

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RHODE ISLAND PUBLIC
TRANSIT AUTHORITY

Introduced By: Senators Ruggerio, McKenney, Pearson, Gallo, Lawson, Tikoian, and
Raptakis

Date Introduced: March 23, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-18-4 of the General Laws in Chapter 39-18 entitled "Rhode Island
2 Public Transit Authority" is hereby amended to read as follows:

3 **39-18-4. Powers and duties of the authority.**

4 (a) The authority is hereby authorized and empowered:

5 (1) To adopt bylaws for the regulation of its affairs and the conduct of its business;

6 (2) To adopt an official seal and alter the seal at pleasure;

7 (3) To maintain an office at such place or places within the state as it may designate;

8 (4) To sue and be sued in its own name, plead, and be impleaded; provided, however, that
9 any and all actions against the authority shall be brought only in the county in which the principal
10 office of the authority shall be located;

11 (5) To acquire, purchase, hold, use, and dispose of any property, real, personal, or mixed,
12 tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes
13 of the authority, and to lease as lessee or lessor any property, real, personal, or mixed, or any interest
14 therein, for such term and at such rental as the authority may deem fair and reasonable, and to sell,
15 transfer, convey, mortgage, or give a security interest in any property, real, personal, or mixed,
16 tangible or intangible, or any interest therein, at any time acquired by the authority; provided,
17 however, all procurements under this section shall comply with the following:

18 (i) Procurement of goods for the quasi-public corporation in any amount greater than ten

1 thousand dollars (\$10,000), but less than fifty thousand dollars (\$50,000), in the aggregate over the
2 course of a fiscal year, shall be conducted in compliance with the rules and regulations of the
3 corporation and approved by the corporation's board of directors.

4 (ii) Procurement of goods in excess of fifty thousand dollars (\$50,000), in the aggregate
5 over the course of a fiscal year, shall require a competitive bidding process consistent with § 37-2-
6 17.2, conducted by the corporation's board of directors in compliance with the rules and regulations
7 of the corporation.

8 (6) To employ, in its discretion, planning, architectural, and engineering consultants,
9 attorneys, accountants, construction, financial, transportation, and traffic experts and consultants,
10 superintendents, managers, and such other officers, employees, and agents as may be necessary in
11 its judgment, and to fix their compensation; provided, however, all procurements under this section
12 shall comply with the following:

13 (i) Procurement of goods for the quasi-public corporation in any amount greater than ten
14 thousand dollars (\$10,000), but less than fifty thousand dollars (\$50,000), in the aggregate over the
15 course of a fiscal year, shall be conducted in compliance with the rules and regulations of the
16 corporation and approved by the corporation's board of directors.

17 (ii) Procurement of goods in excess of fifty thousand dollars (\$50,000), in the aggregate
18 over the course of a fiscal year, shall require a competitive bidding process consistent with § 37-2-
19 17.2, conducted by the corporation's board of directors in compliance with the rules and regulations
20 of the corporation.

21 (7)(i) To fix, from time to time, subject to the provisions of this chapter, schedules and
22 such rates of fare and charges for service furnished or operated as in its judgment are best adopted
23 to ensure sufficient income to meet the cost of service; provided, however, the authority is not
24 empowered to operate a passenger vehicle under its control in competition with passenger vehicles
25 of a private carrier over routes that the private carrier operates pursuant to a certificate of public
26 convenience and necessity issued to the private carrier by the division of public utilities and
27 carriers; and provided further that the authority shall not require any person who meets the means-
28 test criteria as defined by the Rhode Island office of healthy aging and who is either sixty-five (65)
29 years of age, or over, or who is a person with a disability to pay more than one-half (½) of any fare
30 for bus rides; provided, however, that under no circumstances shall fares or charges for special
31 service routes be discounted. Any person who is either sixty-five (65) years of age, or over, or who
32 is a person with a disability, who does not satisfy the means-test criteria as heretofore provided,
33 shall only be required to pay one-half (½) of the fare or charge for bus rides during off-peak hours,
34 but shall not be eligible for a reduction during peak hours. For the purposes of this chapter, “peak

1 hours,” “off-peak hours,” and “special service routes” shall be determined annually by the
2 authority. The authority, in conjunction with the department of human services, shall establish an
3 advisory committee comprised of seniors/persons with disabilities who are constituent users of the
4 authority’s services to assist in the implementation of this section;

