

2015 -- S 0693

LC002033

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF  
COMMERCE

Introduced By: Senators Picard, and Pearson

Date Introduced: March 18, 2015

Referred To: Senate Commerce

(Commerce)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-6.1 of the General Laws entitled "Governor's Commerce and  
2 Workforce Coordination Cabinet" is hereby repealed in its entirety.

3 ~~CHAPTER 42-6.1~~

4 ~~Governor's Commerce and Workforce Coordination Cabinet~~

5 ~~42-6.1-1. Creation -- Members. [Effective February 1, 2015.] There is hereby~~  
6 ~~established within the executive branch of state government a commerce and workforce~~  
7 ~~coordination cabinet comprised of officials from state agencies with responsibility and oversight~~  
8 ~~relating to economic and workforce development. The cabinet shall include, but not be limited to,~~  
9 ~~the following members, upon his or her appointment: the secretary of commerce, the director of~~  
10 ~~the economic development corporation, the director of the department of transportation, the~~  
11 ~~director of the department of administration, the director of the division of revenue, the director~~  
12 ~~of the department of human services, the commissioner of higher education, the commissioner of~~  
13 ~~elementary and secondary education, the director of the department of business regulation, the~~  
14 ~~director of the department of environmental management, the director of the department of labor~~  
15 ~~and training, the director of the department of corrections, the chair of the governor's workforce~~  
16 ~~board, or his or her designee, and the executive director of Rhode Island housing.~~

17 ~~42-6.1-2. Appointment of chair -- Meetings. (a) The cabinet shall be co-chaired by~~  
18 ~~the director of the economic development corporation and the director of the department of labor~~

1 ~~and training until such time that the secretary of commerce is appointed.~~

2 ~~(b) Upon the appointment of a secretary of commerce, the secretary of commerce shall~~  
3 ~~be chair.~~

4 ~~**42-6.1 3. Purpose of cabinet.** -- The governor's commerce and workforce coordinating~~  
5 ~~cabinet shall provide for the integration and coordination of the activities of the various agencies~~  
6 ~~and departments that are involved in the development of the Rhode Island economy and its~~  
7 ~~workforce and ensure the consistent implementation of the economic development policy and~~  
8 ~~strategic plan developed in accordance with § 42-64.17-1.~~

9 SECTION 2. Section 42-34-4 of the General Laws in Chapter 42-34 entitled "Industrial-  
10 Recreational Building Authority" is hereby amended to read as follows:

11 **42-34-4. Organization of authority.** -- (a) The Rhode Island industrial-recreational  
12 building authority, hereinafter in this chapter called the "authority", hereby created and  
13 established a body corporate and politic, is constituted a public instrumentality of the state, and  
14 the exercise by the authority of the powers conferred by the provisions of this chapter shall be  
15 deemed and held to be the performance of essential governmental functions. The authority shall  
16 consist of ~~five (5)~~ six (6) members, five (5) of whom shall be appointed by the governor for a  
17 period of five (5) years, as herein provided. The secretary of commerce shall serve as a member  
18 of the board, and as chairperson, ex officio, who shall vote only in the event of a tie.

19 (b) During the month of January, 1959, the governor shall appoint one member to serve  
20 until the first day of February, 1960, and until his or her successor is appointed and qualified, one  
21 member to serve until the first day of February, 1961, and until his or her successor is appointed  
22 and qualified, one member to serve until the first day of February, 1962, and until his or her  
23 successor is appointed and qualified, one member to serve until the first day of February, 1963,  
24 and until his or her successor is appointed and qualified, and one member to serve until the first  
25 day of February, 1964, and until his or her successor is appointed and qualified.

26 (c) During the month of January, 1960, and during the month of January annually  
27 thereafter, the governor shall appoint a member to succeed the member whose term will then next  
28 expire, to serve for a term of five (5) years commencing on the first day of February then next  
29 following and until his or her successor is appointed and qualified. A member shall be eligible to  
30 succeed himself or herself.

31 (d) A vacancy in the office of a member, other than by expiration, shall be filled in like  
32 manner as an original appointment, but only for the remainder of the term of the retiring member.  
33 Members may be removed by the governor for cause.

