that those contracts, leases, and other agreements with the federal government or other
3	federal agency are governed by federal procurement procedures, and other contracts, leases, or
4	other agreements are governed by the procurement requirements of the municipality, if any.
5	(15) Without limitation of the preceding, to borrow money from, to receive and accept
6	grants for or in aid of construction or acquisition of projects authorized under this chapter from,
7	and to enter into contracts, leases, or other transactions with, the federal government or any federal
8	agency; and to receive and accept from the state or any municipality, and from any other source,
9	aid or contributions of money, property, labor, or other things of value; to be held, used, and applied
10	only for the purposes for which the grants and contributions may be made;
11	(16) To combine for financing purposes any two (2) or more projects authorized to be
12	acquired or constructed under the provisions of this chapter;
13	(17) To employ, in its discretion, attorneys, accountants, architectural and engineering
14	consultants, and other officers, employees, or agents as may be necessary in its judgment, and to
15	fix their compensation;
16	(18) To acquire in the name of the corporation by purchase or otherwise, on terms and
17	conditions and in the manner that it may deem proper, or by the exercise of the rights of
18	condemnation in the manner provided in § 45-54-9, public or private lands, or parts of them or
19	rights in them, rights of way, property, rights, easements, and interests as it may deem necessary
20	for carrying out the provisions of this chapter; provided, that all public property damaged in
21	carrying out the powers granted by this chapter is restored or repaired and placed in its original
22	condition as nearly as practicable;
23	(19) To do all other acts and to do any and all things necessary or convenient to carry out
24	its purposes and exercise the powers given and granted in this chapter;
25	(20) To provide for the care, custody, control and transportation of all detainees or inmates
26	committed to detention or incarceration at any project and to take all necessary steps to maintain
27	security, safety and order, to prevent escapes from any project, to take all necessary precautions to
28	prevent the occurrence or spread of any disorder, riot, or insurrection of any project, including, but
29	not limited to, the development, planning and coordination of emergency riot procedures, and take
30	suitable measures for the restoration of order;
31	(21) To establish and enforce standards for each project;
32	(22) To establish and fund training and education programs for employees, under the
33	direction of the warden, the curriculum for which to be approved annually by the police officers'
2/1	commission on standards and training and to hira promote transfer assign and ratein appleases

1	for the operation of each project and suspend, demote, discharge, or take other necessary
2	disciplinary action with regard to such employees;
3	(23) To determine the methods, means, and personnel by which the operation of each
4	project is to be conducted;
5	(24) To relieve employees of duty because of lack of work or for other legitimate reasons;
6	(25) To investigate grievances of its employees and to inquire into alleged misconduct by
7	<del>employees;</del>
8	(26) To make and promulgate necessary rules and regulations incident to the corporation's
9	exercise of its powers and the performance of the corporation's duties, including, but not limited
10	to, rules and regulations regarding nutrition, sanitation, safety, discipline, recreation, religious
11	services, communication and visiting privileges, classification, education, training, employment,
12	care, and custody for all persons detained at any project; and
13	(27) To delegate any or all of the above referenced powers to its duly designated agents,
14	servants, consultants or employees at its discretion, who being so designated may exercise said
15	power(s) on behalf of the corporation.
16	45-54-7. Exemption from taxation.
17	The exercise of the powers granted by this chapter will be in all respects for the benefit of
18	the people of the state and for the facilitation of the conduct of their public business, and as the
19	acquisition, construction, operation, and maintenance by the corporation of the projects defined in
20	this chapter will constitute the performance of essential governmental functions, the corporation is
21	not required to pay any taxes or assessments upon the projects or upon any property acquired, or
22	upon the income from the projects, or any other state or local tax of any kind or description, nor is
23	the corporation required to pay any recording fee or transfer tax of any kind or description, and the
24	bonds, issued under the provisions of this chapter, their transfer, and the income from them
25	(including any profit made on the sale) at all time free from taxation by the state, or any political
26	subdivision or other instrumentality of the state, excepting estate taxes, and the corporation shall
27	pay property taxes and assessments on its properties located outside the boundaries of the city or
28	town whose council established the corporation.
29	45-54-8. Acquisition and construction of projects Lease or sale Conveyance to
30	corporation Request for project.
31	(a) In order to benefit the people of the municipality and to provide for their general health
32	and welfare through economic development, and to maintain the high standards of a detention
33	facility and public equipment, the corporation is authorized and empowered to acquire and

