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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representative Spencer E. Dickinson

Date Introduced: June 11, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 155

4 RHODE ISLAND CREDIT RATING AGENCIES ACT OF 2014

5 **42-155-1. Short title.** -- This chapter shall be known and may be cited as the "Rhode  
6 Island Credit Rating Agencies Act of 2014."

7 **42-155-2. Definitions.** -- As used in this chapter, the following words and terms shall  
8 have the following meanings:

9 (1) "Credit rating agency" means any person or entity which, for monetary fees, dues, or  
10 on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of  
11 assembling or evaluating consumer credit information or other information on consumers,  
12 municipalities, states, or subdivisions thereof for the purpose of furnishing credit reports to third  
13 parties. The term includes a company or business or entity that assigns credit ratings that  
14 evaluate:

15 (i) The debtor's ability to pay back the debt by making timely interest payments;

16 (ii) The likelihood of the debtor defaulting on the debt; and

17 (iii) The creditworthiness of issuers of debt obligations or debt instruments.

18 (2) "State actions" shall include any actions of the state, its agencies, or any municipality  
19 or subdivision thereof.

1           **42-155-3. Cause of action for improper influence on state actions by credit rating**

2 **agencies.** -- (a) No credit rating agency shall determine, adjust, or lower the credit or bond rating  
3 of the state of Rhode Island, any state agency or any municipality or any political subdivision  
4 thereof, or threaten to do so, by using reasons other than generally accepted market factors and  
5 other generally accepted practices, for the purposes of attempting to intimidate or otherwise  
6 influence state actions. The provisions of this section shall apply to any credit rating agency as  
7 well as to any persons, subdivisions, or agents acting for or on behalf of a credit rating agency.

8           (b) Upon receipt of a formal request by resolution from either the house of  
9 representatives or the senate, the department of attorney general shall investigate allegations of a  
10 violation of this section. In the event the attorney general determines that there has been a  
11 violation of this section, the attorney general is authorized to initiate a civil action in superior  
12 court for the county of Providence against any credit rating agency or persons, subdivisions, or  
13 agent(s) of the credit rating agency. In the event the superior court finds there has been a violation  
14 of this section, the court may award monetary and injunctive relief, including, but not limited to,  
15 actual damages sustained by the state as a result of the violation, as well as costs, punitive  
16 damages, and any other relief that the court deems appropriate, including reasonable attorneys'  
17 fees.

18           (c) Provided, however, the cause of action provided for under this section shall not  
19 preclude any other available action under state or federal law, but shall be in addition to any other  
20 liability arising from the actions set forth in subsection (a) herein. In the event that the attorney  
21 general, in the course of an investigation initiated pursuant to this section, determines that other  
22 state and/or federal violations have taken place, the attorney general is authorized to pursue any  
23 and all causes of action and remedies available on behalf of the state. This may include pursuit of  
24 actions in any and all appropriate courts, both state and federal, and before any applicable  
25 administrative boards, departments, or entities.

26           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO STATE AFFAIRS AND GOVERNMENT

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1           This act would establish a cause of action for improper influence on state actions by  
2 credit rating agencies. The act would direct the attorney general to investigate allegations of  
3 improper influence, and to initiate a civil action in superior court against a credit rating agency in  
4 the event the attorney general determines there has been a violation of this section. The court  
5 would be authorized to provide both injunctive and monetary relief in the event that a violation is  
6 found.

7           This act would take effect upon passage.

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