

2012 -- S 2874

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LC02340  
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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 - PUBLIC FINANCE  
MANAGEMENT BOARD

Introduced By: Senator Walter S. Felag

Date Introduced: April 12, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 42-10.1-4 and 42-10.1-8 of Chapter 42-10.1 of the General Laws  
2 entitled "Public Finance Management Board" is hereby amended to read as follows:

3           **42-10.1-4. Notice of debt issue to board.** – (a) Each state, municipal and regional  
4 department, authority, agency, board, commission, and public and quasi-public corporation  
5 having authority to issue revenue or general obligation bonds or notes shall, no later than thirty  
6 (30) days prior to the sale of any such debt issue at public or private sale, give written notice of  
7 the proposed sale to the board.

8           (b) The notice shall include one proposed sale date, the name of the issuer, the nature of  
9 the debt issue, and the estimated principal amount thereof, and such further information as may  
10 be required by rule of the board and shall be delivered in accordance with procedures to be  
11 established by rule of the board.

12           (c) Failure of delivery of the above notice or of the time or efficiency thereof shall not  
13 affect the validity of the issuance of any debt, bond or note.

14           (d) The board shall submit a report annually on or before ~~March 31st~~ September 30<sup>th</sup> of  
15 each year to the director of administration, the speaker of the house, the chairman of the house  
16 finance committee, the president of the senate, the chairman of the senate finance committee, and  
17 the auditor general on debt issues by cities and towns and other authorities subject to the  
18 provision of chapter 45-12, which report shall include the information set forth in division (b) of

1 this section and shall be for the notices of debt issues received ~~in the prior calendar year~~ during  
2 the state's fiscal year next preceding. An electronic transmission of the report shall be considered  
3 an acceptable submission.

4 **42-10.1-8. Comprehensive review.** – (a) The board shall comprehensively review the  
5 financing of capital improvements by all state, municipal, and regional departments, authorities,  
6 agencies, boards, commissions, and public and quasi-public corporations and study the  
7 comparative debt of all state and local governmental units for capital improvements and the use  
8 of bond financing as a source of the indebtedness. The review shall include an analysis of all  
9 outstanding general obligation and revenue bonds. Annually, on the ~~thirty first (31st) day of~~  
10 ~~March~~ thirtieth (30<sup>th</sup>) day of September, the board shall submit to the general assembly a report  
11 based upon information from the ~~previous fiscal year~~ fiscal year ending in the prior calendar year  
12 of its findings and recommendations, if any, for revising the laws governing such financing  
13 devices. An electronic transmission of the report shall be considered an acceptable submission.

14 (b) Annually, on the ~~thirty first (31st) day of March~~ thirtieth (30<sup>th</sup>) day of September, the  
15 board shall submit to the governor, the speaker of the house of representatives, the president of  
16 the senate and the secretary of state a report based upon information from the ~~previous fiscal year~~  
17 fiscal year ending in the prior calendar year of its findings and recommendations, if any, for  
18 revising the laws governing such financing devices. An electronic transmission of the report shall  
19 be considered an acceptable submission. The report shall also set forth a complete operating and  
20 financial statement covering its operations during the year, a summary of meetings or hearings  
21 held, meeting minutes if requested, subjects addressed, decisions rendered, rules or regulations  
22 promulgated, studies conducted, policies and plans developed, approved, or modified, and  
23 programs administered or initiated; a summary of performance during the ~~previous fiscal year~~  
24 fiscal year ending in the prior calendar year including accomplishments, shortcomings and  
25 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the  
26 authority of the board; a summary of any training courses held pursuant to section 42-10.1-1; a  
27 briefing on anticipated activities in the ~~upcoming~~ current fiscal year; and findings and  
28 recommendations for improvements. The report shall be posted electronically on the general  
29 assembly and the secretary of state's website as prescribed in section 42-20-8.2 of the Rhode  
30 Island general laws. The director of the department of administration shall be responsible for the  
31 enforcement of this provision.

32 (c) Neither the board nor its individual members shall have any liability as a result of the  
33 performance of the responsibilities or the exercise of the powers described herein. They shall not  
34 be deemed to have expressed an opinion regarding or deemed to have approved any aspect of any

1 bonds or notes, including but not limited to, the proper authorization of any bonds or notes, the  
2 availability of funds for the repayment of any bonds or notes, the tax exempt status of any bonds  
3 or notes, or compliance by the issuer of any bonds or notes with any federal or state tax or  
4 securities law.

5 (d) In the event that any liability shall accrue to the board or its members because of the  
6 performance of the responsibilities or exercise of the powers described herein, the issuer who  
7 issued the bonds or notes which cause the liability shall fully indemnify the board and the  
8 members.

9 SECTION 2. 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 - PUBLIC FINANCE  
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- 1           This act would substitute September 30<sup>th</sup> as the date by which the public finance
- 2 management board would submit an annual report on debt issues by cities and towns.
- 3           This act would take effect upon passage.

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