

2019 -- H 5908

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

JOINT RESOLUTION

RELATING TO DEBT MANAGEMENT ACT

Introduced By: Representatives Edwards, Bennett, and Abney

Date Introduced: March 27, 2019

Referred To: House Finance

1 SECTION 1. This act consists of a joint resolution submitted pursuant to chapter 18 of
2 title 35.

3 SECTION 2. Rhode Island Turnpike and Bridge Authority Project.

4 WHEREAS, The Rhode Island Turnpike and Bridge Authority (the "authority") is a
5 public corporation of the state of Rhode Island (the "state"), constituting a public instrumentality
6 and agency exercising public and essential governmental functions of the state, created by the
7 general assembly pursuant to chapter 12 of title 24 (as enacted, reenacted and amended, the
8 "act"); and

9 WHEREAS, The state recognizes that the Pell Bridge, the Jamestown Verrazzano Bridge,
10 the Mount Hope Bridge, the Sakonnet River Bridge and other facilities of or within the control of
11 the authority are an essential part of the state's transportation system and facilitates the tourism
12 industry; and it is the policy of the state that the public welfare and the further economic
13 development and the prosperity of the state requires the maintenance of such facilities and the
14 financing thereof; and

15 WHEREAS, The act provides that the authority shall have the power to charge and
16 collect tolls for the use of its facilities; and

17 WHEREAS, Pursuant to § 31-36-20, three and one-half cents (\$0.035) per gallon of the
18 motor fuel tax is transferred to the authority to be used for maintenance, operations, capital
19 expenditures and debt service on any of its projects as defined in chapter 12 of title 24; and

20 WHEREAS, The act also provides that the authority shall have the power to acquire, hold

1 and dispose of real and personal property in the exercise of its powers and performance of its
2 duties; and

3 WHEREAS, The act authorizes the authority to make and enter into all contracts and
4 agreements necessary or incidental to the performance of its duties and the execution of its
5 powers under the act, to issue revenue bonds of the authority for any of its purposes and to refund
6 its bonds, borrow money in anticipation of the issuance of its bonds, and secure its bonds and
7 notes by the pledge of its tolls and other revenues; and

8 WHEREAS, In furtherance of its corporate purposes, the authority is authorized to issue
9 from time to time its negotiable revenue bonds and notes in one or more series in such principal
10 amounts for the purpose of paying all or a part of the costs of any one or more projects authorized
11 by the act, making provision for working capital and a reserve for interest; and

12 WHEREAS, Pursuant to §§ 35-18-3 and 35-18-4 of the Rhode Island Public Corporation
13 Debt Management Act (as enacted, reenacted and amended, the "Debt Management Act"), the
14 authority hereby requests the approval of the general assembly of the authority's issuance of not
15 more than fifty million dollars (\$50,000,000) Rhode Island Turnpike and Bridge Authority
16 Revenue Bonds with a term not to exceed thirty (30) years and six (6) months (together with any
17 notes issued in anticipation of the issuance of bonds, the "bonds") to be secured by toll, transfers
18 of motor fuel taxes and/or other revenues, in any combination, for the purpose of providing funds
19 to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading and improvement
20 of the Pell Bridge, the Jamestown Verrazzano Bridge, the Sakonnet River Bridge, Mount Hope
21 Bridge, and other projects authorized under the act, replacement of the components thereof,
22 working capital, capitalized interest, a debt service reserve and the costs of issuing and insuring
23 the bonds (the "project"); and

24 WHEREAS, The project constitutes essential public facilities directly benefiting the
25 state; and

26 WHEREAS, The authority is authorized pursuant to § 24-12-28 of the act to secure its
27 bonds by a pledge of the tolls and other revenues received by the authority; and

28 WHEREAS, The state shall directly benefit economically from the project by the repair,
29 maintenance and improvement of the state transportation infrastructure; and

30 WHEREAS, In the event that not all of the bond proceeds are used to carry out the
31 specified project, the authority will use any remaining funds to pay debt service on the bonds;
32 now, therefore, be it

33 RESOLVED AND ENACTED, That this general assembly finds that the project is an
34 essential public facility and is of a type and nature consistent with the purposes and within the

1 powers of the authority to undertake, and hereby approves the authority's issuance of not more
2 than fifty million dollars (\$50,000,000) in bonds, which amount is in addition to all prior
3 authorizations; and be further

4 RESOLVED, That the bonds will be special obligations of the authority payable from
5 funds received by the authority from tolls, transfers of motor fuel taxes and other revenues
6 received by the authority, in any combination or priority as may be designated in the proceedings
7 of the authority authorizing the issuance of such debt. The total debt service on the bonds is
8 estimated to average approximately three million five hundred ninety-four thousand dollars
9 (\$3,594,000) per year or approximately one hundred nine million three hundred sixteen thousand
10 dollars (\$109,316,000) in the aggregate, prior to the receipt of any federal subsidy and/or
11 assistance, at an average interest rate of approximately six percent (6%) and approximately a
12 thirty (30) year maturity; and be it further

13 RESOLVED, That the authority may issue interest bearing or discounted notes from time
14 to time in anticipation of the authorization or issue of bonds or in anticipation of the receipt of
15 federal aid for the purposes of this joint resolution, the amount of original notes issued in
16 anticipation of bonds may not exceed the amount of bonds which may be issued under this joint
17 resolution and the amount of original notes issued in anticipation of federal aid may not exceed
18 the amount of available federal aid as estimated by the authority, any such notes issued hereunder
19 shall be payable within five (5) years from their respective dates, but the principal of and interest
20 on notes issued for a shorter period may be renewed or paid from time to time by the issue of
21 other notes hereunder, provided the period from the date of an original note to the maturity of any
22 note issued to renew or pay the same debt or the interest thereon shall not exceed five (5) years,
23 and any such refunding of notes with notes or bonds may be effected without complying with §
24 35-18-3(5); and be it further

25 RESOLVED, That the bonds will not constitute indebtedness of the state or any of its
26 subdivisions or a debt for which the full faith and credit of the state or any of its subdivisions is
27 pledged.

28 SECTION 3. This joint resolution shall take effect upon passage.

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