

2019 -- H 5796

LC000502

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO CENTRAL FALLS

Introduced By: Representatives Maldonado, McLaughlin, Alzate, Amore, and
McNamara

Date Introduced: March 01, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Unless otherwise amended by this act, the terms, conditions, provisions and
2 definitions of Chapter 241 of the Public Laws of 2012 are hereby incorporated by reference and
3 shall remain in full force and effect.

4 SECTION 2. Section 6 of Article 22 of Chapter 241 of the Public Laws of 2012, as
5 amended, entitled "An Act Relating to Central Falls", is hereby amended to read as follows:

6 *Sec. 6.* Under Rhode Island general laws section 45-9-1 et seq. a municipality subject to
7 the jurisdiction of a fiscal overseer, budget commission or receiver is responsible for payment of
8 expenses and costs incurred carrying out the responsibilities of the fiscal overseer, budget
9 commission and/or receiver. During fiscal 2011, the State incurred and paid on behalf of the City
10 of Central Falls expenses totaling \$ 1,073,131. On or about September 15, 2011, the State billed
11 the City of Central Falls for said \$1,073,131 expenses, for which the City of Central Falls is
12 responsible under section 45-9-1 et seq., and which continue to be incurred and paid for by the
13 State on behalf of the city. The State intends to bill the City of Central Falls for those expenses.
14 Notwithstanding the provisions of § 45-9-1 et seq., the state shall not bill the City of Central Falls
15 for any expenses related to the drafting of and statewide defense of the constitutionally of the
16 fiscal stability act, any expenses related to the state-controlled Central Falls school district
17 brought in the bankruptcy proceeding, any expenses related to the failed attempt to collect the
18 fees and expenses incurred in the *Moreau v. Flanders* litigation, or any expenses incurred after
19 the termination of the receivership on April 15, 2013. As of January 1, 2018, the City of Central

1 Falls has repaid the state a total of two million, four hundred thousand dollars (\$2,400,000) in
2 addition to paying six hundred twenty thousand, eight hundred fifty-six dollars (\$620,856) in the
3 city budget for state oversight, for a total of three million, twenty thousand, eight hundred fifty-
4 six dollars (\$3,020,856) in receivership expenses. This amount shall be the total amount owed
5 and paid by the City of Central Falls for receivership expenses and the state shall declare, in
6 writing, that no further debt is owed. Recognizing that the City of Central Falls does not currently
7 have the financial ability to reimburse the State in full for said expenses and may need additional
8 time to reimburse the State for expenses reflected in future bills submitted by the State for such
9 expenses, the City of Central Falls shall have up to June 30, 2021 to reimburse the State for all
10 such expenses paid by the State and billed to the city.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO CENTRAL FALLS

1 This act would amend the public laws to establish that the City of Central Falls has paid
2 back the state \$3,020,856 and would relieve the City of Central Falls from further reimbursing the
3 state for expenses incurred in drafting the statewide defense of the fiscal stability act, any
4 expenses related to the state-controlled Central Falls school district bankruptcy proceeding,
5 expenses incurred in *Moreau v. Flanders*, or any expenses incurred after termination of the
6 receivership.

7 This act would take effect upon passage.

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