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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAMS -- STATEWIDE REFERENDUM

Introduced By: Senators Bell, Ciccone, Calkin, Mack, Mendes, Acosta, Anderson,
Kallman, Cano, and Sosnowski

Date Introduced: February 25, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Proposition to be submitted to the people. -- At the general election to be held
2 on the Tuesday next after the first Monday in November, 2022, there shall be submitted to the
3 people ("people") of the State of Rhode Island ("state"), for their approval or rejection, the
4 following proposition:

5 "Shall the action of the general assembly, by an act passed at the January 2021 session,
6 authorizing the issuance of a bond, refunding bond, and/or temporary note of the state of Rhode
7 Island for the local capital projects and in the total amount with respect to the projects listed below
8 be approved, and the issuance of a bond, refunding bond, and/or temporary note authorized in
9 accordance with the provisions of said act?

10 Funding

11 The bond, refunding bond and/or temporary note shall be allocated to each city and town
12 based upon the following formula: $(\text{population} + \text{local jobs})^2 / \text{EWAV}$. For purposes of this formula,
13 "population" means the most recent estimates of population for each city and town as reported by
14 the United States Department of Commerce, Bureau of the Census, "local job" means and includes
15 employment created and provided by a local employer, business, charity, company, government,
16 nonprofit organization, public sector organization, private sector organization, service provider or
17 voluntary sector organization in a local area for a local population, and "EWAV" means the
18 equalized weighted assessed valuation as determined by § 16-7-21.

19 Project

1 (1) Municipal roadways and highways \$500,000,000

2 Approval of this question will allow the state of Rhode Island to issue general obligation
3 bonds, refunding bonds, and/or temporary notes in an amount not to exceed five hundred million
4 dollars (\$500,000,000) for the construction and/or improvement of local roadways. All such
5 roadway designs shall comply with § 24-16-2.

6 (2) Municipal pedestrian spaces and infrastructure improvement \$125,000,000

7 Approval of this question will allow the state of Rhode Island to issue a general obligation
8 bond, refunding bond, and/or temporary note in an amount not to exceed one hundred twenty-five
9 million dollars (\$125,000,000) for the construction and/or improvement of municipal pedestrian
10 spaces and infrastructure. All such local roadway designs shall comply with § 24-16-2.

11 (3) Municipal Bikeway Development Program \$125,000,000

12 Approval of this question will allow the state of Rhode Island to issue a general obligation
13 bond, refunding bond, and/or temporary note in an amount not to exceed one hundred twenty-five
14 million dollars (\$125,000,000) for the construction and/or improvement of municipal bicycle
15 infrastructure.

16 (4) Municipal parks \$250,000,000

17 Approval of this question will allow the state of Rhode Island to issue a general obligation
18 bond, refunding bond, and/or temporary note in an amount not to exceed two hundred fifty million
19 dollars (\$250,000,000) for the construction and/or improvement of local municipal parks."

20 SECTION 2. Ballot labels and applicability of general election laws. -- The secretary of
21 state shall prepare and deliver to the state board of elections ballot labels for each of the projects
22 provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the
23 description of each such project to enable voters to approve or reject each such proposition. The
24 general election laws, so far as consistent herewith, shall apply to this proposition.

25 SECTION 3. Approval of projects by people. -- If a majority of the people voting on the
26 proposition in Section 1 hereof shall vote to approve any project stated therein, said project shall
27 be deemed to be approved by the people. The authority to issue bonds, refunding bonds and/or
28 temporary notes of the state shall be limited to the aggregate amount for all such projects as set
29 forth in the proposition, which has been approved by the people.

30 SECTION 4. Bonds for capital development program. -- The general treasurer is hereby
31 authorized and empowered, with the approval of the governor, and in accordance with the
32 provisions of this act to issue capital development bonds in serial form, in the name of and on behalf
33 of the state of Rhode Island, in amounts as may be specified by the governor in an aggregate
34 principal amount not to exceed the total amount for all projects approved by the people and

1 designated as "capital development loan of 2021 bonds." Provided, however, that the aggregate
2 principal amount of such capital development bonds and of any temporary notes outstanding at any
3 one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount
4 for all such projects approved by the people. All provisions in this act relating to "bonds" shall also
5 be deemed to apply to "refunding bonds."

6 Capital development bonds issued under this act shall be in denominations of one thousand
7 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
8 United States which at the time of payment shall be legal tender for public and private debts.

9 These capital development bonds shall bear such date or dates, mature at specified time or
10 times, but not mature beyond the end of the twentieth state fiscal year following the fiscal year in
11 which they are issued; bear interest payable semi-annually at a specified rate or different or varying
12 rates; be payable at designated time or times at specified place or places; be subject to express terms
13 of redemption or recall, with or without premium; be in a form, with or without interest coupons
14 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
15 and other provisions as may be fixed by the general treasurer, with the approval of the governor,
16 upon each issue of such capital development bonds at the time of each issue. Whenever the
17 governor shall approve the issuance of such capital development bonds, the governor's approval
18 shall be certified to the secretary of state; the bonds shall be signed by the general treasurer and
19 countersigned by the secretary of state and shall bear the seal of the state. The signature approval
20 of the governor shall be endorsed on each bond.

