

1 **ARTICLE 5**

2 RELATING TO CAPITAL DEVELOPMENT PROGRAM

3 SECTION 1. Proposition to be submitted to the people. -- At the general election to be  
4 held on the Tuesday next after the first Monday in November 2012, there shall be submitted to  
5 the people for their approval or rejection the following proposition:

6 "Shall the action of the general assembly, by an act passed at the January 2012 session,  
7 authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the  
8 capital projects and in the amount with respect to each such project listed below be approved, and  
9 the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the  
10 provisions of said act?"

11 Project

12 (1) Higher Education Facilities..... \$50,000,000

13 Approval of this question will allow the State of Rhode Island to issue general obligation  
14 bonds, refunding bonds, and temporary notes in an amount not to exceed fifty million dollars  
15 (\$50,000,000) for renovations and modernization of academic buildings at Rhode Island College  
16 including renovation, upgrade and expansion of health and nursing facilities on the campus of  
17 Rhode Island College.

18 (2) Veterans' Home.....\$94,000,000

19 Approval of this question will allow the State of Rhode Island to issue general obligation  
20 bonds, refunding bonds and temporary notes in an amount not to exceed ninety-four million  
21 dollars (\$94,000,000) for the construction of a new Veterans' Home and renovations to existing  
22 facilities. Any funding amount from federal sources received for these purposes will be used to  
23 reduce the amount of borrowed funds.

24 (3) Clean Water Finance Agency..... \$20,000,000

25 Approval of this question will authorize the State of Rhode Island to issue general  
26 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed twelve  
27 million dollars (\$12,000,000) to be leveraged with federal and state capitalization grants to  
28 finance wastewater infrastructure projects and eight million dollars (\$8,000,000) to be leveraged  
29 with federal and state capitalization grants to finance drinking water infrastructure projects.

30 (4) Environmental Management ..... \$20,000,000

1 Approval of this question will allow the State of Rhode Island to issue general obligation  
2 bonds, refunding bonds, and temporary notes for environmental and recreational purposes to be  
3 allotted as follows:

4 (a) Narragansett Bay and Watershed Restoration..... \$4,000,000

5 Provides funds for activities to restore and protect the water quality and enhance the  
6 economic viability and environmental sustainability of Narragansett Bay and the state's  
7 watersheds. Eligible activities include: nonpoint source pollution abatement, including  
8 stormwater management; nutrient loading abatement; commercial, industrial and agricultural  
9 pollution abatement; and riparian buffer and watershed ecosystem restoration.

10 (b) State Land Acquisition – Open Space..... \$2,500,000

11 Provides funds for the purchase of land, development rights and conservation easements  
12 in Rhode Island. This program acquires recreational and open space lands for the State of Rhode  
13 Island in accordance with the Rhode Island Comprehensive Outdoor Recreation Plan, Land  
14 Protection Plan, and the Rhode Island Greenspace 2000 plan.

15 (c) Farmland Development Rights..... \$4,500,000

16 Provides funds for the purchase of agricultural development rights to active farms in  
17 Rhode Island. The State purchases the development rights to farms to eliminate the economic  
18 pressure on farmers to sell properties for residential and commercial development. The  
19 Agricultural Land Preservation Commission accepts and evaluates farmland applications for these  
20 funds.

21 (d) Local Land Acquisition Grants ..... \$2,500,000

22 Provides funds for grants to municipalities, local land trusts and non-profit organizations  
23 to acquire fee-simple title, development rights, or conservation easements to open space in Rhode  
24 Island. The grants provide funding up to fifty percent (50%) of the purchase price for land,  
25 surveys, appraisals and title costs. The grant applications are reviewed and evaluated by the  
26 Governor's Natural Heritage Preservation Commission according to the program guidelines.

27 (e) Local Recreation Grants..... \$5,500,000

28 Provides grants to municipalities for acquisition, development, or rehabilitation of local  
29 recreational facilities. These grants provide funding assistance up to fifty percent (50%) of the  
30 project costs. All grant applications are evaluated and ranked by the State Recreation Resources  
31 Review Committee.

32 (f) Historic/Passive Parks..... \$1,000,000

33 Provides grants to municipalities for the renovation and development of historic and  
34 passive recreation areas. The grants provide funding assistance of up to ninety percent (90%) of

1 the project costs. All grant applications are evaluated and ranked by the State Recreation  
2 Resources Review Committee.

3 (5) Affordable Housing..... \$25,000,000

4 Approval of this question will allow the State of Rhode Island to issue general obligation  
5 bonds, refunding bonds, and temporary notes in an amount not to exceed twenty-five million  
6 dollars (\$25,000,000) for affordable housing.

7 SECTION 2. Ballot labels and applicability of general election laws. -- The secretary  
8 of state shall prepare and deliver to the state board of elections ballot labels for each of the  
9 projects provided for in Section 1 hereof with the designations "approve" or "reject" provided  
10 next to the description of each such project to enable voters to approve or reject each such  
11 proposition. The general election laws, so far as consistent herewith, shall apply to this  
12 proposition.

