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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PUBLIC FINANCE - PUBLIC CORPORATION DEBT MANAGEMENT

Introduced By: Representatives Costantino, Baldelli-Hunt, Winfield, Hull, and Ucci

Date Introduced: February 07, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 35-18-4 of the General Laws in Chapter 35-18 entitled "Public
2 Corporation Debt Management" is hereby amended to read as follows:

3 **35-18-4. Procedure.** -- (a) A financing lease, guarantee, bond, or other obligation shall
4 be deemed to have been approved by the general assembly when the general assembly passes a
5 concurrent resolution of approval regarding the financing lease, guarantee, bond, or other
6 obligation which the governor or a public corporation, as the case may be, requests that the
7 financing lease, guarantee, bond, or other obligation be approved by the general assembly. These
8 requests shall be transmitted to the speaker of the house and the president of the senate with
9 copies to the chairpersons of the respective finance committees and fiscal advisors. The request
10 for approval shall include:

11 (1) A full description of the essential public facility to which the financing lease,
12 guarantee, bond, or other obligation is related;

13 (2) An explanation as to why the facility is needed and how it will be paid off; and

14 (3) The maximum possible obligation of the state or of any public corporation under the
15 financing lease, guarantee, bond, or other obligation.

16 (b) The governor shall provide the general assembly with a timely explanation of any
17 certification made by him or her pursuant to this chapter in connection with any financing lease,
18 guarantee, bond, or other obligation. These explanations shall be transmitted to the speaker of the
19 house and the president of the senate with copies to the chairpersons of the respective finance

1 committees and fiscal advisors. The explanation shall also include:

2 (1) A full description of the essential public facility to which the financing lease,
3 guarantee, bond, or other obligation is related;

4 (2) An explanation as to why the facility is needed and how it will be paid off; and

5 (3) The maximum possible obligation of the state or of any public corporation under the
6 financing lease, guarantee, bond, or other obligation.

7 (c) The state shall not enter into any financing lease or guarantee relating to, nor shall
8 any public corporation issue any bond or other obligation in connection with, any essential public
9 facility unless the facility conforms to the description included in the request for approval or in
10 the explanation for certification submitted by the governor in connection with the financing lease,
11 guarantee, bond, or other obligation; nor shall the state's obligation in connection with the
12 financing lease, guarantee, bond, or other obligation exceed the amount set forth in the request for
13 approval or explanation of certification.

14 (d) Immediately following the first sale of each issue of bonds in connection with the
15 financing of an economic development project, the governor shall provide the general assembly
16 with copies of any offering statement for those bonds and his or her analysis of the benefits and
17 risks to the state of the project. These statements and analyses shall be transmitted to the speaker
18 of the house and the president of the senate, with copies to the chairpersons of the respective
19 finance committees and fiscal advisors.

20 (e) Effective June 1, 2013, and notwithstanding any provisions of the general and/or other
21 public laws to the contrary, in regard to any programs of the Rhode Island economic development
22 corporation wherein the corporation seeks or proposes to guarantee annual debt service or issue
23 bonds of the corporation, including, but not limited to, actions with respect to the job creation
24 guaranty program and/or any successor or similar program, the corporation shall consider
25 proposals and projects in amounts as low as twenty-five thousand dollars (\$25,000). The
26 executive director of the corporation shall promulgate rules and regulations to set forth the
27 application procedures for such proposals. In establishing these rules and regulations, the
28 executive director and the corporation shall be guided by the principle that it is the intent of the
29 general assembly for the corporation to promote development among and reach out to smaller
30 entities and enterprises that have traditionally been assisted by the corporation. It is also the intent
31 of the general assembly that the rules and regulations give strong consideration to small entities
32 and enterprises which have a history of moderate growth and success in Rhode Island and which
33 seek expansion in Rhode Island. The provisions of this subsection and any regulations thereunder
34 shall be in addition to any other applications or approval required from the general assembly

1 [pursuant to this chapter.](#)

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would direct the Rhode Island economic development corporation to consider
2 proposals and requests for loans in amounts as low as twenty-five thousand dollars (\$25,000), and
3 for the corporation's executive director to develop rules and regulations to facilitate such requests.

4 This act would take effect upon passage.

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