

2024 -- H 7918

LC004079

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM -- 2024 BOND REFERENDA

Introduced By: Representatives Tanzi, Ajello, Cortvriend, Handy, Potter, Stewart, Kislak, McGaw, and Morales
Date Introduced: March 04, 2024
Referred To: House Finance

It is enacted by the General Assembly as follows:

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 2024, 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 2024 session, authorizing the issuance of bonds, refunding bonds, and/or temporary notes of the State of Rhode Island for the capital project and in the amount 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) Bicycle Mobility Plan \$25,000,000
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 twenty five million dollars (\$25,000,000), to provide direct funding for a statewide bicycle system consisting of a seamless off-road and on-street network that provides transportation and recreational links in all corners of the state.

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

1 as consistent herewith, shall apply to this proposition.

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

7           **SECTION 4. Bonds for capital development program.** -- The general treasurer is hereby  
8 authorized and empowered, with the approval of the governor, and in accordance with the  
9 provisions of this act to issue capital development bonds in serial form, in the name of and on behalf  
10 of the State of Rhode Island, in amounts as may be specified by the governor in an aggregate  
11 principal amount not to exceed the total amount for the project approved by the people and  
12 designated as "capital development loan of 2024 bonds." Provided, however, that the aggregate  
13 principal amount of such capital development bonds and of any temporary notes outstanding at any  
14 one time issued in anticipation thereof pursuant to section 7 hereof shall not exceed the total amount  
15 for the project approved by the people. All provisions in this act relating to "bonds" shall also be  
16 deemed to apply to "refunding bonds."

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

32           **SECTION 5. Refunding bonds for 2024 capital development program.** -- The general  
33 treasurer is hereby authorized and empowered, with the approval of the governor, and in accordance  
34 with the provisions of this act, to issue bonds to refund the 2024 capital development program

1 bonds, in the name of and on behalf of the state, in amounts as may be specified by the governor in  
2 an aggregate principal amount not to exceed the total amount approved by the people, to be  
3 designated as "capital development program loan of 2024 refunding bonds" (hereinafter "refunding  
4 bonds").

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

9 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and  
10 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the  
11 general treasurer immediately to the paying agent for the capital development bonds which are to  
12 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they  
13 are applied to prepay the capital development bonds. While such proceeds are held in trust, the  
14 proceeds may be invested for the benefit of the state in obligations of the United States of America  
15 or the State of Rhode Island.

16 If the general treasurer shall deposit with the paying agent for the capital development  
17 bonds the proceeds of the refunding bonds, or proceeds from other sources, amounts that, when  
18 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all  
19 principal, interest, and premium, if any, on the capital development bonds until these bonds are  
20 called for prepayment, then such capital development bonds shall not be considered debts of the  
21 State of Rhode Island for any purpose starting from the date of deposit of such monies with the  
22 paying agent. The refunding bonds shall continue to be a debt of the state until paid.

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

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

32 All monies in the capital development bond fund shall be expended for the purposes  
33 specified in the proposition provided for in section 1 hereof under the direction and supervision of  
34 the director of administration (hereinafter referred to as "director"). The director, or designee shall

1 be vested with all power and authority necessary or incidental to the purposes of this act, including,  
2 but not limited to, the following authority:

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

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

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

12 (4) To direct payment for the cost of equipment, supplies, devices, materials and labor for  
13 repair, renovation or conversion of systems and structures as necessary for the 2024 capital  
14 development program bonds or notes hereunder from the proceeds thereof. No funds shall be  
15 expended in excess of the amount of the capital development bond fund designated for the project  
16 authorized in section 1 hereof. With respect to the bonds and temporary notes described in section  
17 1, the proceeds shall be used for the following purpose:

18 Question 1, relating to bonds in the amount of twenty five million dollars (\$25,000,000) to  
19 provide funding for a statewide bicycle system consisting of a seamless off-road and on-street  
20 network that provides transportation and recreational links in all corners of the state.

21 **SECTION 7. Sale of bonds and notes.** -- Any bonds or notes issued under the authority  
22 of this act shall be sold at not less than the principal amount thereof, in such mode and on such  
23 terms and conditions as the general treasurer, with the approval of the governor, shall deem to be  
24 in the best interests of the state.

25 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's  
26 discount, which may be received on the sale of the capital development bonds or notes shall become  
27 part of the Rhode Island capital plan fund of the state, unless directed by federal law or regulation  
28 to be used for some other purpose.

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

34 Any bonds or notes issued under the provisions of this act and coupons on any capital

1 development bonds, if properly executed by the manual or electronic signatures of officers of the  
2 state in office on the date of execution, shall be valid and binding according to their tenor,  
3 notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall  
4 for any reason have ceased to hold office.

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

6 All bonds and notes issued under the authority of this act shall be exempt from taxation in the state  
7 and shall be general obligations of the state, and the full faith and credit of the state is hereby  
8 pledged for the due payment of the principal and interest on each of such bonds and notes as the  
9 same shall become due.

10 **SECTION 9. Investment of monies in fund. --** All monies in the capital development fund

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

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

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

26 **SECTION 11. Advances from general fund. --** The general treasurer is authorized, with

27 the approval of the director and the governor, in anticipation of the issue of bonds or notes under  
28 the authority of this act, to advance to the capital development bond fund for the purposes specified  
29 in section 6 hereof, any funds of the state not specifically held for any particular purpose; provided,  
30 however, that all advances made to the capital development bond fund shall be returned to the  
31 general fund from the capital development bond fund forthwith upon the receipt by the capital  
32 development fund of proceeds resulting from the issue of bonds or notes to the extent of such  
33 advances.

34 **SECTION 12. Federal assistance and private funds. --** In carrying out this act, the

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

12 SECTION 13. Sections 1, 2, 3, 11 and 12 of this act shall take effect upon passage. The  
13 remaining sections of this act shall take effect when and if the state board of elections shall certify  
14 to the secretary of state that a majority of the qualified electors voting on the proposition contained  
15 in section 1 hereof have indicated their approval of the project thereunder.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO CAPITAL DEVELOPMENT PROGRAM -- 2024 BOND REFERENDA

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1           This act would submit the state's 2024 capital development program requesting the  
2 issuance of general obligation bonds totaling twenty five million dollars (\$25,000,000) for approval  
3 of the electorate at the general election to be held on November 5, 2024.

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

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