21 SECTION 5. Refunding bonds for 2021 capital development program. -- The general
22 treasurer is hereby authorized and empowered, with the approval of the governor, and in accordance
23 with the provisions of this act, to issue bonds to refund the 2021 capital development program
24 bonds, in the name of and on behalf of the state, in amounts as may be specified by the governor in
25 an aggregate principal amount not to exceed the total amount approved by the people, to be
26 designated as "capital development program loan of 2021 refunding bonds" (hereinafter "refunding
27 bonds"). The general treasurer with the approval of the governor shall fix the terms and form of
28 any refunding bonds issued under this act in the same manner as the capital development bonds
29 issued under this act, except that the refunding bonds may not mature more than twenty (20) years
30 from the date of original issue of the capital development bonds being refunded. The proceeds of
31 the refunding bonds, exclusive of any premium and accrual interest and net the underwriters' cost,
32 and cost of bond insurance, shall, upon their receipt, be paid by the general treasurer immediately
33 to the paying agent for the capital development bonds which are to be called and prepaid. The
34 paying agent shall hold the refunding bond proceeds in trust until they are applied to prepay the

1 capital development bonds. While the proceeds are held in trust, the proceeds may be invested for
2 the benefit of the state in obligations of the United States of America or the State of Rhode Island.

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

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

12 SECTION 6. Proceeds of capital development program. -- The general treasurer is directed
13 to deposit the proceeds from the sale of capital development bonds issued under this act, exclusive
14 of premiums and accrued interest and net the underwriters' cost, and cost of bond insurance, in one
15 or more of the depositories in which the funds of the state may be lawfully kept in special accounts
16 (hereinafter cumulatively referred to as "such capital development bond fund") appropriately
17 designated for each of the projects set forth in Section 1 hereof which shall have been approved by
18 the people to be used for the purpose of paying the cost of all such projects so approved.

19 All monies in the capital development bond fund shall be expended for the purposes
20 specified in the proposition provided for in Section 1 hereof under the direction and supervision of
21 the director of administration (hereinafter referred to as "director"). The director, or designee, shall
22 be vested with all power and authority necessary or incidental to the purposes of this act, including,
23 but not limited to, the following authority:

24 (1) To acquire land or other real property or any interest, estate, or right therein as may be
25 necessary or advantageous to accomplish the purposes of this act;

26 (2) To direct payment for the preparation of any reports, plans and specifications, and
27 relocation expenses and other costs such as for furnishings, equipment designing, inspecting, and
28 engineering, required in connection with the implementation of any projects set forth in Section 1
29 hereof;

30 (3) To direct payment for the costs of construction, rehabilitation, enlargement, provision
31 of service utilities, and razing of facilities, and other improvements to land in connection with the
32 implementation of any projects set forth in Section 1 hereof; and

33 (4) To direct payment for the cost of equipment, supplies, devices, materials, and labor for
34 repair, renovation, or conversion of systems and structures as necessary for the 2021 capital

1 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
2 expended in excess of the amount of the capital development bond fund designated for each project
3 authorized in Section 1 hereof.

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

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

13 SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -- All
14 bonds and notes issued under the authority of this act shall be exempt from taxation in the state and
15 shall be general obligations of the state, and the full faith and credit of the state is hereby pledged
16 for the due payment of the principal and interest on each of such the bonds and notes as the same
17 shall become due.

18 SECTION 9. Investment of monies in fund. -- All monies in the capital development fund
19 not immediately required for payment pursuant to the provisions of this act may be invested by the
20 investment commission, as established by chapter 10 of title 35, entitled "state investment
21 commission," pursuant to the provisions of such chapter; provided, however, that the securities in
22 which the capital development fund is invested shall remain a part of the capital development fund
23 until exchanged for other securities; and provided further, that the income from investments of the
24 capital development fund shall become a part of the general fund of the state and shall be applied
25 to the payment of debt service charges of the state, unless directed by federal law or regulation to
26 be used for some other purpose, or to the extent necessary, to rebate to the United States treasury
27 any income from investments (including gains from the disposition of investments) of proceeds of
28 bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on
29 such bonds or notes from federal income taxation.

30 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not
31 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
32 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
33 appropriated.

34 SECTION 11. Advances from general fund. -- The general treasurer is authorized, with the

1 approval of the director and the governor, in anticipation of the issuance of notes or bonds under
2 the authority of this act, to advance to the capital development bond fund for the purposes specified
3 in Section 1 hereof, any funds of the state not specifically held for any particular purpose; provided,
4 however, that all advances made to the capital development bond fund shall be returned to the
5 general fund from the capital development bond fund forthwith upon the receipt by the capital
6 development fund of proceeds resulting from the issue of notes or bonds to the extent of such
7 advances.

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO CAPITAL DEVELOPMENT PROGRAMS -- STATEWIDE REFERENDUM

1 This act would provide for a statewide voter referendum seeking approval of capital
2 development bonds for the improvement of local roadways and highways (\$500,000,000);
3 pedestrian infrastructure (\$125,000,000); the local bikeway development program (\$125,000,000);
4 and municipal parks (\$250,000,000).

5 Sections 1, 2, 3, 11, 12 and 13 of this act would take effect upon passage. The remaining
6 sections of the act would take effect when and if the state board of elections shall certify to the
7 secretary of state that a majority of the qualified electors voting on the proposition contained in
8 Section 1 hereof have indicated their approval of all or any projects thereunder.

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