and operate the detention facility and equipment; and to issue revenue bonds of the corporation, payable from the revenues derived from the leasing of these projects, to finance the projects. Development of these projects may be initiated by the corporation only upon request of the chief executive officer, if any, and the city or town council. Any request by the chief executive officer and the council to initiate a project pursuant to this chapter shall take the form of a proposal by the chief executive officer approved by the council. If there is no chief executive officer, development of these projects may be initiated by the corporation only upon the request of the city or town council. Any request by the city or town council to initiate a project pursuant to this chapter shall take the form of a resolution. The chief executive officer, if any, or a member of the council designated by the council, if there is no chief executive officer, is authorized to enter into a contract of lease for and on behalf of the city or town with the corporation for the leasing of any duly initiated projects, upon terms and conditions, that are agreed to by the chief executive officer, if any, or the council, if there is no chief executive officer, and the corporation.

(b) Without limiting the generality of the preceding, the corporation is expressly empowered to lease or sell a project or any part of it to the municipality. Any lease by the corporation to the municipality may be for any period, upon terms and conditions, with or without an option to purchase, that the corporation may determine.

(c) The provisions of any charter, other law, or ordinance, general, special, or local, or of any rule or regulation of the state or any municipality, restricting or regulating in any manner the power of any municipality to lease (as lessee or lessor) or sell property, real, personal, or mixed, do not apply to leases and sales made with the corporation pursuant to this chapter.

(d) Any municipality, notwithstanding any contrary provision of any charter, other law, or ordinance, general, special or local, or of any rule or regulation of the state or any municipality, is authorized and empowered to lease, lend, pledge, grant, or convey to the corporation at its request, upon terms and conditions that the chief executive officer, if any, with the concurrence of the council, or where no officer exists, the city or town council of the municipality, may deem reasonable and fair, and without the necessity for any advertisement, order of court, or other action or formality, any real property or personal property which may be necessary or convenient to effectuation of the authorized purposes of the corporation, including public roads and other real property already devoted to public use; and, subject to the aforesaid, the city or town consents to the use of all lands owned by the city or town which are deemed by the corporation to be necessary for the construction or operation of any project.

(e) The corporation and any municipality—are authorized and empowered to contract for the acquisition—of any projects or portions of them by the federal government; and to contract with any

state, federal, or municipal agency for the performance of any services essential or convenient to its purposes under this chapter.

#### 45-54-9. Eminent domain proceedings.

- (a) The corporation has the right to acquire any land, or any interest in it, including development rights, by the exercise of the power of eminent domain, whenever it is determined by the corporation that the acquisition of the land, or interest, is necessary for the construction or the operation of any project.
- 8 (b) The power of eminent domain shall be exercised only within the boundaries of the city
  9 or town whose council established the corporation.
  - (c) The necessity for acquisition is conclusively presumed upon the adoption by the corporation of a resolution declaring that the acquisition of the land, or interest in it, described in the resolution is necessary for the construction or operation of any project. Within six (6) months thereafter, the corporation shall cause to be filed, in the land evidence records of the city or town in which the land is located, a copy of the resolution of the corporation, together with a plat of the land, or interest in it described, and a statement signed by the chairperson of the corporation, that the land, or interest in it, is taken pursuant to the provisions of this chapter. Thereupon, the corporation shall file, in the superior court in and for the county in which the land, or interest in it, lies, a statement of the sum of money estimated by the corporation to be just compensation for the land taken.
  - (d) Upon filing of the copy of the resolution, plat, and statement in the land evidence records of the city or town, the filing, in the superior court, of the statement, and the depositing in the superior court, to the use of the person entitled to it, of such a sum as the court determines to be amply sufficient to satisfy the claims of all persons interested in the land (and the court may, in its discretion, take evidence on the question to determine the sum to be deposited), title to the land, or interest in it, shall vest in the corporation in fee simple absolute and the corporation thereupon may take possession of the land, or interest in it.
  - (e) No sum so paid into the court shall be charged with clerk's fees of any nature. After the filing of the copy, plat, and statement, notice of the taking of the land, or interest in it, shall be served upon the owners of and persons having an estate in and interest in the land by the sheriff or the sheriff's deputies of the county in which the land, or interest in it, lies, leaving a true and attested copy of the description and statement with each of the persons personally, or at their last and usual place of abode in this state with some person living—there, and in case any of the persons are absent from this state and have no last and usual place of abode in this state occupied by any person, the copy shall be left with the persons, if any, in charge of or having possession of the land, or interest

