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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - ADVICE AND CONSENT OF  
THE SENATE

Introduced By: Senators Tassoni, Doyle, DiPalma, Cote, and Nesselbush

Date Introduced: January 18, 2012

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 24-12-2 of the General Laws in Chapter 24-12 entitled "Rhode  
2 Island Turnpike and Bridge Authority" is hereby amended to read as follows:

3 **24-12-2. Authority created -- Composition. --** There is hereby created a body corporate  
4 and politic to be known as the "Rhode Island turnpike and bridge authority." The authority shall  
5 consist of five (5) members, including the director of transportation, who shall be a member ex  
6 officio, and four (4) members appointed by the governor. [Each gubernatorial appointee shall be](#)  
7 [subject to the advice and consent of the senate.](#)

8 SECTION 2. Section 42-64-7.1 of the General Laws in Chapter 42-64 entitled "Rhode  
9 Island Economic Development Corporation" is hereby amended to read as follows:

10 **42-64-7.1. Subsidiaries. --** (a) (1) The parent corporation shall have the right to exercise  
11 and perform its powers and functions, or any of them, through one or more subsidiary  
12 corporations whose creation shall be approved and authorized by the general assembly.

13 (2) (i) Express approval and authorization of the general assembly shall be deemed to  
14 have been given for all legal purposes on July 1, 1995 for the creation and lawful management of  
15 a subsidiary corporation created for the management of the Quonset Point/Davisville Industrial  
16 Park, that subsidiary corporation being managed by a board of directors, the members of which  
17 shall be constituted as follows: (A) two (2) members who shall be appointed by the town council  
18 of the town of North Kingstown; (B) two (2) members who shall be residents of the town of

1 North Kingstown appointed by the governor; (C) four (4) members who shall be appointed by the  
2 governor; (D) the chairperson, who shall be the executive director of the Rhode Island economic  
3 development corporation; and (E) non-voting members, who shall include the members of the  
4 general assembly whose districts are comprised in any part by areas located within the town of  
5 North Kingstown and one non-voting member who shall be a resident of the town of Jamestown,  
6 appointed by the town council of the town of Jamestown. Upon receipt of approval and  
7 authorization from the general assembly, the parent corporation by resolution of the board of  
8 directors may direct any of its directors, officers, or employees to create subsidiary corporations  
9 pursuant to chapter 1.2 or 6 of title 7 or in the manner described in subsection (b); provided, that  
10 the parent corporation shall not have any power or authority to create, empower or otherwise  
11 establish any corporation, subsidiary corporation, corporate body or any form of partnership or  
12 any other separate entity, without the express approval and authorization of the general assembly.

13 (ii) The approval and authorization provided herein shall terminate upon the  
14 establishment of the Quonset Development Corporation as provided for in chapter 64.10 of this  
15 title.

16 (iii) The Quonset Development Corporation shall be deemed a subsidiary of the Rhode  
17 Island economic development corporation:

18 (A) As set forth in section 42-64.10-6(c); and

19 (B) Insofar as it exercises any powers and duties delegated to it by the corporation  
20 pursuant to this chapter for any project other than on real and personal property owned, leased or  
21 under the control of the corporation located in the town of North Kingstown, and the corporation  
22 shall be deemed to have authority to delegate any of its powers, with the exception of the power  
23 to issue any form of negotiable bonds or notes and the power of eminent domain, in order to  
24 accomplish the purposes of chapter 64.10 of this title; provided, however, that the corporation  
25 may, as provided for in this chapter, issue bonds or exercise the power of eminent domain on  
26 behalf of the Quonset Development Corporation or to undertake a project of the Quonset  
27 Development Corporation.

