

2016 -- S 2007

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- PUBLIC FINANCE
MANAGEMENT BOARD

Introduced By: Senators DaPonte, Pearson, DiPalma, Lombardi, and Walaska

Date Introduced: January 12, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-10.1-2 of the General Laws in Chapter 42-10.1 entitled "Public
2 Finance Management Board" is hereby amended to read as follows:

3 **42-10.1-2. Purpose. --** It shall be the purpose and responsibility of the board:

4 (1) To advise and assist all state departments, authorities, agencies, boards, commissions,
5 and public and quasi-public corporations having authority to issue revenue or general obligation
6 bonds or notes with respect to issuance of and financial planning related to all those bonds and
7 notes;

8 (2) Upon request, to advise and/or assist any city or town and any municipal or regional
9 agency, authority, board, commission, or public or quasi-public corporation having authority to
10 issue revenue or general obligation bonds or notes with respect to the issuance and financial
11 planning related to those bonds and notes;

12 (3) To collect, maintain, and provide information on state, municipal and public or quasi-
13 public corporation debt authorization, sold and outstanding, and serve as a statistical center for all
14 state and municipal debt issues;

15 (4) To maintain contact with state municipal and public or quasi-public corporation bond
16 issuers, underwriters, credit rating agencies, investors, and others to improve the market for state
17 and local government debt issues;

18 (5) To undertake or commission studies on methods to reduce the costs and improve

1 credit ratings of state and local debt issues;

2 (6) To recommend changes in state laws and local practices to improve the sale and
3 servicing of state and local debts.

4 (7) To annually ascertain the total amount of public, municipal, and public and quasi-
5 public corporation debt authorized, sold and unsold and no less frequently than every three (3)
6 years to analyze all necessary and appropriate factors to determine the prudent allowable
7 aggregate total of public, municipal, and public and quasi-public corporation debt authorization,
8 which shall be forwarded to the governor and both chambers of the general assembly for their
9 review and vote of ratification.

10 SECTION 2. Chapter 42-10.1 of the General Laws entitled "Public Finance Management
11 Board" is hereby amended by adding thereto the following section:

12 **42-10.1-2.1. Report of aggregate debt.** -- (a) The board, at any interval, but no less
13 frequently than every three (3) years, shall compile the total amount of public, municipal, and
14 public and quasi-public corporation debt authorized, sold and unsold. The board shall analyze all
15 necessary and appropriate factors and shall determine the prudent allowable aggregate total of
16 public, municipal and public and quasi-public corporation debt authorization. The board shall
17 report such prudent allowable aggregate total of said debt to the governor and both chambers of
18 the general assembly for their review and general assembly vote of ratification.

19 (b) The board shall be empowered to give notice to any issuer of state, municipal, and
20 public and quasi-public corporation debt that their issuance of proposed debt will cause the
21 allowable aggregate total of state, municipal, and public and quasi-public corporation debt to be
22 exceeded, and that such issuance cannot proceed until that is no longer the case or the allowable
23 aggregate total of said debt is raised and ratified by vote of the general assembly.

24 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- PUBLIC FINANCE
MANAGEMENT BOARD

- 1 This act would require the public finance management board to ascertain and report on
- 2 the total amount of public debt no less than every three (3) years.
- 3 This act would take effect upon passage.

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