in it, taken of the absent persons if the persons are known to the officer; and after the filing of the resolution, plat, and statement, the secretary of the corporation shall cause a copy of the resolution and statement to be published in some newspaper published or having general circulation in the county where the land, or interest in it, may be located, at least once a week for three (3) successive weeks. If any persons agree with the corporation for the price of land, or interest in it, so taken, the court, upon the application of the parties in interest, may order that the sum agreed upon be paid immediately from the money deposited, as the just compensation to be awarded in the proceeding. (f) Any owner of or person entitled to any estate in or interest in any part of the land, or interest in it, so taken, who cannot agree with the corporation for the price of the land, or interest in it, so taken, in which he or she is interested, may, within three (3) months after personal notice of the taking, or, if he or she has no personal notice, within one year from the first publication of the copy of the resolution and statement, apply, by petition, to the superior court in and for the county in which the land, or interest in it, lies, setting forth the taking of his or her land or interest in it, and praying for an assessment of damages by a jury. Upon the filing of the petition, the court shall cause twenty (20)days' notice of the pendency of the petition to be given to the corporation with a certified copy, and may proceed after the notice to the trial; and the trial shall determine all questions of fact relating to the value of the land, or interest in it, and the amount and judgment shall be entered upon the verdict of the jury and execution shall be issued against the money so deposited in court and in default against any other property of the corporation. In case two (2) or more conflicting petitioners make claim to the same land, or to any interests in it, or to different interests in the same parcel of land, the court, upon motion, shall consolidate their several petitions for trial at the same time by the same jury, and may frame all necessary issues for the trial; and all proceedings taken pursuant to the provisions of this chapter shall take precedence over all other civil matters then pending before the court, or if the superior court, in and for the county in which the land, or interest in it, lies, is not in session in that county, then the proceedings may be heard in the superior court for the counties of Providence and Bristol. (g) If any lands, or interests in them, in which any minor, or other person not capable in law to act in his or her own behalf, is interested are taken by the corporation under the provisions

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- the estate of any minor or other person, with the approval of the court of probate within this state having jurisdiction to authorize the sale of lands and properties within this state of any minor or other person, may, before the filing of any petition, agree with the corporation upon the amount of damages suffered by the minor or other person by any taking of his or her lands or of his or her interests in any lands, and may, upon receiving that amount, release to the corporation all claims of damages of the minor or other person for the taking.
- (h) Whenever, from time to time, the corporation has satisfied the court that the amount deposited with the court is greater than is amply sufficient to satisfy the claims of all persons interested in the land, the court may order that the amount of any excess, including any interest or increment on any sums so deposited, shall be repaid to the corporation. Whenever the corporation has satisfied the court that the claims of all persons interested in the land taken have been satisfied, the unexpended balance, including any interest or increment on any sums so deposited, shall immediately be paid to the corporation.
- (i) In any proceedings for the assessment of compensation and damages for land or interest in it taken or to be taken by eminent domain by the corporation, the following provision is applicable: At any time during the pendency of any action or proceeding, the corporation or an owner may apply to the court for an order directing an owner or the corporation, as the case may be, to show cause why further proceedings should not be expedited, and the court may upon that application make an order requiring that the hearings proceed and that any other steps be taken with all possible expedition.
- (j) If any of the land, or interest therein, is devoted to a public use, it may be acquired, and the taking is effective, provided that no land, or interest in it, belonging to a public utilities administrator or other officer or tribunal having regulatory power over a public utility is taken. Any land, or interest in it, already acquired by the corporation may nevertheless be included within the taking for the purpose of acquiring any outstanding interests in the land.