5 (ii) Any person who accompanies and is assisting a person with a disability when the person
6 with a disability uses a wheelchair shall be eligible for the same price exemptions extended to a
7 person with a disability by subsection (a)(7)(i). The cost to the authority for providing the service
8 to the elderly shall be paid by the state;

9 (iii) Any person who accompanies and is assisting a passenger who is blind or visually
10 impaired shall be eligible for the same price exemptions extended to the passenger who is blind or
11 visually impaired by subsection (a)(7)(i). The cost to the authority for providing the service to the
12 elderly shall be paid by the state;

13 (iv) The authority shall be authorized and empowered to charge a fare for any paratransit
14 services required by the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., in accordance
15 with 49 C.F.R. Part 37;

16 (8) To borrow money and to issue bonds of the authority for any of its purposes including,
17 without limitation, the borrowing of money in anticipation of the issuance of bonds or the receipt
18 of any operating revenues or other funds or property to be received by the authority, and the
19 financing of property to be owned by others and used, in whole or substantial part, by the authority
20 for any of its purposes, all as may, from time to time, be authorized by resolution of the authority;
21 the bonds to contain on their face a statement to the effect that neither the state nor any municipality
22 or other political subdivision of the state shall be obligated to pay the same or the interest thereon;

23 (9) To enter into management contracts for the operation, management, and supervision of
24 any or all transit properties under the jurisdiction of the authority, and to make and enter into all
25 contracts and agreements necessary or incidental to the performance of its duties and the execution
26 of its powers under this chapter;

27 (10) Without limitation of the foregoing, to borrow money from, to receive and accept
28 grants for or in aid of the purchase, leasing, improving, equipping, furnishing, maintaining,
29 repairing, constructing, and operating of transit property, and to enter into contracts, leases, or other
30 transactions with any federal agency; and to receive and accept from the state, from any
31 municipality, or other political subdivision thereof, and from any other source, aid or contributions
32 of either money, property, labor, or other things of value, to be held, used, and applied only for the
33 purposes for which the grants and contributions may be made;

34 (11) To acquire in the name of the authority, by negotiated purchase or otherwise, on such

1 terms and conditions and in such manner as it may deem proper, or by the exercise of the power of
2 condemnation to the extent only and in the manner as provided in this chapter, public and private
3 lands, including public parks, playgrounds or reservations, or parts thereof, or rights therein, rights-
4 of-way, property rights, easements, and interests as it may deem necessary for carrying out the
5 provisions of this chapter; provided, however, that all public property damaged in carrying out the
6 powers granted by this chapter shall be restored or repaired and placed in its original condition as
7 nearly as practicable;

8 (12) To contract with any municipality, public or private company or organization,
9 whereby the authority will receive a subsidy to avoid discontinuance of service, and each
10 municipality within the state is hereby authorized to make and enter into such contracts and to
11 make, grant, or give to the authority a subsidy in such amount and for such period of time as it may
12 deem advisable;

13 (13) To operate open-door service from Rhode Island to and from locations in
14 Massachusetts and Connecticut that are within five (5) miles of the Rhode Island border; and

15 (14) To do all things necessary, convenient, or desirable to carry out the purposes of this
16 chapter.

17 (b) To effectuate the purposes of this chapter the authority shall have the following duties:

18 (1) To participate in and contribute to transportation planning initiatives that are relevant
19 to the purposes of the authority;

20 (2) To plan, coordinate, develop, operate, maintain, and manage a statewide public transit
21 system consistent with the purposes of the authority, including plans to meet demands for public
22 transit where such demand, current or prospective, exceeds supply and/or availability of public
23 transit services;

24 (3) To work with departments, agencies, authorities, and corporations of federal, state, and
25 local government, public and private institutions, businesses, nonprofit organizations, users of the
26 system, and other entities and persons to coordinate public transit services and provide a seamless
27 network of mobility options.

