

1 to the description of such projects to enable voters to approve or reject each such proposition. The
2 general election laws, so far as consistent herewith, shall apply to this proposition.

3 **SECTION 3. Approval of projects by people.** -- If a majority of the people voting on
4 the proposition provided for in section 1 hereof shall vote to approve the proposition as to the
5 projects provided for in section 1 hereof, said projects shall be deemed to be approved by the
6 people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be
7 limited to the aggregate amount for all such projects as set forth in the proposition provided for in
8 section 1 hereof, which has been approved by the people.

9 **SECTION 4. Bonds for capital development program.** -- The general treasurer is
10 hereby authorized and empowered, with the approval of the governor and in accordance with the
11 provisions of this act, to issue from time to time capital development bonds for the capital
12 projects (hereinafter "capital development bonds") in serial form in the name and on behalf of the
13 state in amounts as may be specified from time to time by the governor in an aggregate principal
14 amount not to exceed the total amount for all projects approved by the people and designated as
15 "capital development loan of 2016 bonds"; provided, however, that the aggregate principal
16 amount of such capital development bonds and of any temporary notes outstanding at any one
17 time issued in anticipation thereof pursuant to section 7 hereof shall not exceed the total amount
18 for all such projects as have been approved by the people. All provisions in this act relating to
19 "bonds" shall also be deemed to apply to "refunding bonds."

20 Capital development bonds issued under this act shall be in denominations of one
21 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
22 of the United States which at the time of payment shall be legal tender for public and private
23 debts. These capital development bonds shall bear such date or dates, mature at a specified time
24 or times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in
25 which they are issued, bear interest payable semi-annually at a specified rate or different or
26 varying rates, be payable at designated time or times at specified place or places, be subject to
27 expressed terms of redemption or recall, with or without premium, be in a form, with or without
28 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt
29 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
30 approval of the governor, upon each issue of such capital development bonds at the time of each
31 issue. Whenever the governor shall approve the issuance of such capital development bonds, they
32 shall certify approval to the secretary of state; the bonds shall be signed by the general treasurer
33 and countersigned by the manual or facsimile signature of the secretary of state and shall bear the
34 seal of the state or a facsimile thereof. The approval of the governor shall be endorsed on each

1 bond so approved with a facsimile of their signature.

2 **SECTION 5. Refunding bonds for 2016 capital development program.** -- The general
3 treasurer is hereby authorized and empowered, with the approval of the governor and in
4 accordance with the provisions of this act, to issue from time to time bonds to refund the 2016
5 capital development program bonds for the state bikeway development program (hereinafter
6 “2016 capital development program bonds”) in the name and on behalf of the state, in amounts
7 as may be specified from time to time by the governor in an aggregate principal amount not to
8 exceed the total amount approved by the people, to be designated as "capital development
9 program loan of 2016 refunding bonds" (hereinafter "refunding bonds") for the state bikeway
10 development program.

11 The general treasurer with the approval of the governor shall fix the terms and form of
12 any refunding bonds issued under this act in the same manner as the capital development bonds
13 issued under this act, except that the refunding bonds may not mature more than twenty (20)
14 years from the date of original issue of the capital development bonds being refunded.

15 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and
16 net the underwriters’ cost, and cost of bond insurance, shall, upon their receipt, be paid by the
17 general treasurer immediately to the paying agent for the capital development bonds which are to
18 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they
19 are applied to prepay the capital development bonds. While such proceeds are held in trust, they
20 may be invested for the benefit of the state in obligations of the United States of America or the
21 state of Rhode Island.

22 If the general treasurer shall deposit with the paying agent for the capital development
23 bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when
24 invested in obligations of the United States or the state of Rhode Island, are sufficient to pay all
25 principal, interest, and premium, if any, on the capital development bonds until these bonds are
26 called for prepayment, then such capital development bonds shall not be considered debts of the
27 State of Rhode Island for any purpose from the date of deposit of such monies with the paying
28 agent. The refunding bonds shall continue to be a debt of the state until paid.

29 The term "bond" shall include "note," and the term "refunding bonds" shall include
30 "refunding notes" when used in this act.

31 **SECTION 6. Proceeds of capital development program.** -- The general treasurer is
32 directed to deposit the proceeds from the sale of capital development bonds issued under this act,
33 exclusive of premiums and accrued interest and net the underwriters’ cost, and cost of bond
34 insurance, in one or more of the depositories in which the funds of the state may be lawfully kept

1 in special accounts (hereinafter cumulatively referred to as "such capital development bond
2 fund") appropriately designated for each of the projects set forth in section 1 hereof which shall
3 have been approved by the people to be used for the purpose of paying the cost of all such
4 projects so approved.

