

2014 -- H 8302

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LC005658
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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 STATE AFFAIRS AND GOVERNMENT

Introduced By: Representative Spencer E. Dickinson

Date Introduced: June 11, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. (a) The general treasurer is hereby directed to create and establish an
2 account within the treasurer's office, to be known as the "Pension Loan Fund" (the "Fund"). The
3 Fund shall consist of monies allocated from the state retirement system in an amount to be
4 determined by the treasurer, from which the treasurer may, from time to time and in the
5 treasurer's discretion, lend to a municipality for short-term municipal purposes.

6 (b) Any proposed loan from the Fund shall be submitted for approval to the electors of
7 the municipality seeking the loan, and in the case of a town, shall be submitted at a special or
8 regular financial town meeting for approval.

9 (c) The Fund shall be administered by the treasurer, who shall allocate and spend monies
10 from the Fund only in accordance with the purposes and procedures set forth by the treasurer and
11 in this act. The treasurer shall establish and maintain fiscal controls and accounting procedures
12 conforming to generally accepted government accounting standards sufficient to ensure proper
13 accounting for receipts in and disbursements from the Fund.

14 (d) A loan from the Fund shall be disbursed for a period not exceeding ten (10) years and
15 at an annual rate of interest equal to one percent (1%) less than the market rate determined by the
16 treasurer at the time of such loan, and shall be evidenced in any manner, and may contain any
17 provisions not inconsistent herewith and as authorized by the treasurer. A loan from the Fund
18 shall be in a form and contain any other provisions as the treasurer and may contain any
19 provisions, conditions, covenants, or limitations which the treasurer deems appropriate.

1 (e) If any provision of this act, or the application thereof, is held invalid, the invalidity
2 shall not affect other provisions or applications of this act, which can be given effect without the
3 invalid provision or application, and to this end the provisions of this act are declared severable.

4 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 general treasurer to set aside funds from the state retirement
2 system into a separate loan fund for the purpose of allowing municipalities to borrow from such
3 fund for short-term municipal-related purposes.

4 This act would take effect upon passage.

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