

2022 -- S 2753

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO PUBLIC FINANCE - REFUNDING BOND AUTHORITY

Introduced By: Senator James Arthur Seveney

Date Introduced: March 24, 2022

Referred To: Senate Finance

(Dept. of Administration)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 35-8.1-5 of the General Laws in Chapter 35-8.1 entitled "Refunding
2 Bond Authority" is hereby amended to read as follows:

3 **35-8.1-5. Governing board -- Members -- Vacancies -- Officers -- Quorum --**
4 **Affirmative votes.**

5 (a) The authority shall be governed by a board which shall have seven (7) members,
6 consisting of:

7 (1) The general treasurer or his or her designee who shall be a subordinate within the
8 general treasurer's office, who shall serve as chairperson;

9 (2) The director of administration or his or her designee who shall be a subordinate within
10 the department of administration;

11 (3) A representative of the ~~budget~~ office of management and budget or his or her designee
12 from within the ~~budget~~ office of management and budget, who shall be appointed by the director
13 of administration;

14 (4) Two (2) public members appointed by the governor with the advice and consent of the
15 senate, one of whom shall serve an initial term of three (3) years; and one of whom shall serve an
16 initial term of four (4) years. Thereafter, the members appointed pursuant to this subsection shall
17 serve for a term of four (4) years and until his or her successor is appointed and qualified;

18 (5) Two (2) public members appointed by the general treasurer, with the advice and consent
19 of the senate: one of whom shall serve an initial term of two (2) years; and one of whom shall serve

1 an initial term of one year. Thereafter, the members appointed pursuant to this subsection shall
2 serve for a term of four (4) years and until his or her successor is appointed and qualified; and

3 (6) The gubernatorial and general treasurer appointees shall be persons qualified by
4 training and experience in the fields of finance or banking. No one shall be eligible for appointment
5 unless he or she is a resident of this state. Any member of the general public that was appointed by
6 the governor prior to the effective date of this act [July 4, 2006] shall continue to serve until such
7 time as a successor is appointed and qualified.

8 Public members of the authority shall be removable by the chair for cause only, and
9 removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall
10 be unlawful.

11 Newly appointed and qualified public members shall, within six (6) months of their
12 appointment, attend a training course that shall be developed and provided by the office of the
13 general treasurer and shall include instruction in the following areas: the provisions of chapters 35-
14 8.1, 42-46, 36-14 and 38-2 of the Rhode Island general laws; and the authority's rules and
15 regulations. The director of the department of administration shall, within ninety (90) days of the
16 effective date of this act [July 4, 2006], prepare and disseminate training materials relating to the
17 provisions of chapters 42-46, 36-14 and 38-2.

18 (b) In the event of vacancy occurring in the public membership, the appointing authority
19 shall appoint a public member for the unexpired term. Any public member of the board shall be
20 eligible for reappointment. No one shall be eligible for appointment unless he or she is a resident
21 of this state.

22 (c) Each member of the board, before entering upon any duties, shall swear or solemnly
23 affirm to administer the duties of office faithfully and impartially, and that oath or affirmation shall
24 be filed in the office of the secretary of state.

25 (d) The board shall elect one of their number to serve as both secretary and treasurer. Four
26 (4) members of the board shall constitute a quorum and the affirmative vote of four (4) members
27 shall be necessary for any action taken by the authority. No vacancy in the membership of the board
28 shall impair the right of a quorum to exercise all the rights and perform all the duties of the board.

29 SECTION 2. Section 36-8-4 of the General Laws in Chapter 36-8 entitled "Retirement
30 System - Administration" is hereby amended to read as follows:

31 **36-8-4. Composition of retirement board.**

32 (a) There is hereby authorized, created and established in the office of the general treasurer
33 an independent retirement board which shall hold and administer, in trust, the funds of the
34 retirement system in accordance with the provisions of chapters 8 -- 10 of this title and shall perform