13 SECTION 3. Approval of projects by people. -- If a majority of the people voting on  
14 the proposition provided for in Section 1 hereof shall vote to approve the proposition as to any  
15 project provided for in Section 1 hereof, said project shall be deemed to be approved by the  
16 people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be  
17 limited to the aggregate amount for all such projects as set forth in the proposition provided for in  
18 section 1 hereof which has been approved by the people.

19 SECTION 4. Bonds for capital development program. -- The general treasurer is  
20 hereby authorized and empowered with the approval of the governor and in accordance with the  
21 provisions of this act, to issue from time to time capital development bonds in serial form in the  
22 name and on behalf of the state in amounts as may be specified from time to time by the governor  
23 in an aggregate principal amount not to exceed the total amount for all projects approved by the  
24 people and designated as "capital development loan of 2012 bonds" provided, however, that the  
25 aggregate principal amount of such capital development bonds and of any temporary notes  
26 outstanding at any one time issued in anticipation thereof pursuant to Section 7 hereof shall not  
27 exceed the total amount for all such projects as have been approved by the people. All provisions  
28 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

29 Capital development bonds issued under this act shall be in denominations of one  
30 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency  
31 of the United States which at the time of payment shall be legal tender for public and private  
32 debts. These capital development bonds shall bear such date or dates, mature at specified time or  
33 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in  
34 which they are issued, bear interest payable semi-annually at a specified rate or different or

1 varying rates, be payable at designated time or times at specified place or places, be subject to  
2 expressed terms of redemption or recall, with or without premium, be in a form, with or without  
3 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt  
4 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the  
5 approval of the governor, upon each issue of such capital development bonds at the time of each  
6 issue. Whenever the governor shall approve the issuance of such capital development bonds, he  
7 or she shall certify approval to the secretary of state; the bonds shall be signed by the general  
8 treasurer and countersigned by the manual or facsimile signature of the secretary of state and  
9 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be  
10 endorsed on each bond so approved with a facsimile of his or her signature.

11 SECTION 5. Refunding bonds for 2012 capital development program. -- The general  
12 treasurer is hereby authorized and empowered, with the approval of the governor and in  
13 accordance with the provisions of this act, to issue from time to time bonds to refund the 2012  
14 capital development program bonds in the name and on behalf of the state, in amounts as may be  
15 specified from time to time by the governor in an aggregate principal amount not to exceed the  
16 total amount approved by the people, to be designated as "capital development program loan of  
17 2012 refunding bonds" (hereinafter "refunding bonds").

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

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

29 If the general treasurer shall deposit with the paying agent for the capital development  
30 bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when  
31 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all  
32 principal, interest, and premium, if any, on the capital development bonds until these bonds are  
33 called for prepayment, then such capital development bonds shall not be considered debts of the  
34 State of Rhode Island for any purpose from the date of deposit of such moneys with the paying

1 agent. The refunding bonds shall continue to be a debt of the state until paid.

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

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

12 All monies in the capital development bond fund shall be expended for the purposes  
13 specified in the proposition provided for in Section 1 hereof under the direction and supervision  
14 of the director of administration (hereinafter referred to as "director"). The director or his or her  
15 designee shall be vested with all power and authority necessary or incidental to the purposes of  
16 this act, including but not limited to, the following authority: (a) to acquire land or other real  
17 property or any interest, estate or right therein as may be necessary or advantageous to  
18 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans  
19 and specifications, and relocation expenses and other costs such as for furnishings, equipment  
20 designing, inspecting and engineering, required in connection with the implementation of any  
21 projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,  
22 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other  
23 improvements to land in connection with the implementation of any projects set forth in section 1  
24 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor  
25 for repair, renovation or conversion of systems and structures as necessary for 2012 capital  
26 development program bonds or notes hereunder from the proceeds thereof. No funds shall be  
27 expended in excess of the amount of the capital development bond fund designated for each  
28 project authorized in Section 1 hereof. With respect to the bonds and temporary notes described  
29 in section 1, the proceeds shall be utilized for the following purposes:

30 Question 1 relating to bonds in the amount of fifty million dollars (\$50,000,000) for  
31 Higher Education shall be allocated as follows:

- 32 Infrastructure Modernization at Rhode Island College..... \$50,000,000
- 33 Provides funds for modernization and renovation of academic buildings on the Rhode  
34 Island College campus including renovation, upgrade and expansion of health and nursing

1 facilities on the campus of Rhode Island College.

2 Question 2 relating to bonds in the amount of ninety-four million dollars (\$94,000,000) to  
3 be provided to the department of human services to provide funding for the construction of a new  
4 veterans' home as well as renovations to existing facilities. The project is planned to be completed  
5 over a ten-year period, beginning with the new veterans' home facility, followed by renovations  
6 to existing facilities.