34 (e) The authority may elect such additional officers from among its members as may be

1 required to conduct the authority's business. The director of the department of economic  
2 development shall serve as executive director and chief executive officer, ex officio, of the  
3 authority. Three (3) members of the authority shall constitute a quorum and the affirmative vote  
4 of a majority of the members, present and voting, shall be necessary for any action taken by the  
5 authority; except that, in no case shall any action taken by the authority be taken by an affirmative  
6 vote of less than three (3) members. No vacancy in the membership of the authority or  
7 disqualification of a member under § 42-34-16 shall impair the right of the quorum to exercise all  
8 rights and perform all the duties of the authority. All of the members of the authority shall be  
9 reimbursed for their actual expenses necessarily incurred in the performance of their duties.

10 (f) Appointments made under this section after the effective date of this act [April 20,  
11 2006] shall be subject to the advice and consent of the senate.

12 (g) Newly appointed and qualified public members and designees of ex-officio members  
13 shall, within six (6) months of their qualification or designation, attend a training course that shall  
14 be developed with authority approval and conducted by the chairperson of the authority and shall  
15 include instruction in the following areas: the provisions of chapters 42-34, 42-46, 36-14 and 38-  
16 2; and the authority's rules and regulations. The director of the department of administration shall,  
17 within ninety (90) days of the effective date of this act [April 20, 2006] prepare and disseminate  
18 training materials relating to the provisions of chapters 42-46, 36-14 and 38-2.29.

19 (h) Members of the authority shall be removable by the governor pursuant to § 36-1-7 of  
20 the general laws and for cause only, and removal solely for partisan or personal reasons unrelated  
21 to capacity or fitness for the office shall be unlawful.

22 (i) The authority shall approve and submit a biannual report, each October 1st and each  
23 April 1st, to the governor, the speaker of the house of representatives, the president of the senate,  
24 and the secretary of state, of its activities during the previous six (6) months. The report shall  
25 provide: an operating statement summarizing meetings or hearings held, meeting minutes if  
26 requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies  
27 conducted, policies and plans developed, approved, or modified, and programs administered or  
28 initiated; a detailed review of the authority's loan guarantee program, including a summary of  
29 each approved project, the guarantee amount for each approved project, and estimated jobs  
30 created or retained for each approved project; a consolidated financial statement of all funds  
31 received and expended including the source of the funds, a listing of any staff supported by these  
32 funds, and a summary of any clerical, administrative or technical support received; a summary of  
33 performance during the previous fiscal year including accomplishments, shortcomings and  
34 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the

1 authority of the authority; a summary of any training courses held pursuant to subsection (i) of  
2 this section; a briefing on anticipated activities in the upcoming fiscal year; and findings and  
3 recommendations for improvements. The report shall be posted electronically on the general  
4 assembly and the secretary of ~~states~~ [state's](#) websites as prescribed in § 42-20-8.2 of the Rhode  
5 Island general laws. The director of the department of administration shall be responsible for the  
6 enforcement of this provision.

7 SECTION 3. Section 42-55-4 of the General Laws in Chapter 42-55 entitled "Rhode  
8 Island Housing and Mortgage Finance Corporation" is hereby amended to read as follows:

9 **42-55-4. Creation of corporation -- Composition -- Personnel -- Compensation. --** (a)

10 There is authorized the creation and establishment of a public corporation of the state, having a  
11 distinct legal existence from the state and not constituting a department of the state government,  
12 with the politic and corporate powers as are set forth in this chapter to be known as the "Rhode  
13 Island housing and mortgage finance corporation" to carry out the provisions of this chapter. The  
14 corporation is constituted a public instrumentality exercising public and essential governmental  
15 functions, and the exercise by the corporation of the powers conferred by this chapter shall be  
16 deemed and held to be the performance of an essential governmental function of the state. It is the  
17 intent of the general assembly by the passage of this chapter to authorize the incorporation of a  
18 public corporation and instrumentality and agency of the state for the purpose of carrying on the  
19 activities authorized by this chapter, and to vest the corporation with all of the powers, authority,  
20 rights, privileges, and titles that may be necessary to enable it to accomplish these purposes. This  
21 chapter shall be liberally construed in conformity with the purpose expressed.

