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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND COMMERCE
CORPORATION

Introduced By: Senators Conley, Coyne, Walaska, Archambault, and Lombardo

Date Introduced: April 09, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64-7 of the General Laws in Chapter 42-64 entitled "Rhode
2 Island Commerce Corporation" is hereby amended to read as follows:

3 **42-64-7. Additional general powers.** -- In addition to the powers enumerated in § 42-64-
4 6, except to the extent inconsistent with any specific provision of this chapter, the Rhode Island
5 commerce corporation shall have power:

6 (1) To undertake the planning, development, construction, financing, management,
7 operation of any project, and all activities in relation thereto.

8 (2) (i) To sell, mortgage, lease, exchange, transfer, or otherwise dispose of or encumber
9 any port project, (or in the case of a sale, to accept a purchase money mortgage in connection
10 with any port project) or to grant options for any purposes with respect to any real or personal
11 property or interest in real or personal property, all of the foregoing for consideration as the
12 corporation shall determine. Any lease by the corporation to another party may be for any part of
13 the corporation's property, real or personal, for any period, upon any terms or conditions, with or
14 without an option on the part of the lessee to purchase any or all of the leased property for any
15 consideration, at or after the retirement of all indebtedness incurred by the corporation on account
16 thereof, as the corporation shall determine.

17 (ii) Without limiting the generality of the foregoing, the corporation is expressly
18 empowered to lease or sell any part of the real or personal property owned or controlled by the

1 corporation to the state, or any department of the state or to any municipality. The provisions of
2 this section or of any other laws of this state (other than this chapter) restricting the power of the
3 state, its departments or any municipality, to lease or sell property, or requiring or prescribing
4 publication of notice of intention to lease or sell, advertising for bids, the terms of contracts of
5 lease or sale, that would in any manner interfere with the purpose of this section, which is to
6 provide for the mutual cooperation by and between the corporation and the state, its departments
7 or any municipality, to the fullest extent possible, are not applicable to leases and sales made
8 pursuant to this section.

9 (3) To prepare or cause to be prepared plans, specifications, designs, and estimates of
10 costs for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any
11 project, and from time to time to modify those plans, specifications, designs, or estimates.

12 (4) To manage any project, whether then owned or leased by the corporation, and to
13 enter into agreements with the state or any municipality or any agency or their instrumentalities,
14 or with any person, firm, partnership, or corporation, either public or private, for the purpose of
15 causing any project to be managed.

16 (5) To provide advisory, consultative, training, and educational services, technical
17 assistance, and advice to any person, firm, partnership, or corporation, whether it is public or
18 private, in order to carry out the purposes of this chapter.

19 (6) Subject to the provisions of any contract with note holders or bond holders to consent
20 to the modification, with respect to rate of interest, time of payments of any installment of
21 principal or interest, security or any other term of any mortgage, mortgage loan, mortgage loan
22 commitment, contract, or agreement of any kind to which the corporation is a party.

23 (7) In connection with any property on which it has made a mortgage loan, to foreclose
24 on that property or commence an action to protect or enforce any right conferred upon it by law,
25 mortgage, contract, or other agreement and to bid for and purchase the property at any foreclosure
26 or any other sale, or to acquire or take possession of the property; and in that event the
27 corporation may complete, administer, pay the principal of, or interest on any obligations incurred
28 in connection with the property, dispose of, and otherwise deal with the property in a manner as
29 may be necessary or desirable to protect the interest of the corporation therein.

30 (8) As security for the payment of principal and interest on any bonds or notes or any
31 agreements made in connection therewith, to mortgage and pledge any or all of its projects and
32 property, whether then owned or thereafter acquired, and to pledge the revenues and receipts from
33 all or part thereof, and to assign or pledge the leases, sales contracts or loan agreements or other
34 agreements on any portion or all of its projects and property and to assign or pledge the income

1 received by virtue of the lease, sales contracts, loan agreements or other agreements.

2 (9) To invest any funds of the corporation, including funds held in reserve or sinking
3 funds, or any moneys not required for immediate use or disbursement at the discretion of the
4 corporation, in: (i) obligations of the state or the United States, (ii) obligations of the principal
5 and interest of which are guaranteed by the state or the United States, (iii) obligations of agencies
6 and instrumentalities of the state or the United States, or (iv) certificates of deposits of banks and
7 trust companies or shares of building loan associations organized under the laws of the state or
8 doing business in the state or (v) any obligations, securities, and other investments as shall be
9 specified in resolutions of the corporation.

10 (10) To engage the services of consultants on a contract basis for rendering professional
11 and technical assistance and advice, and to employ architects, engineers, attorneys, accountants,
12 construction, and financial experts and any other advisors, consultants, and agents as may be
13 necessary in his or her judgment, and to fix their compensation.

14 (11) To contract for and to accept any gifts or grants or loans or funds or property or
15 financial or other assistance in any form from the United States or any agency or instrumentality
16 of the United States or from the state or any agency or instrumentality of the state or from any
17 other source and to comply, subject to the provisions of this chapter, with the terms and
18 conditions of this contract.