# 45-54-10. Revenue bonds.

(a) The corporation is authorized to provide by resolution for the issuance, at one time or from time to time, of revenue bonds of the corporation for the purpose of paying all or part of the cost of any one or more projects, the construction or acquisition of which is authorized by this chapter. The principal of and the interest on the bonds are payable from the funds provided for payment. The bonds of each issue shall be dated, bear interest at the rate or rates that the corporation determines, payable from time to time, shall mature at a time or times not exceeding fifty (50) years from their date or dates, as may be determined by the corporation, and may be redeemable before maturity, at the option of the corporation, at the price or prices and under terms and conditions that

may be fixed by the corporation prior to the issuance of the bonds. The corporation shall determine the form of the bonds, including any interest coupons to be attached to them, and shall fix the denomination or denominations of the bonds and the place or places of payment of the principal and interest, which may be at any bank or trust company within or without the state. The bonds shall be signed by the chairperson of the corporation, or a facsimile of the signature shall be impressed or imprinted on the bonds and attested by the manual or facsimile signature of the secretary of the corporation, and any coupons attached to the bonds shall bear the facsimile signature of the chairperson of the corporation. In case any officer whose signature, or the facsimile of whose signature, appears on any bonds or coupons ceases to be an officer before the delivery of the bonds, the signature or the facsimile is nevertheless valid and sufficient for all purposes, the same as if he or she had remained in office until the delivery. The bonds may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon bonds as to principal alone and, also, as to both principal and interest, for the reconversion into coupon bonds of any bonds registered and coupon bonds. The corporation may sell bonds in a manner, either at public or private sale, and for a price, as it may determine will best effect the purpose of this chapter.

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(b) The proceeds of the bonds of each issue shall be used for the payment of the cost of the project or projects for which the bonds have been issued, and shall be disbursed in a manner and under restrictions, if any, that the corporation may provide in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds. If the proceeds of the bonds of any issue, by error of estimates or otherwise, are less than the cost, additional bonds may in like manner be issued to provide the amount of the deficit, and, unless otherwise provided in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds, are deemed to be of the same issue and shall be entitled to payment from the same fund without preference of priority of the bonds first issued. If the proceeds of the bonds of any issue exceed the cost, the surplus shall be deposited to the credit of the sinking fund for the bonds or may be applied to the payment of the cost of any project thereafter financed under the provisions of this chapter.

(c) Prior to the preparation of definitive bonds, the corporation may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when definitive bonds have been executed and are available for delivery. The corporation may also provide for the replacement of any bonds which become mutilated or are destroyed or lost. Bonds may be issued under the provisions of this chapter without obtaining the consent of any department, division, commission, board, bureau, or agency of the state, and without any other proceedings or the happening of any other conditions or things, other than those proceedings,

conditions, or things which are specifically required by this chapter.

#### 45-54-11. Trust agreement.

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In the discretion of the corporation, any bonds issued under the provisions of this chapter may be secured by a trust agreement by and between the corporation and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. The trust agreement or the resolution providing for the issuance of the bonds may pledge or assign the revenues to be received and may convey, or mortgage or grant, a security interest in any project or any part of it or any combination of projects or parts of them. The trust agreement or resolution providing for the issuance of the bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as may be reasonable and proper and not in violation of law, including: covenants establishing the duties of the corporation in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation, and insurance of the project or projects in connection with which the bonds have been authorized, and in relation to the custody, safeguarding, and application of all moneys; and conditions or limitations with respect to the issuance of additional bonds. It is lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues to furnish indemnifying bonds or to pledge those securities that may be required by the corporation. Any trust agreement may establish the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition to the preceding, any trust agreement or resolution may contain any other provisions that the corporation may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust agreement or resolution may be treated as a part of the corporation's cost of operation and maintenance.

