

2025 -- H 5470

LC001291

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM -- 2026 BOND REFERENDA

Introduced By: Representatives Tanzi, Morales, Speakman, Donovan, Cortvriend,
McGaw, Handy, Stewart, Kislak, and Felix

Date Introduced: February 12, 2025

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. **Proposition to be submitted to the people.** –

2 At the general election to be held on the Tuesday next after the first Monday in November
3 2026, there shall be submitted to the people ("people") of the State of Rhode Island ("state"), for
4 their approval or rejection, the following proposition:

5 "Shall the action of the general assembly, by an act passed at the January 2025 session,
6 authorizing the issuance of bonds, refunding bonds, and/or temporary notes of the State of Rhode
7 Island for the capital project and in the amount listed below be approved, and the issuance of bonds,
8 refunding bonds, and/or temporary notes authorized in accordance with the provisions of said act?"

9 **Project**

10 (1) Transit Forward RI 2040 \$100,000,000

11 Approval of this question will allow the State of Rhode Island to issue general obligation
12 bonds, refunding bonds, and/or temporary notes in an amount not to exceed one hundred million
13 dollars (\$100,000,000), to provide direct funding for a statewide transit system by providing
14 improvement to: bus stops and shelters; safety and access to bus stops, including crosswalks,
15 sidewalks and curb ramps; mobility hub and passenger facility infrastructure, including bathrooms,
16 sheltered and secured bike racks and indoor waiting areas; matching funds for federal grants for
17 high capacity transit lines planned pursuant to the transit master plan; and, operational support
18 infrastructure for technology and agency facility improvements and expansion.

19 SECTION 2. **Ballot labels and applicability of general election laws.** –

1 The secretary of state shall prepare and deliver to the state board of elections ballot labels
2 for the project provided for in section 1 hereof with the designations "approve" or "reject" provided
3 next to the description of the project to enable voters to approve or reject the proposition. The
4 general election laws, so far as consistent herewith, shall apply to this proposition.

5 **SECTION 3. Approval of project by people. –**

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

11 **SECTION 4. Bonds for capital development program. –**

12 The general treasurer is hereby authorized and empowered, with the approval of the
13 governor, and in accordance with the provisions of this act to issue capital development bonds in
14 serial form, in the name of and on behalf of the State of Rhode Island, in amounts as may be
15 specified by the governor in an aggregate principal amount not to exceed the total amount for the
16 project approved by the people and designated as "capital development loan of 2026 bonds."
17 Provided, however, that the aggregate principal amount of such capital development bonds and of
18 any temporary notes outstanding at any one time issued in anticipation thereof pursuant to section
19 7 hereof shall not exceed the total amount for the project approved by the people. All provisions in
20 this act relating to "bonds" shall also be deemed to apply to "refunding bonds."

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

1 of the governor shall be endorsed on each bond.

2 **SECTION 5. Refunding bonds for 2026 capital development program. –**

3 The general treasurer is hereby authorized and empowered, with the approval of the
4 governor, and in accordance with the provisions of this act, to issue bonds to refund the 2026 capital
5 development program bonds, in the name of and on behalf of the state, in amounts as may be
6 specified by the governor in an aggregate principal amount not to exceed the total amount approved
7 by the people, to be designated as "capital development program loan of 2026 refunding bonds"
8 (hereinafter "refunding bonds").

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

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

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

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

29 **SECTION 6. Proceeds of capital development program. –**

30 The general treasurer is directed to deposit the proceeds from the sale of capital
31 development bonds issued under this act, exclusive of premiums and accrued interest and net the
32 underwriters' cost, and cost of bond insurance, in one or more of the depositories in which the funds
33 of the state may be lawfully kept in special accounts (hereinafter cumulatively referred to as "such
34 capital development bond fund") appropriately designated for the project set forth in section 1

1 hereof which shall have been approved by the people to be used for the purpose of paying the cost
2 of the project so approved.

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

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

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

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

17 (4) To direct payment for the cost of equipment, supplies, devices, materials and labor for
18 repair, renovation or conversion of systems and structures as necessary for the 2026 capital
19 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
20 expended in excess of the amount of the capital development bond fund designated for the project
21 authorized in section 1 hereof. With respect to the bonds and temporary notes described in section
22 1, the proceeds shall be used for the following purpose:

23 Question 1, relating to bonds in the amount of one hundred million dollars (\$100,000,000)
24 to provide funding for a statewide transit system by improvement of existing services, expansion
25 of services to new areas, development of high capacity transit, improvement of access to transit and
26 adoption of new technologies and methods to make service easier to use.

27 **SECTION 7. Sale of bonds and notes. –**

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

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

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

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

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

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

16 **SECTION 9. Investment of monies in fund. –**

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

29 **SECTION 10. Appropriation. –**

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

33 **SECTION 11. Advances from general fund. –**

34 The general treasurer is authorized, with the approval of the director and the governor, in

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

7 **SECTION 12. Federal assistance and private funds. –**

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

19 **SECTION 13.** Sections 1, 2, 3, 11 and 12 of this act shall take effect upon passage. The
20 remaining sections of this act shall take effect when and if the state board of elections shall certify
21 to the secretary of state that a majority of the qualified electors voting on the proposition contained
22 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 -- 2026 BOND REFERENDA

1 This act would submit the state's 2026 capital development program requesting the
2 issuance of general obligation bonds totaling one hundred million dollars (\$100,000,000) for
3 approval of the electorate at the general election to be held in November, 2026.

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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