1 such functions as authorized by law. The membership of the retirement board shall consist of: the
2 general treasurer or his or her designee who shall be a subordinate within the general treasurer's
3 office; the director of administration or his or her designee who shall be a subordinate within the
4 department of administration; a representative of the ~~budget~~ office of management and budget or
5 his or her designee from within the ~~budget~~ office of management and budget, who shall be
6 appointed by the director of administration; the president of the league of cities and towns or his or
7 her designee; two (2) active state employee members of the retirement system or officials from
8 state employee unions to be elected by active state employees; two (2) active teacher members of
9 the retirement system or officials from a teachers union to be elected by active teachers; one active
10 municipal employee member of the retirement system or an official from a municipal employees
11 union to be elected by active municipal employees; two (2) retired members of the retirement
12 system to be elected by retired members of the system; and four (4) public members, all of whom
13 shall be competent by training or experience in the field of finance, accounting or pensions; two
14 (2) of the public members shall be appointed by the governor, one of whom shall serve an initial
15 term of three (3) years and one of whom shall serve an initial term of four (4) years and until his or
16 her successor is appointed and qualified; and two (2) of the public members shall be appointed by
17 the general treasurer, one of whom shall serve an initial term of three (3) years and one of whom
18 shall serve an initial term of four (4) years and until his or her successor is appointed and qualified.
19 Thereafter, the term of these four (4) public members shall be for four (4) years or until their
20 successors are appointed and qualified. Meetings shall be open to the public in accordance with the
21 provisions of chapter 42-46 of the general laws. Any member of the general public who was
22 appointed by the governor prior to July 4, 2006 shall continue to serve until such time as a successor
23 is appointed and qualified. Any member who was elected prior to July 4, 2006 shall serve for the
24 remainder of his or her elected term.

25 (b) Meetings shall be held at such place as may be designated in the call of the meeting,
26 provided at no cost to the state, at least monthly at the call of the chair.

27 (c) The elected members of the retirement board shall be seated by the following procedure:

28 (1) Each candidate for a position on the board must have one hundred (100) signatures of
29 members of their respective group.

30 (2) The term of office for elected members shall be for four (4) years, and election of their
31 successors shall be given by the board prior to the expiration of the terms of the incumbent elected
32 members.

33 (3) By petition for recall of twenty percent (20%) of the respective membership of the
34 various groups a new election shall be ordered by the retirement board.

1 (d) All gubernatorial and general treasurer appointments made under this section after July
2 4, 2006 shall be subject to the advice and consent of the senate. No one shall be eligible for
3 appointment unless he or she is a resident of this state.

4 (e) Public members of the board shall be removable by the chair for cause only, and
5 removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall
6 be unlawful.

7 (f) Newly appointed and qualified public members shall, within six (6) months of their
8 appointment, attend a training course that shall be developed and provided by the office of the
9 general treasurer and shall include instruction in the following areas: the provisions of chapters 42-
10 46, 36-14 and 38-2 of the Rhode Island general laws, the retirement statutes; and the board's rules
11 and regulations. The director of the department of administration shall, within ninety (90) days of
12 July 4, 2006 prepare and disseminate training materials relating to the provisions of chapters 42-
13 46, 36-14 and 38-2.

14 SECTION 3. Section 36-12.1-7 of the General Laws in Chapter 36-12.1 entitled "Retiree
15 Health Care Trust Fund" is hereby amended to read as follows:

16 **36-12.1-7. Composition of the OPEB board.**

17 The OPEB Board shall consist of the State Controller, the ~~State Budget Officer~~ [Director of](#)
18 [the Office of Management and Budget](#), the State Personnel Administrator and the General
19 Treasurer, or their designees.

20 SECTION 4. Section 37-2-79 of the General Laws in Chapter 37-2 entitled "State
21 Purchases" is hereby amended to read as follows:

22 **37-2-79. Establishment of the Rhode Island Strategic Purchasing Advisory**
23 **Commission.**

24 In order to provide a means of collaboration between the state, cities/towns and school
25 committees a permanent advisory commission is established named the "Rhode Island Strategic
26 Purchasing Advisory Commission." This Advisory Commission will consist of nine (9) members
27 including: (1) the state purchasing agent or his or her designee, who will serve as chair, (2) a
28 designee of the board of regents of the Rhode Island department of elementary and secondary
29 education, (3) a designee of the board of governors of higher education, (4) a designee of the Rhode
30 Island School Committees Association, (5) a designee of the Rhode Island League of Cities and
31 Towns, (6) a designee of the Association of School Business Officials, (7) a designee of the Rhode
32 Island Municipal Purchasing Agents Association, (8) a designee of the Rhode Island economic
33 development corporation and, (9) a designee of the ~~state budget officer~~ [director of the office of](#)
34 [management and budget](#).