19 (12) To enter into agreements with any municipality or political subdivision, either
20 directly or on behalf of any other party which holds legal title to all or any portion of a project as
21 the lessee from the corporation designated pursuant to § 42-64-20(c), providing that the
22 corporation or the lessee shall pay annual sums in lieu of taxes to the municipality or political
23 subdivision of the state in respect to any real or personal property which is owned by the
24 corporation or the lessee and is located in the municipality or political subdivision.

25 (13) To borrow money and to issue negotiable bonds and notes, and to provide for the
26 rights of the holders of these bonds and notes, for the purpose of providing funds to pay all or any
27 part of the cost of any port project or for the purpose of refunding any of these bonds issued.

28 (14) To construct, acquire, own, repair, develop, operate, maintain, extend, and improve,
29 rehabilitate, renovate, furnish, and equip one or more port projects and to pay all or any part of
30 the costs of these bonds and notes from the proceeds of bonds of the corporation or from any
31 contribution, gift, or donation or other funds made available to the corporation for those purposes.

32 (15) To fix, charge and collect rents, fees, tolls, and charges for the use of any port
33 project and to alter and investigate rates, and practices of charging, which affect port projects so
34 as to increase commerce in the state.

1 (16) To prescribe rules and regulations deemed necessary or desirable to carry out the
2 purposes of this chapter including rules and regulations to insure maximum use and proper
3 operation of port projects.

4 (17) To establish penalties for violations of any order, rule, or regulation of the
5 corporation, and a method of enforcing these penalties.

6 (18) To develop, maintain, and operate foreign trade zones under those terms and
7 conditions that may be prescribed by law.

8 (19) To impose administrative penalties in accordance with the provisions of § 42-64-
9 9.2.

10 (20) To make assessments and impose reasonable and just user charges, and to pay for
11 those expenses that may be required by law or as may be determined by the corporation to be
12 necessary for the maintenance and operation of the sewage treatment facility.

13 (21) To establish a sewage pretreatment program, and to require as a condition to the
14 grant or re-issuance of any approval, license, or permit required under the program that the person
15 applying for the approval, license or permit, pay to the corporation a reasonable fee based on the
16 cost of reviewing and acting upon the application and based on the costs of implementing the
17 program. In addition, where a violation of any of the provisions of this title or any permit, rule,
18 regulation, or order issued pursuant to this title have occurred, the violator shall reimburse the
19 corporation for the actual costs of implementing and enforcing the terms of the permit, rule,
20 regulation or order as a condition to the grant or re-issuance of any approval.

21 (22) To assist urban communities revitalize their local economics.

22 (23) To provide assistance to minority businesses and to neighborhoods where there is
23 insufficient economic and business investment.

24 (24) To support and assist entrepreneurial activity by minorities and by low and
25 moderate income persons.

26 (25) To issue bonds and notes of the type and for those projects and for those purposes
27 specified in any Joint Resolution of the General Assembly adopted by the Rhode Island house of
28 representatives and the Rhode Island senate; pursuant to § 18 of title 35 of the general laws
29 entitled "the Rhode Island Public Corporation Debt Management Act"; and to make such
30 determinations, enter into such agreements, to deliver such instruments and to take such other
31 actions as it shall deem necessary or desirable to effectuate the financing of such projects.

32 (26)(i) To establish a "green product sales and use tax exclusions program" for
33 manufacturers of alternative source and advanced transportation products, components or
34 systems, where the property to be purchased must be used to design, manufacture, produce or

1 assemble an eligible advanced transportation technology or alternative source, including energy
2 efficiency, product, component or system.

3 (ii) The corporation may approve a project for financial assistance in the form of a sales
4 and use tax exclusion.

5 (iii) The corporation is required to establish regulations for implementation within one
6 hundred eighty (180) days of the passage of this subsection.

7 (iv) For the purposes of this subsection:

8 (A) "Advanced transportation technologies" means emerging commercially competitive
9 transportation-related technologies certified by the Rhode Island office of energy resources as
10 capable of creating long-term, high valued-added jobs in Rhode Island while enhancing the state's
11 commitment to energy conservation, pollution and greenhouse gas emissions reduction, and
12 transportation efficiency.

13 (B) "Advanced transportation technologies" does not include those projects required to be
14 undertaken pursuant to state or federal law or regulations, air district rules or regulations,
15 memoranda of understanding with a governmental entity, or legally binding agreements or
16 documents.

17 (C) "Alternative sources" means devices or technologies identified in § 39-26-5, or a
18 facility designed for the production of renewable fuels, the efficient use of which reduce the use
19 of fossil or nuclear fuels, and energy efficiency devices or technologies that reduce the need for
20 new electric generation and reduce emissions of toxic and criteria pollutants and greenhouse
21 gases.

22 (D) "Alternative sources" does not include a hydroelectric facility that does not meet
23 statutory requirements pertaining to the control, appropriation, use, and distribution of water,
24 including, but not limited to, the obtaining of applicable licenses and permits.

25 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 STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND COMMERCE
CORPORATION

1 This act would allow the commerce corporation to establish a green product sales and use
2 tax exclusion program for manufacturers of alternative source and advanced transportation
3 technologies.

4 This act would take effect upon passage.

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