

2016 -- H 8053

=====
LC005628
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

—————
A N A C T

RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES -
STUDY OF CONSOLIDATION

Introduced By: Representatives Morgan, Price, Giarrusso, Reilly, and Chippendale

Date Introduced: April 07, 2016

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 **45-12-2.2. Issuance of indebtedness - Restriction.** – No bonded indebtedness of a town
4 or city shall issue, though previously approved by the electors of the town or city, unless the
5 division of municipal finance of the department of administration shall first approve the issuance
6 and amount of issuance of any voter-approved but unissued bond. In determining whether or not
7 to approve the issuance and the amount of issuance of any such bond the municipal finance
8 division of the department of administration shall satisfy itself that the repayment of any
9 approved bond issuance will permit the town or city to stay within the four percent (4%) cap on
10 rate of tax increase prescribed by §44-5-2(b) (the fiscal stability act) and that the town or city will
11 have sufficient revenue to meet its contractual obligations and normal operating expenses.

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

=====
LC005628
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES -
STUDY OF CONSOLIDATION

1 This act would require the prior approval of the municipal finance division of the
2 department of administration for the issuance of bonded indebtedness by the towns and cities in
3 the state.

4 This act would take effect upon passage.

=====
LC005628
=====