28 (b) As used in this section, "subsidiary public corporation" means a corporation created  
29 pursuant to the provisions of this section. The person or persons directed by the resolution  
30 referred to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of  
31 the subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the  
32 purpose or purposes for which the subsidiary public corporation is organized which shall not be  
33 more extensive than the purposes of the corporation set forth in section 42-64-5; (4) the number  
34 of directors (which may, but need not be, more than one) constituting the initial board of directors

1 and their names and business or residence addresses; (5) the name and business or residence  
2 address of the person preparing the articles of incorporation; (6) the date when corporate  
3 existence shall begin (which shall not be earlier than the filing of the articles of incorporation  
4 with the secretary of state as provided in this subsection); (7) any provision, not inconsistent with  
5 law, which the board of directors elect to set forth in the articles of incorporation for the  
6 regulation of the internal affairs of the subsidiary public corporation; and (8) a reference to the  
7 form of authorization and approval by the general assembly and to the resolution of the board of  
8 directors authorizing the preparation of the articles of incorporation. Duplicate originals of the  
9 articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds  
10 that the articles of incorporation conform to the provisions of this subsection, the secretary shall  
11 endorse on each of the duplicate originals the word "Filed," and the month, day and year of the  
12 filing; file one of the duplicate originals in his or her office; and a certificate of incorporation to  
13 which the secretary shall affix the other duplicate original. No filing fees shall be payable upon  
14 the filing of articles of incorporation. Upon the issuance of the certificate of incorporation or upon  
15 a later date specified in the articles of incorporation, the corporate existence shall begin and the  
16 certificate of incorporation shall be conclusive evidence that all conditions precedent required to  
17 be performed have been complied with and that the subsidiary public corporation has been duly  
18 and validly incorporated under the provisions hereof. The parent corporation may transfer to any  
19 subsidiary public corporation any moneys, real, personal, or mixed property or any project in  
20 order to carry out the purposes of this chapter. Each subsidiary public corporation shall have all  
21 the powers, privileges, rights, immunities, tax exemptions, and other exemptions of the parent  
22 corporation except to the extent that the articles of incorporation of the subsidiary public  
23 corporation shall contain an express limitation and except that the subsidiary public corporation  
24 shall not have the condemnation power contained in section 42-64-9, nor shall it have the powers  
25 contained in, or otherwise be subject to, the provisions of section 42-64-12 and section 42-64-  
26 13(a), nor shall it have the power to create, empower or otherwise establish any corporation,  
27 subsidiary corporation, corporate body, any form of partnership, or any other separate entity,  
28 without the express approval and authorization of the general assembly.

29 (c) Any subsidiary corporation shall not be subject to the provisions of section 42-64-  
30 8(a), (c), and (d), except as otherwise provided in the articles of incorporation of the subsidiary  
31 corporation.

32 (d) The Rhode Island economic development corporation, as the parent corporation of  
33 the Rhode Island Airport Corporation, shall not be liable for the debts or obligations or for any  
34 actions or inactions of the Rhode Island Airport Corporation, unless the Rhode Island economic

1 development corporation expressly agrees otherwise in writing.

2 (e) The East Providence Waterfront District shall, with the approval of its commission  
3 and the board of directors of the corporation, be a subsidiary of the Rhode Island economic  
4 development corporation for the purposes of exercising such powers of the corporation as the  
5 board of directors shall determine, and notwithstanding the requirements of subsection (b), the act  
6 creating the District shall be deemed fully satisfactory for the purposes of this section regarding  
7 the establishment of subsidiary public corporations, and the express approval and authorization of  
8 the general assembly shall be deemed to have been given for all legal purposes for the creation  
9 and lawful management of a subsidiary corporation created for the purposes of implementing the  
10 purposes of the District.

11 (f) The parent corporation is hereby authorized and empowered to create a subsidiary  
12 corporation for the expressed purpose to issue bonds and notes of the type and for those projects  
13 and purposes specified in the Joint Resolution and Act of the general assembly adopted by the  
14 Rhode Island house of representatives and the Rhode Island senate.