28 SECTION 2. Section 42-155-4 of the General Laws in Chapter 42-155 entitled "Quasi-
29 Public Corporations Accountability and Transparency Act" is hereby amended to read as follows:

30 **42-155-4. Role and responsibilities of board members.**

31 (a) Board members of quasi-public corporations shall:

32 (1) Execute oversight of the corporation, the chief executive, and other management in the
33 effective and ethical management of the corporation;

34 (2) Understand, review, and monitor the implementation of fundamental financial and

1 management controls and operational decisions of the corporation;

2 (3) Adopt a code of ethics applicable to each officer, director, and employee of the
3 corporation that, at a minimum, includes the standards established in chapter 14 of title 36 (“Code
4 of Ethics”);

5 (4) Adopt a mission statement expressing the purpose and goals of the corporation, a
6 description of the stakeholders of the corporation and their reasonable expectations from the
7 corporation, and a list of measurements by which performance of the corporation and the
8 achievement of its goals may be evaluated. Each corporation shall, at least once every three (3)
9 years, publish a self-evaluation based on the stated measurements;

10 (5) Adopt and periodically update an indemnification policy that shall be set forth in the
11 bylaws of the corporation; and

12 (6) Perform each of their duties as board members, including, but not limited to, those
13 imposed by this section, in good faith and with that degree of diligence, care, and skill that an
14 ordinarily prudent person in like position would use under similar circumstances, and ultimately
15 apply independent judgment in the best interest of the quasi-public corporation, its mission, and the
16 public;

17 (b) Board members of quasi-public corporations shall establish and maintain written
18 policies and procedures for the following:

19 (1) Internal accounting and administrative controls in accordance with the provisions of
20 chapter 20 of title 35, the “Public Corporation Financial Integrity and Accountability Act of 1995”;

21 (2) Travel, including lodging, meals, and incidental expenses; provided, however, that no
22 reimbursement shall exceed the allowable state employee reimbursement amount per day;

23 (3) Grants, charitable and civic donations, and/or contributions; provided, however, that all
24 such grants, donations, or contributions shall be voted on by the full board during an open meeting
25 and the vote shall be recorded in the minutes of the meeting, together with:

26 (i) The citation to the specific state statute authorizing the action;

27 (ii) An explanation of how the grant, donation, or contribution relates to the corporation’s
28 mission;

29 (iii) The identity of each board member or employee of the corporation who will receive
30 any benefit from the grant, donation, or contribution including, without limitation, tickets to events,
31 meals, and golf;

32 (iv) Any disclosure required by chapter 14 of title 36 (“Code of Ethics”); and

33 (v) Each such grant, donation, or contribution shall be clearly identified in the financial
34 statements of the corporation.

1 (4) Credit card use; provided, however, that pursuant to § 35-20-10, no credit card shall be
2 used for personal use;

3 (5) Employee reimbursement, including requests by management for business expenses
4 and expenses classified as gifts or entertainment;

5 (6) Personnel, including hiring, dismissing, promoting, and compensating employees of
6 the corporation;

7 (7) Marketing expenses; ~~and~~

8 (8) Lobbyists' expenses;

9 (9) Procurement of goods and services for the quasi-public corporation in any amount
10 greater than ten thousand dollars (\$10,000), but less than fifty thousand dollars (\$50,000), in the
11 aggregate over the course of a fiscal year, shall be conducted in compliance with the rules and
12 regulations of the corporation and approved by the corporation's board of directors; and

13 (10) Procurement of goods and services in excess of fifty thousand dollars (\$50,000), in
14 the aggregate over the course of a fiscal year, shall require a competitive bidding process consistent
15 with § 37-2-17.2, conducted by the corporation's board of directors in compliance with the rules
16 and regulations of the corporation.

17 (c) Final approval of hiring and purchase contracts for the purpose of procurement of goods
18 and services shall be approved by the board of directors, and may not be delegated to corporation
19 officers.

20 ~~(d)~~ The written policies and procedures required by this section and any additional
21 written policies and procedures that the board may adopt shall be approved by the board during an
22 open meeting and the vote shall be recorded in the minutes of the meeting.

23 ~~(e)~~ No board member shall serve in a paid capacity as an employee or consultant of the
24 corporation.

25 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RHODE ISLAND PUBLIC
TRANSIT AUTHORITY

1 This act would require that quasi-public corporations, including the Rhode Island public
2 transit authority, obtain approval from the corporation board of directors for any procurement of
3 services in an amount greater than ten thousand dollars (\$10,000), but less than fifty thousand
4 dollars (\$50,000), and for the procurement of services in excess of fifty thousand dollars (\$50,000)
5 a competitive bidding process would be required for the procurement.

6 This act would take effect upon passage.

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