## 45-54-12. Revenues.

- (a) The corporation is authorized and empowered to fix, revise, and collect from time to time, subject to the provisions of this chapter, fees, rentals, and other charges for the use of projects of, or the services rendered by the corporation to pay:
- (1) The cost of maintaining, repairing, and operating the project or projects or portion or portions of them; and
- (2) The principal of, premium, if any, and interest on the bonds and notes as the bonds and notes become due and payable, and to create reserves for these purposes.
  - (b) The fees, rentals, and other charges are not subject to supervision or regulation by any commission, board, bureau, or agency of the state or of any municipality or other political subdivision of the state.

(c) The revenues derived from the project or projects or portion or portions of them, in connection with which the bonds or notes have been issued, may be pledged as provided in the resolution or the trust agreement. The pledge is valid and binding from the time when the pledge is made; the rentals, revenues, or other moneys so pledged and thereafter received by the corporation are immediately subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the corporation, whether the parties have notice of claims. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the corporation.

(d) The use and disposition of revenues is subject to the provisions of the resolution authorizing the issuance of the bonds, or of the trust agreement.

#### 45-54-13. Trust funds.

All moneys received pursuant to the provisions of this chapter, whether as proceeds from the sale of bonds or as revenues, are deemed to be trust funds, to be held and applied as may be provided in the resolution authorizing the issuance of the bonds or the trust agreement securing the bonds. The corporation shall, in the resolution authorizing the bonds or in the trust agreement securing the bonds, provide for the payment of the proceeds of the sale of the bonds and the revenues to be received to a trustee, which is any trust company or bank having the powers of a trust company within or without the state, which acts as trustee of the bonds, and holds and applies the funds to the purposes of this chapter, subject to regulations that this chapter and the resolution or trust agreement may provide.

#### 45-54-14. Remedies.

Any holder of bonds issued under the provisions of this chapter, or of any of the coupons appertaining to the bonds, and the trustee under the trust agreement or the resolution, except to the extent the rights given by this chapter may be restricted by the trust agreement or the resolution, may, by civil action, mandamus, or other proceeding, protect and enforce any and all rights under the laws of the state or granted under this chapter, or under the trust agreement or the resolution authorizing the issuance of the bonds, and may enforce and compel the performance of all duties required by this chapter or by the trust agreement or resolution to be performed by the corporation or by any officer of the corporation, including the fixing, charging, and collection of fees, rentals, and other charges.

#### 45-54-15. Negotiable instruments.

Notwithstanding any of the preceding provisions of this chapter or any recitals in any bonds issued under the provisions of this chapter, all bonds are deemed to be negotiable instruments under

the laws of this state.

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#### 45-54-16. Refunding bonds.

The corporation is authorized to provide for the issuance of refunding bonds of the corporation for the purpose of refunding any bonds then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium thereon or interest accrued or to accrue to the earliest or subsequent date of redemption, purchase, or maturity of the bonds and, if deemed advisable by the authority, for the additional purpose of paying all or part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project. The proceeds of bonds or notes issued for the purpose of refunding outstanding bonds or notes may be applied, in the discretion of the corporation, to the purchase, retirement at maturity, or redemption of the outstanding bonds or notes either on their earliest or a subsequent redemption date, and may, pending that application, be placed in escrow. Any escrowed proceeds may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit, time deposits, or repurchase agreements fully secured or guaranteed by the state or the United States, or an instrumentality of either, maturing at the time or times appropriate to assure the prompt payment, as to principal, interest, and redemption premium, if any, of the outstanding bonds or notes to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds, and interest, income, and profits, if any, earned or realized on the investments, may be returned to the corporation for use by it in furtherance of its purposes. The portion of the proceeds of bonds or notes issued for the additional purpose of paying all or part of the cost of acquiring, constructing, reconstructing, rehabilitating, developing, or improving any project may be invested and reinvested in obligations, securities, and other investments consistent herewith, that are specified in the resolutions under which the bonds are authorized, and which shall mature not later than the times when the proceeds will be needed for these purposes. The interest, income, and profits, if any, earned or realized on the investments may be applied to the payment of all parts of the costs, or may be used by the corporation in furtherance of its purposes. The issuance of the bonds, the maturities, and other details, the rights of the holders, and the rights, duties, and obligations of the corporation in respect to all of the above shall be governed by the provisions of this chapter insofar as the provisions may be applicable.