15 (g) The I-195 redevelopment district shall be a subsidiary of the Rhode Island economic  
16 development corporation for the purposes of exercising such powers of the corporation as the  
17 board of directors shall determine, and notwithstanding the requirements of subsection (b), the  
18 chapter creating the district shall be deemed fully satisfactory for the purposes of this section  
19 regarding the establishment of subsidiary public corporations, and the express approval and  
20 authorization of the general assembly shall be deemed to have been given for all legal purposes  
21 for the creation and lawful management of a subsidiary corporation created for the purposes of  
22 implementing the purposes of the district.

23 (h) The Rhode Island airport corporation -- appointment of directors:

24 The board of directors of the Rhode Island airport corporation shall consist of seven (7)  
25 members: The board of directors shall have extensive experience in the fields of finance,  
26 business, construction and/or organized labor.

27 The governor of the State of Rhode Island shall appoint, with the advice and consent of  
28 the senate when nominated to serve, the seven (7) members of the board of directors. One director  
29 shall be appointed for a term of one year; two (2) directors shall be appointed for a term of two  
30 (2) years; three (3) directors shall be appointed for a term of three (3) years; and one director shall  
31 be appointed for a term of four (4) years. Appointments made thereafter shall be for four (4) year  
32 terms.

33 Any vacancy occurring in the board of directors shall be filled by the governor of the  
34 State of Rhode Island in the same manner prescribed for the original appointments.

1 A director appointed to fill a vacancy of a director appointed by the governor of the State  
2 of Rhode Island shall be appointed for the unexpired portion of the term of office of the director  
3 whose vacancy is to be filled.

4 All members of the board of directors of the Rhode Island airport corporation shall serve  
5 without compensation.

6 [\(i\) All gubernatorial appointees to any subsidiary corporation created pursuant to this](#)  
7 [section shall be subject to the advice and consent of the senate.](#)

8 SECTION 3. Section 45-37.1-4 of the General Laws in Chapter 45-37.1 entitled  
9 "Industrial Facilities Corporation" is hereby amended to read as follows:

10 **45-37.1-4. Rhode Island industrial facilities corporation constituted public body**  
11 **corporate and agency of the state.** -- (a) The Rhode Island industrial facilities corporation,  
12 previously created as a nonbusiness corporation, under and pursuant to chapter 6 of title 7, as  
13 amended by chapter 121 of the Public Laws of 1966, is constituted and established as a public  
14 body corporate and agency of the state for the purposes of acquiring, constructing, financing, and  
15 leasing projects, as defined in this chapter, within the state. The exercise by the corporation of the  
16 powers conferred by this chapter are deemed and held to be the performance of an essential  
17 governmental function.

18 (b) All of the powers of the corporation are vested in the board of directors of the  
19 corporation previously elected at the first meeting of the incorporators of the Rhode Island  
20 industrial facilities corporation, and the members of the board shall continue to serve for the  
21 duration of the terms for which they were originally elected. Successors to the members of the  
22 board of directors shall be appointed by the governor, as follows: prior to the month of June in  
23 each year, commencing in the year 1967, the governor shall appoint a member to serve on the  
24 board of directors for a term of five (5) years to succeed the member whose term will expire in  
25 June of that year. In the event of a vacancy occurring in the membership of the board of directors,  
26 the governor shall appoint a new member of the board of directors for the unexpired term. Any  
27 member of the board of directors shall be eligible for reappointment. [Each gubernatorial](#)  
28 [appointee shall be subject to the advice and consent of the senate.](#)

29 (c) Each member of the board of directors, before entering upon his or her duties, shall  
30 take an oath to administer the duties of his or her office faithfully and impartially, and the oath  
31 shall be filed in the office of the secretary of state.

32 (d) The board of directors may elect officers, who need not be members of the board, as  
33 may be required to conduct the authority's business. The director of the department of economic  
34 development shall serve as executive director and chief executive officer, ex officio, of the

1 corporation. Three (3) members of the board of directors of the corporation constitutes a quorum,  
2 and the vote of three (3) members of the board of directors is necessary for any action taken by  
3 the corporation. No vacancy in the membership of the board of directors of the corporation shall  
4 impair the right of a quorum to exercise all the powers and perform the duties of the corporation.

