

2014 -- H 7345

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LC004309  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

Introduced By: Representatives Melo, Amore, Kazarian, O'Neill, and Hearn

Date Introduced: February 06, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 45-12 of the General Laws entitled "Indebtedness of Towns and  
2 Cities" is hereby amended by adding thereto the following section:

3 **45-12-33. Borrowing for road and bridge projects financed through the "municipal**  
4 **road and bridge revolving fund. -- (a) A city or town may authorize the issuance of bonds,**  
5 **notes, or other evidences of indebtedness to evidence loans from the municipal road and bridge**  
6 **revolving fund administered by the Rhode Island clean water finance agency in accordance with**  
7 **chapter 24-18 of the general laws; provided, however, that the outstanding principal amount, in**  
8 **aggregate, shall not exceed five percent (5%) of the total amount of the city or town's most**  
9 **recently adopted municipal budget.**

10 (b) These bonds, notes, or other evidences of indebtedness are subject to the maximum  
11 aggregate indebtedness permitted to be issued by any city or town under § 45-12-2.

12 (c) The denominations, maturities, interest rates, methods of sale, and other terms,  
13 conditions, and details of any bonds or notes issued under the provisions of this section may be  
14 fixed by resolution of the city or town council authorizing them, or if no provision is made in the  
15 resolution, by the treasurer or other officer authorized to issue the bonds, notes or evidences of  
16 indebtedness; provided, that the payment of principal shall be by sufficient annual payments that  
17 will extinguish the debt at maturity, the first of these annual payments to be made not later than  
18 three (3) years, and the last payment not later than twenty (20) years after the date of the bonds.

19 The bonds, notes, or other evidences of indebtedness may be issued under this section by

1 any political subdivision without obtaining the approval of its electors, notwithstanding the  
2 provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the  
3 contrary.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

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1           This act would permit cities and towns to authorize, without charter or referendum  
2 approval, the issuance of bonds, notes or other evidences of indebtedness for road and bridge  
3 projects financed through the municipal road and bridge revolving fund established pursuant to  
4 chapter 24-18 of the general laws.

5           This act would take effect upon passage.

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