22 (b) The powers of the corporation shall be vested in seven (7) commissioners consisting  
23 of the director of administration, or his or her designee; the general treasurer, or his or her  
24 designee; ~~the director of business regulations~~ [the secretary of commerce](#), or his or her designee;  
25 and four (4) members to be appointed by the governor with the advice and consent of the senate  
26 who shall among them be experienced in all aspects of housing design, development, finance,  
27 management, and state and municipal finance. On or before July 1, 1973, the governor shall  
28 appoint one member to serve until the first day of July, 1974 and until his or her successor is  
29 appointed and qualified, one member to serve until the first day of July, 1975, and until his or her  
30 successor is appointed and qualified, one member to serve until the first day of July, 1976 and  
31 until his or her successor is appointed and qualified, one member to serve until the first day of  
32 July, 1977 and until his or her successor is appointed and qualified. During the month of June,  
33 1974, and during the month of June annually thereafter, the governor shall appoint a member to  
34 succeed the member whose term will then next expire to serve for a term of four (4) years

1 commencing on the first day of July then next following and until his or her successor is  
2 appointed and qualified. A vacancy in the office of a commissioner, other than by expiration,  
3 shall be filled in like manner as an original appointment, but only for the unexpired portion of the  
4 term. If a vacancy occurs when the senate is not in session, the governor shall appoint a person to  
5 fill the vacancy, but only until the senate shall next convene and give its advice and consent to a  
6 new appointment. A member shall be eligible to succeed him or herself. The governor shall  
7 designate a member of the corporation to serve as chairperson, and the secretary of commerce  
8 shall serve as vice chairperson. Any member of the corporation may be removed by the governor  
9 for misfeasance, malfeasance, or willful neglect of duty.

10 (c) The commissioners shall elect from among their number ~~a vice chairperson~~ such  
11 other officers annually ~~and those other officers~~ as they may determine. Meetings shall be held at  
12 the call of the chairperson or whenever two (2) commissioners so request. Four (4)  
13 commissioners of the corporation shall constitute a quorum and any action taken by the  
14 corporation under the provisions of this chapter may be authorized by resolution approved by a  
15 majority but not less than three (3) of the commissioners present at any regular or special  
16 meeting. No vacancy in the membership of the corporation shall impair the right of a quorum to  
17 exercise all of the rights and perform all of the duties of the corporation.

18 (d) Commissioners shall receive no compensation for the performance of their duties, but  
19 each commissioner shall be reimbursed for his or her reasonable expenses incurred in carrying  
20 out his or her duties under this chapter.

21 (e) Notwithstanding the provisions of any other law, no officer or employee of the state  
22 shall be deemed to have forfeited or shall forfeit his or her office or employment by reason of his  
23 or her acceptance of membership of the corporation or his or her service to the corporation.

24 (f) The commissioners shall employ an executive director who shall also be the secretary  
25 and who shall administer, manage, and direct the affairs and business of the corporation, subject  
26 to the policies, control, and direction of the commissioners. The commissioners may employ  
27 technical experts and other officers, agents, and employees, permanent and temporary, and fix  
28 their qualifications, duties, and compensation. These employed persons shall not be subject to the  
29 provisions of the classified service. The commissioners may delegate to one or more of their  
30 agents or employees those administrative duties they may deem proper.

31 (g) The secretary shall keep a record of the proceedings of the corporation and shall be  
32 custodian of all books, documents, and papers filed with the corporation and of its minute book  
33 and seal. He or she, or his or her designee, or the designee of the board of commissioners, shall  
34 have authority to cause to be made copies of all minutes and other records and documents of the

1 corporation and to give certificates under the seal of the corporation to the effect that the copies  
2 are true copies and all persons dealing with the corporation may rely upon the certificates.