7 Question 3 relating to bonds in the amount of twenty million dollars (\$20,000,000) for  
8 the Clean Water Finance Agency to be allocated as follows:

9 (a) Clean Water State Revolving Loan Fund..... \$12,000,000

10 Provides funds for water pollution abatement projects structured as low-interest,  
11 subsidized loans for local governmental units to finance approved water pollution abatement  
12 projects.

13 (b) Drinking Water State Revolving Loan Fund..... \$8,000,000

14 Provides funds for drinking water projects structured as low-interest, subsidized loans for  
15 local governmental units and privately organized water suppliers to finance approved drinking  
16 water projects.

17 Question 4 relating to bonds in the amount of twenty million dollars (\$20,000,000) for  
18 environmental and recreational purposes to be allocated as follows:

19 (a) Narragansett Bay and Watershed Restoration..... \$4,000,000

20 Provides funds for activities to restore and protect the water quality and enhance the  
21 economic viability and environmental sustainability of Narragansett Bay and the state's  
22 watersheds.

23 (b) State Land Acquisition – Open Space..... \$2,500,000

24 Provides funds for the purchase of land, development rights, and conservation easements  
25 in Rhode Island.

26 (c) Farmland Development Rights..... \$4,500,000

27 Provides funds for the purchase of agricultural development rights to active farms in  
28 Rhode Island.

29 (d) Local Land Acquisition Grants ..... \$2,500,000

30 Provides funds for grants to municipalities, local land trusts, and non-profit organizations  
31 to acquire fee-simple title, development rights, or conservation easements to open space in Rhode  
32 Island.

33 (e) Local Recreation Grants..... \$5,500,000

34 Provides grants to municipalities for acquisition, development, or rehabilitation of local

1 recreation facilities.

2 (f) Historic/Passive Parks..... \$1,000,000

3 Provides grants to municipalities for the renovation or development of historic and  
4 passive recreation areas.

5 Question 5 relating to bonds in the amount of twenty-five million dollars (\$25,000,000)  
6 for Affordable Housing.

7 Provides funding to the Housing Resources Commission to provide state funds to  
8 promote affordable housing through redevelopment of existing structures, or new construction.

9 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority  
10 of this act shall be sold from time to time at not less than the principal amount thereof, in such  
11 mode and on such terms and conditions as the general treasurer, with the approval of the  
12 governor, shall deem to be for the best interests of the state.

13 Any premiums and accrued interest, net of the cost of bond insurance and underwriters  
14 discount, that may be received on the sale of the capital development bonds or notes shall become  
15 part of the Rhode Island Capital Fund of the state, unless directed by federal law or regulation to  
16 be used for some other purpose.

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

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

27 SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -  
28 All bonds and notes issued under the authority of this act shall be exempt from taxation in the  
29 state and shall be general obligations of the state, and the full faith and credit of the state is hereby  
30 pledged for the due payment of the principal and interest on each of such bonds and notes as the  
31 same shall become due.

32 SECTION 9. Investment of monies in fund. -- All moneys in the capital development  
33 fund not immediately required for payment pursuant to the provisions of this act may be invested  
34 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such

1 chapter; provided, however, that the securities in which the capital development fund is invested  
2 shall remain a part of the capital development fund until exchanged for other securities; and  
3 provided further, that the income from investments of the capital development fund shall become  
4 a part of the general fund of the state and shall be applied to the payment of debt service charges  
5 of the state, unless directed by federal law or regulation to be used for some other purpose, or to  
6 the extent necessary, to rebate to the United States treasury any income from investments  
7 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent  
8 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from  
9 federal income taxation.

10 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not  
11 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and  
12 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise  
13 appropriated.

14 SECTION 11. Advances from general fund. -- The general treasurer is authorized from  
15 time to time with the approval of the director and the governor, in anticipation of the issue of  
16 notes or bonds under the authority of this act, to advance to the capital development bond fund for  
17 the purposes specified in Section 6 hereof, any funds of the state not specifically held for any  
18 particular purpose; provided, however, that all advances made to the capital development bond  
19 fund shall be returned to the general fund from the capital development bond fund forthwith upon  
20 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds  
21 to the extent of such advances.

22 SECTION 12. Federal assistance and private funds. -- In carrying out this act, the  
23 director, or his or her designee, is authorized on behalf of the state, with the approval of the  
24 governor, to apply for and accept any federal assistance which may become available for the  
25 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of  
26 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,  
27 to act as agent for the federal government in connection therewith, or to designate a subordinate  
28 so to act. Where federal assistance is made available, the project shall be carried out in  
29 accordance with applicable federal law, the rules and regulations thereunder and the contract or  
30 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.  
31 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited  
32 in the capital development bond fund and expended as a part thereof. The director or his or her  
33 designee may also utilize any private funds that may be made available for the purposes of this  
34 act.



1           SECTION 13. Effective Date. -- Sections 1, 2 and 3 of this article shall take effect upon  
2 passage. The remaining sections of this article shall take effect if and when the state board of  
3 elections shall certify to the secretary of state that a majority of the qualified electors voting on  
4 the propositions contained in section 1 hereof have indicated their approval of all or any projects  
5 thereunder.