1 SECTION 5. Section 42-133-6 of the General Laws in Chapter 42-133 entitled "Tobacco
2 Settlement Financing Corporation Act" is hereby amended to read as follows:

3 **42-133-6. Board and officers.**

4 (a)(1) The powers of the corporation shall be vested in a board consisting of five (5)
5 members, which shall constitute the governing body of the corporation, and which shall be
6 comprised as follows: the ~~state budget officer~~ director of the office of management and budget, or
7 designee, who shall serve as chairperson; the general treasurer, or designee; the director of revenue,
8 or designee; and two (2) members of the general public appointed by the governor with the advice
9 and consent of the senate. Each public member shall serve for a term of four (4) years, except that
10 any member appointed to fill a vacancy shall serve only until the expiration of the unexpired term
11 of the member's predecessor in office. Each public member shall continue to hold office until a
12 successor has been appointed. Members shall be eligible for reappointment. No person shall be
13 eligible for appointment unless the person is a resident of the state. Each member, before entering
14 upon the duties of the office of member, shall swear or solemnly affirm to administer the duties of
15 office faithfully and impartially, and the oath or affirmation shall be filed in the office of the
16 secretary of state.

17 (2) [Deleted by P.L. 2018, ch. 47, art. 3, § 11].

18 (3) Newly appointed and qualified public members shall, within six (6) months of their
19 qualification or designation, attend a training course that shall be developed with board approval
20 and conducted by the chair of the board and shall include instruction in the subject area of chapters
21 46 of this title, 133 of this title, 14 of title 36, and 2 of title 38; and the board's rules and regulations.
22 The director of the department of administration shall, within ninety (90) days of July 9, 2005,
23 prepare and disseminate training materials relating to the provisions of chapters 46 of this title, 14
24 of title 36 and 2 of title 38.

25 (b) Members shall receive no compensation for the performance of their duties.

26 (c) Three (3) members shall constitute a quorum, and any action to be taken by the
27 corporation under the provisions of this chapter may be authorized by resolution approved by a
28 majority of the members present and voting at any regular or special meeting at which a quorum is
29 present.

30 (d) The board shall appoint a secretary and additional officers as it shall deem appropriate.

31 (e) Any action taken by the corporation under the provisions of this chapter may be
32 authorized by vote at any regular or special meeting, and the vote shall take effect immediately.

33 (f) Any action required by this chapter to be taken at a meeting of the board shall comply
34 with chapter 46 of this title, entitled "Open Meetings."

1 (g) To the extent that administrative assistance is needed for the functions and operations
2 of the board, the corporation may by contract or agreement obtain this assistance from the director
3 of administration, the attorney general, and any successor officer at such cost to the corporation as
4 shall be established by the contract or agreement. The board, however, shall remain responsible
5 for, and provide oversight of, proper implementation of this chapter.

6 (h) Members of the board and persons acting on the corporation's behalf, while acting
7 within the scope of their employment or agency, are not subject to personal liability resulting from
8 carrying out the powers and duties conferred on them under this chapter.

9 (i) The state shall indemnify and hold harmless every past, present, or future board member,
10 officer or employee of the corporation who is made a party to or is required to testify in any action,
11 investigation, or other proceeding in connection with or arising out of the performance or alleged
12 lack of performance of that person's duties on behalf of the corporation. These persons shall be
13 indemnified and held harmless, whether they are sued individually or in their capacities as board
14 members, officers or employees of the corporation, for all expenses, legal fees, and/or costs
15 incurred by them during or resulting from the proceedings, and for any award or judgment arising
16 out of their service to the corporation that is not paid by the corporation and is sought to be enforced
17 against a person individually, as expenses, legal fees, costs, awards, or judgments occur; provided,
18 that neither the state nor the corporation shall indemnify any member, officer, or employee:

19 (1) For acts or omissions not in good faith or that involve intentional misconduct or a
20 knowing violation of law;

21 (2) For any transaction from which the member derived an improper personal benefit; or

22 (3) For any malicious act.

23 (j) Public members of the board shall be removable by the governor, pursuant to the
24 provisions of § 36-1-7, for cause only, and removal solely for partisan or personal reasons unrelated
25 to capacity or fitness for the office shall be unlawful.

26 SECTION 6. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would change the designations of "state budget office" to the "office of
2 management and budget".

3 This act would take effect upon passage.

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