5 (e) Any action taken by the corporation under the provisions of this chapter may be  
6 authorized by resolution at any regular or special meeting, and each resolution takes effect  
7 immediately and need not be published or posted.

8 (f) The members of the board of directors and the officers of the corporation shall  
9 receive no compensation for the performance of their duties under this chapter, but each member  
10 or officer shall be paid his or her necessary expenses incurred while in the performance of those  
11 duties.

12 SECTION 4. Section 45-38.1-4 of the General Laws in Chapter 45-38.1 entitled "Health  
13 And Educational Building Corporation" is hereby amended to read as follows:

14 **45-38.1-4. Corporation established.** -- (a) There is hereby created a public body  
15 corporate and agency of the state to be known as the "Rhode Island health and educational  
16 building corporation" as successor to the Rhode Island educational building corporation,  
17 previously created as a nonbusiness corporation under and pursuant to chapter 6 of title 7, as  
18 amended by chapter 121 of the Public Laws of 1966, and constituted and established as a public  
19 body corporate and agency of the state for the exercising of the powers conferred on the  
20 corporation under and pursuant to sections 45-38.1-1 -- 45-38.1-24.

21 (b) All of the powers of the corporation are vested in the board of directors of the  
22 corporation elected at the first meeting of the incorporators of the Rhode Island educational  
23 building corporation, and the members of the board shall continue to serve for the duration of the  
24 terms for which they were originally elected. Successors to the members of the board of directors  
25 shall be appointed by the governor, as follows: prior to the month of June in each year,  
26 commencing in the year 1968, the governor shall appoint a member to serve on the board of  
27 directors for a term of five (5) years to succeed the member whose term will expire in June of that  
28 year. In the event of a vacancy occurring in the membership of the board of directors, the  
29 governor shall appoint a new member of the board of directors for the unexpired term. Any  
30 member of the board of directors is eligible for reappointment. [Each gubernatorial appointee shall](#)  
31 [be subject to the advice and consent of the senate.](#)

32 (c) Each member of the board of directors, before entering upon his or her duties, shall  
33 take an oath to administer the duties of his or her office faithfully and impartially, and the oath  
34 shall be filed in the office of the secretary of state.

1           (d) The board of directors shall elect two (2) of its members as chairperson and vice  
2 chairperson, and also elect a secretary, assistant secretary, treasurer, and assistant treasurer, who  
3 need not be members of the board. Three (3) members of the board of directors of the corporation  
4 shall constitute a quorum, and the affirmative vote of the majority of the directors present and  
5 entitled to vote at any regular or special meeting at which a quorum is present, is necessary for  
6 any action to be taken by the corporation; except, however, that the affirmative vote of three (3)  
7 members of the board of directors is necessary for the election of officers of the corporation and  
8 to amend the bylaws of the corporation. No vacancy in the membership of the board of directors  
9 of the corporation impairs the right of a quorum to exercise all the powers of and perform the  
10 duties of the corporation.

11           (e) Any action taken by the corporation under the provisions of this chapter may be  
12 authorized by resolution at any regular or special meeting, and each resolution takes effect  
13 immediately and need not be published or posted.

14           (f) The members of the board of directors shall receive compensation at the rate of fifty  
15 dollars (\$50.00) per meeting attended; however, the compensation shall not exceed one thousand  
16 five hundred dollars (\$1,500) per fiscal year per member.

17           (g) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict  
18 of interest for a trustee, director, officer, or employee of an institution for higher education or a  
19 health care provider to serve as a member of the board of directors of the corporation; provided,  
20 that the trustee, director, officer, or employee abstains from deliberation, action and vote by the  
21 board under this chapter in specific respect to the institution for higher education or the health  
22 care provider of which the member is a trustee, director, officer, or employee.

23           SECTION 5. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT - ADVICE AND CONSENT OF  
THE SENATE

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- 1           This act would provide that gubernatorial appointees to certain quasi-public corporations
- 2   be subject to the advice and consent of the senate.
- 3           This act would take effect upon passage.

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