# 45-54-17. Credit of state and political subdivisions not pledged.

(a) Revenue bonds issued under the provisions of this chapter are not deemed to constitute a debt or a pledge of the faith and credit of the state or the municipality, but are payable solely from the funds provided from revenues. All revenue bonds shall contain on the face a statement to the effect that neither the state nor the municipality nor the corporation is obligated to pay the bonds

- or their interest except from the revenues of the project or projects on account of which the bonds are issued, and that neither the faith and credit nor the taxing power of the state or the municipality is pledged to the payment of the principal of or the interest on the bonds.
- (b) All expenses incurred in carrying out the provisions of this chapter are payable solely from the funds provided under the provisions of this chapter.

#### 45-54-18. Use of projects.

The use of the facilities of the corporation and the operation of its business are subject to the rules and regulations from time to time adopted by the corporation; provided, that the corporation is not authorized to do anything which will impair the security of the holders of the obligations of the corporation or violate any agreements with them or for their benefit.

## 45-54-19. Capital reserves.

To assure the continued operation and solvency of the corporation for the carrying out of its corporate purposes, the corporation may create and establish one or more special funds (referred to as "capital reserve funds" in this chapter), and may pay into each capital reserve fund:

- (1) Any monies appropriated and made available by the state for the purpose of the fund;
- (2) Proceeds from the sale of notes or bonds to the extent provided in the resolution or resolutions of the corporation authorizing their issuance; and
- (3) Any other moneys that may be made available to the corporation, for the purpose of the fund, from any other source.

#### 45-54-20. Bonds eligible for investment.

The notes and bonds of the corporation are securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, and saving associations, including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

#### 45-54-21. Limitation of powers.

The state pledges to and agrees with the holders of any bonds or notes issued by the corporation, that the state will not limit or alter the rights vested in the corporation to fulfill the terms of any agreements made with the holders until those bonds or notes, together with their interest, with interest on any unpaid installments of interest, and all costs and expenses in

connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The corporation is authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds or notes.

#### 45-54-22. Annual report and audit.

Within one hundred twenty (120) days from the close of its fiscal year, the corporation shall make an annual report to the chief executive officer and legislative body of the municipality of its activities for the preceding fiscal year. Each report shall present a complete operating and financial statement covering its operations during the year. The corporation shall cause an annual audit of the books, records, and accounts of the corporation to be made and the costs shall be treated as a part of the cost of operation.

#### 45-54-23. Transfers to governmental body.

When all bonds issued under the provisions of the chapter for each specific project and their interest have been paid, or a sufficient amount for the payment of all the bonds and their interest to the maturity of the bonds have been set aside in trust for the benefit of the bondholders, the specific project financed under the provisions of this chapter may be transferred to the municipality leasing the project on terms and conditions and for consideration that the corporation determines. If the corporation is dissolved, all funds of the corporation not required for the payment of bonds shall be paid to the treasurer of the municipality in which the corporation is established for the use of the municipality, and all property belonging to the corporation shall be vested in the municipality and delivered to it. No part of the net earnings of the authority shall be distributed to, or inure to the benefit of, any private person.

# 45-54-24. Applicability of other laws.

This chapter shall be construed to provide a complete additional and alternative method for doing the things authorized hereby and shall be regarded as supplemental and in addition to the powers conferred by other laws. The issuance of all bonds, notes, and other obligations of the corporation under the provisions of this chapter need not comply with the requirements of any other provision of any charter or other law, general, special or local, or of any rule or regulation of the state or the municipality applicable to the issuance of bonds. No proceedings or notice or approval are required for the issuance of any bonds, or any instrument of security for them, except as provided in this chapter.

#### 45-54-25. Liberal construction.

This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effectuate its purposes.