5 All monies in the capital development bond fund shall be expended for the purposes
6 specified in the proposition provided for in section 1 hereof under the direction and supervision of
7 the director of administration (hereinafter referred to as "director"). The director or their designee
8 shall be vested with all power and authority necessary or incidental to the purposes of this act,
9 including, but not limited to, the following authority: (1) to acquire land or other real property or
10 any interest, estate or right therein as may be necessary or advantageous to accomplish the
11 purposes of this act; (2) to direct payment for the preparation of any reports, plans and
12 specifications, and relocation expenses and other costs such as for furnishings, equipment
13 designing, inspecting and engineering, required in connection with the implementation of any
14 projects set forth in section 1 hereof; (3) to direct payment for the costs of construction,
15 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
16 improvements to land in connection with the implementation of any projects set forth in section 1
17 hereof; and (4) to direct payment for the cost of equipment, supplies, devices, materials and labor
18 for repair, renovation or conversion of systems and structures as necessary for the 2016 capital
19 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
20 expended in excess of the amount of the capital development bond fund designated for each
21 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
22 section 1, the proceeds shall be used for the following purposes:

23 Question 1 relating to bonds in the amount of ten million dollars (\$10,000,000) for
24 environmental and recreational purposes to be allocated as follows:

25 (a) State Bikeway Development Program \$10,000,000

26 Provides funds for the state to design and construct bikeways.

27 **SECTION 7. Sale of bonds and notes.** -- Any bonds or notes issued under the authority
28 of this act shall be sold from time to time at not less than the principal amount thereof, in such
29 mode and on such terms and conditions as the general treasurer, with the approval of the
30 governor, shall deem to be for the best interests of the state.

31 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
32 discount, which may be received on the sale of the capital development bonds or notes shall
33 become part of the Municipal Road and Bridge Revolving Fund of the state, unless directed by
34 federal law or regulation to be used for some other purpose.

1 In the event that the amount received from the sale of the capital development bonds or
2 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
3 be used to the extent possible to retire the bonds as the same may become due, to redeem them in
4 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
5 approval of the governor, shall deem to be for the best interests of the state.

6 Any bonds or notes issued under the provisions of this act and coupons on any capital
7 development bonds, if properly executed by the manual or facsimile signatures of officers of the
8 state in office on the date of execution shall be valid and binding according to their tenor,
9 notwithstanding that before the delivery thereof and payment therefor, any or all such officers
10 shall for any reason have ceased to hold office.

11 **SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -**

12 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the
13 state and shall be general obligations of the state, and the full faith and credit of the state is hereby
14 pledged for the due payment of the principal and interest on each of such bonds and notes as the
15 same shall become due.

16 **SECTION 9. Investment of monies in fund. --** All monies in the capital development

17 fund not immediately required for payment pursuant to the provisions of this act may be invested
18 by the investment commission, as established by chapter 10 of title 35, pursuant to the provisions
19 of such chapter; provided, however, that the securities in which the capital development fund is
20 invested shall remain a part of the capital development fund until exchanged for other securities;
21 and provided further, that the income from investments of the capital development fund shall
22 become a part of the general fund of the state and shall be applied to the payment of debt service
23 charges of the state, unless directed by federal law or regulation to be used for some other
24 purpose, or to the extent necessary, to rebate to the United States treasury any income from
25 investments (including gains from the disposition of investments) of proceeds of bonds or notes
26 to the extent deemed necessary to exempt (in whole or in part) the interest paid on such bonds or
27 notes from federal income taxation.

28 **SECTION 10. Appropriation. --** To the extent the debt service on these bonds is not

29 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
30 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
31 appropriated.

32 **SECTION 11. Advances from general fund. --** The general treasurer is authorized from

33 time to time with the approval of the director and the governor, in anticipation of the issue of
34 bonds or notes under the authority of this act, to advance to the capital development bond fund for

1 the purposes specified in section 6 hereof, any funds of the state not specifically held for any
2 particular purpose; provided, however, that all advances made to the capital development bond
3 fund shall be returned to the general fund from the capital development bond fund forthwith upon
4 the receipt by the capital development fund of proceeds resulting from the issue of bonds or notes
5 to the extent of such advances.

6 **SECTION 12. Federal assistance and private funds.** -- In carrying out this act, the
7 director, or their designee, is authorized on behalf of the state, with the approval of the governor,
8 to apply for and accept any federal assistance which may become available for the purpose of this
9 act, whether in the form of loan or grant or otherwise, to accept the provision of any federal
10 legislation therefor, to enter into, act and carry out contracts in connection therewith, to act as
11 agent for the federal government in connection therewith, or to designate a subordinate so to act.
12 Where federal assistance is made available, the project shall be carried out in accordance with
13 applicable federal law, the rules and regulations thereunder and the contract or contracts
14 providing for federal assistance, notwithstanding any contrary provisions of state law. Subject to
15 the foregoing, any federal funds received for the purposes of this act shall be deposited in the
16 capital development bond fund and expended as a part thereof. The director or their designee may
17 also utilize any private funds that may be made available for the purposes of this act.

18 **SECTION 13. Effective Date.** -- Sections 1, 2, 3, 11, 12 and section 13 of this act shall
19 take effect upon passage. The remaining sections of this act shall take effect when and if the state
20 board of elections shall certify to the secretary of state that a majority of the qualified electors
21 voting on the propositions contained in section 1 hereof have indicated their approval of all or any
22 projects thereunder.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

AUTHORIZING THE ISSUANCE OF BONDS, REFUNDING BONDS, AND TEMPORARY
NOTES OF THE STATE OF NOT MORE THAN \$10,000,000 BONDS AND NOTES
THEREFOR IN SUPPORT OF THE STATE BIKEWAY DEVELOPMENT PROGRAM

1 This act would authorize the state of Rhode Island to issue general obligation bonds in an
2 amount not to exceed ten million dollars (\$10,000,000) for the state bikeway development
3 program, upon approval of a majority of the qualified electors voting on the proposition to issue
4 these bonds.

5 Sections 1, 2, 3, 11, 12, and 13 of this act would take effect upon passage. The remainder
6 of the act would take effect upon approval of a majority of the qualified electors voting on the
7 proposition to issue the bonds.

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