3 (h) Before entering into his or her duties, each commissioner of the corporation shall  
4 execute a surety bond in the penal sum of fifty thousand dollars (\$50,000) and the executive  
5 director shall execute a surety bond in the penal sum of one hundred thousand dollars (\$100,000)  
6 or, in lieu of this, the chairperson of the corporation shall execute a blanket bond covering each  
7 commissioner, the executive director and the employees or other officers of the corporation, each  
8 surety bond to be conditioned upon the faithful performance of the duties of the office or offices  
9 covered, to be executed by a surety company authorized to transact business in this state as surety  
10 and to be approved by the attorney general and filed in the office of the secretary of state. The  
11 cost of each bond shall be paid by the corporation.

12 (i) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict  
13 of interest for a director, officer, or employee of any financial institution, investment banking  
14 firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company,  
15 or any other firm, person, or corporation to serve as a member of the corporation. If any  
16 commissioner, officer, or employee of the corporation shall be interested either directly or  
17 indirectly, or shall be a director, officer, or employee of or have an ownership interest in any firm  
18 or corporation interested directly or indirectly in any contract with the corporation, including any  
19 loan to any housing sponsor or health care sponsor, that interest shall be disclosed to the  
20 corporation and shall be set forth in the minutes of the corporation and the commissioner, officer,  
21 or employee having an interest therein shall not participate on behalf of the corporation in the  
22 authorization of this contract.

23 SECTION 4. Section 42-64.19-5 of the General Laws in Chapter 42-64.19 entitled  
24 "Executive Office of Commerce" is hereby amended to read as follows:

25 **42-64.19-5. Responsibilities of the secretary. [Effective February 1, 2015.]** -- (a) The  
26 secretary shall be responsible to the governor for supervising the executive office of commerce,  
27 improving the functions and operations of Rhode Island state government to be clear, reliable,  
28 predictable, and as responsive and user-friendly to the state's business community as is  
29 practicable, for managing and providing strategic leadership and direction to the other divisions  
30 and departments under the jurisdiction of this chapter, for serving as the chief executive officer of  
31 the Rhode Island commerce corporation, for convening the economic development planning  
32 council to develop the economic development policy and strategic plan in accordance with  
33 section 42-64.16, for serving as chair of the council of economic advisors in accordance with  
34 section 42-64.17; for serving as vice-chair of the Human Resources Investment Council; [for](#)

1 [serving as the chairperson of the board of the Rhode Island industrial facilities corporation in](#)  
2 [accordance with § 45-37.1-4; and for serving as the chairperson of the board of the Rhode Island](#)  
3 [industrial – recreational building authority in accordance with § 42-34-4. ~~and for chairing the~~](#)  
4 [Governor's Commerce and Workforce Cabinet established pursuant to section 42-6.1.](#)

5 (b) Notwithstanding any provision of law to the contrary, the secretary shall appoint the  
6 chiefs/directors of the divisions/departments within the executive office of commerce with the  
7 consent of the governor.

8 [\(c\) The secretary shall be entitled to designate one or more persons to act as his or her](#)  
9 [designee on any board, council or similar body on which the secretary serves.](#)

10 SECTION 5. Section 45-37.1-4 of the General Laws in Chapter 45-37.1 entitled  
11 "Industrial Facilities Corporation" is hereby amended to read as follows:

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

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

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 may elect [additional](#) officers, who need not be members of the  
2 board, as may be required to conduct the authority's business. The director of the department of  
3 economic development shall serve as executive director and chief executive officer, ex officio, of  
4 the corporation. Three (3) members of the board of directors of the corporation constitutes a  
5 quorum, and the vote of three (3) members of the board of directors is necessary for any action  
6 taken by the corporation. No vacancy in the membership of the board of directors of the  
7 corporation shall impair the right of a quorum to exercise all the powers and perform the duties of  
8 the corporation.

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

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

16           SECTION 6. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF  
COMMERCE

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1           This act would repeal the provisions of the general laws creating the governor's  
2 commerce and workforce coordination cabinet; provide that the secretary of commerce act as  
3 chairperson on the boards of the industrial facilities corporation and the industrial – recreational  
4 building authority; and substitute the secretary of commerce as vice chairperson on the board of  
5 Rhode Island housing mortgage finance corporation, in place of the director of business  
6 regulation.

7           This act would take effect upon passage.

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