#### 45-54-26. Inconsistent provisions.

1	Insofar as the provisions of this chapter are inconsistent with the provisions of any charter
2	or other law or ordinance, general, special, or local, or of any rule or regulation of the state or any
3	municipality, the provisions of this chapter are controlling.
4	45-54-27. Severability.
5	If any one or more sections, clauses, sentences, or parts of this chapter shall, for any reason,
6	be adjudged unconstitutional or otherwise invalid in any court, that judgment shall not affect,
7	impair, or invalidate the remaining provisions, but shall be confined in its operation to the specific
8	provisions so held unconstitutional or invalid; and the inapplicability or invalidity of any section,
9	clause, or provision of this chapter in any one or more instances or circumstances shall not be taken
10	to affect or prejudice in any way its applicability or validity in any other instance.
11	45-54-28. Construction.
12	Whenever the context permits in this chapter, the use of the plural includes the singular
13	and the plural, and the use of any gender is deemed to include all genders.
14	SECTION 2. Title 13 of the General Laws entitled "CRIMINALS - CORRECTIONAL
15	INSTITUTIONS" is hereby amended by adding thereto the following chapter:
16	CHAPTER 14
17	PRIVATELY OWNED AND OPERATED DETENTION FACILITIES
18	13-14-1. Prohibition of privately owned and operated detention facilities.
19	(a) Effective January 1, 2024, the department of corrections or any other law enforcement
20	agency shall not enter into a contract with a private, for-profit prison facility located in or outside
21	of the state to provide housing for state prison inmates.
22	(b) Effective January 1, 2024, the department of corrections or any other law enforcement
23	agency shall not renew an existing contract with a private, for-profit prison facility located in or
24	outside of the state to incarcerate state prison inmates.
25	(c) A state prison inmate or other person under the jurisdiction of the department of
26	corrections shall not be incarcerated in a private, for-profit prison facility after December 31, 2030.
27	(d) As used in this section, "private, for-profit prison facility" does not include a facility
28	that is privately owned, but is leased and operated by the department of corrections or any other
29	law enforcement agency.
30	(e) Notwithstanding subsections (a) and (b) of this section, the department of corrections
31	may renew or extend a contract with a private, for-profit facility to provide housing for state prison
32	inmates in order to comply with the requirements of any court-ordered population cap.
33	(f) This section shall not apply to the following:
34	(1) Any facility providing rehabilitative, counseling, treatment, mental health, educational

1	or medical services to a juvenile that is under the jurisdiction of the juvenile court;
2	(2) Any facility providing evaluation or treatment services to a person who has been
3	detained, or is subject to an order of commitment by a court;
4	(3) Any facility providing educational, vocational, medical, or other ancillary services to
5	an inmate in the custody of, or under the direct supervision of, the department of corrections or any
6	other law enforcement agency;
7	(4) A residential care facility;
8	(5) Any school facility used for the disciplinary detention of a pupil;
9	(6) Any facility used for the quarantine or isolation of persons for public health;
10	(7) Any facility used for the temporary detention of a person detained or arrested by a
1	merchant, private security guard, or other private person; or
12	(8) A private detention facility that is operating pursuant to a valid contract, not to include
13	any extensions made to or authorized by that contract.
14	13-14-2. Severability.
15	If any one or more sections, clauses, sentences, or parts of this chapter shall, for any reason,
16	be adjudged unconstitutional or otherwise invalid in any court, that judgment shall not affect,
17	impair, or invalidate the remaining provisions, but shall be confined in its operation to the specific
18	provisions so held unconstitutional or invalid; and the inapplicability or invalidity of any section,
19	clause, or provision of this chapter in any one or more instances or circumstances shall not be taken
20	to affect or prejudice in any way its applicability or validity in any other instance.
21	SECTION 3. This act shall take effect upon passage.
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#### **EXPLANATION**

# BY THE LEGISLATIVE COUNCIL

OF

# AN ACT

# RELATING TO TOWNS AND CITIES -- MUNICIPAL DETENTION FACILITY CORPORATIONS

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This act would repeal the municipal detention facility corporations and prohibit the operation of private detention facilities and private public partnerships within the state. Those currently in operation may continue to do so until December 31, 2030.

This act would take effect upon passage.

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