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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - ADVICE AND CONSENT OF
THE SENATE

Introduced By: Senators Tassoni, P Fogarty, and DeVall

Date Introduced: March 10, 2011

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 24-12-2 of the General Laws in Chapter 24-12 entitled "Rhode
2 Island Turnpike and Bridge Authority" is hereby amended to read as follows:

3 **24-12-2. Authority created -- Composition. --** There is hereby created a body corporate
4 and politic to be known as the "Rhode Island turnpike and bridge authority." The authority shall
5 consist of five (5) members, including the director of transportation, who shall be a member ex
6 officio, and four (4) members appointed by the governor. [Each gubernatorial appointee shall be](#)
7 [subject to the advice and consent of the senate.](#)

8 SECTION 2. Section 42-64-7.1 of the General Laws in Chapter 42-64 entitled "Rhode
9 Island Economic Development Corporation" is hereby amended to read as follows:

10 **42-64-7.1. Subsidiaries. --** (a) (1) The parent corporation shall have the right to exercise
11 and perform its powers and functions, or any of them, through one or more subsidiary
12 corporations whose creation shall be approved and authorized by the general assembly.

13 (2) (i) Express approval and authorization of the general assembly shall be deemed to
14 have been given for all legal purposes on July 1, 1995 for the creation and lawful management of
15 a subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
16 Park, that subsidiary corporation being managed by a board of directors, the members of which
17 shall be constituted as follows: (A) two (2) members who shall be appointed by the town council
18 of the town of North Kingstown; (B) two (2) members who shall be residents of the town of

1 North Kingstown appointed by the governor; (C) four (4) members who shall be appointed by the
2 governor; (D) the chairperson, who shall be the executive director of the Rhode Island economic
3 development corporation; and (E) non-voting members, who shall include the members of the
4 general assembly whose districts are comprised in any part by areas located within the town of
5 North Kingstown and one non-voting member who shall be a resident of the town of Jamestown,
6 appointed by the town council of the town of Jamestown. Upon receipt of approval and
7 authorization from the general assembly, the parent corporation by resolution of the board of
8 directors may direct any of its directors, officers, or employees to create subsidiary corporations
9 pursuant to chapter 1.2 or 6 of title 7 or in the manner described in subsection (b); provided, that
10 the parent corporation shall not have any power or authority to create, empower or otherwise
11 establish any corporation, subsidiary corporation, corporate body or any form of partnership or
12 any other separate entity, without the express approval and authorization of the general assembly.

13 (ii) The approval and authorization provided herein shall terminate upon the
14 establishment of the Quonset Development Corporation as provided for in chapter 64.10 of this
15 title.

16 (iii) The Quonset Development Corporation shall be deemed a subsidiary of the Rhode
17 Island economic development corporation:

18 (A) As set forth in section 42-64.10-6(c); and

19 (B) Insofar as it exercises any powers and duties delegated to it by the corporation
20 pursuant to this chapter for any project other than on real and personal property owned, leased or
21 under the control of the corporation located in the town of North Kingstown, and the corporation
22 shall be deemed to have authority to delegate any of its powers, with the exception of the power
23 to issue any form of negotiable bonds or notes and the power of eminent domain, in order to
24 accomplish the purposes of chapter 64.10 of this title; provided, however, that the corporation
25 may, as provided for in this chapter, issue bonds or exercise the power of eminent domain on
26 behalf of the Quonset Development Corporation or to undertake a project of the Quonset
27 Development Corporation.

28 (b) As used in this section, "subsidiary public corporation" means a corporation created
29 pursuant to the provisions of this section. The person or persons directed by the resolution
30 referred to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of
31 the subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the
32 purpose or purposes for which the subsidiary public corporation is organized which shall not be
33 more extensive than the purposes of the corporation set forth in section 42-64-5; (4) the number
34 of directors (which may, but need not be, more than one) constituting the initial board of directors

1 and their names and business or residence addresses; (5) the name and business or residence
2 address of the person preparing the articles of incorporation; (6) the date when corporate
3 existence shall begin (which shall not be earlier than the filing of the articles of incorporation
4 with the secretary of state as provided in this subsection); (7) any provision, not inconsistent with
5 law, which the board of directors elect to set forth in the articles of incorporation for the
6 regulation of the internal affairs of the subsidiary public corporation; and (8) a reference to the
7 form of authorization and approval by the general assembly and to the resolution of the board of
8 directors authorizing the preparation of the articles of incorporation. Duplicate originals of the
9 articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds
10 that the articles of incorporation conform to the provisions of this subsection, the secretary shall
11 endorse on each of the duplicate originals the word "Filed," and the month, day and year of the
12 filing; file one of the duplicate originals in his or her office; and a certificate of incorporation to
13 which the secretary shall affix the other duplicate original. No filing fees shall be payable upon
14 the filing of articles of incorporation. Upon the issuance of the certificate of incorporation or upon
15 a later date specified in the articles of incorporation, the corporate existence shall begin and the
16 certificate of incorporation shall be conclusive evidence that all conditions precedent required to
17 be performed have been complied with and that the subsidiary public corporation has been duly
18 and validly incorporated under the provisions hereof. The parent corporation may transfer to any
19 subsidiary public corporation any moneys, real, personal, or mixed property or any project in
20 order to carry out the purposes of this chapter. Each subsidiary public corporation shall have all
21 the powers, privileges, rights, immunities, tax exemptions, and other exemptions of the parent
22 corporation except to the extent that the articles of incorporation of the subsidiary public
23 corporation shall contain an express limitation and except that the subsidiary public corporation
24 shall not have the condemnation power contained in section 42-64-9, nor shall it have the powers
25 contained in, or otherwise be subject to, the provisions of section 42-64-12 and section 42-64-
26 13(a), nor shall it have the power to create, empower or otherwise establish any corporation,
27 subsidiary corporation, corporate body, any form of partnership, or any other separate entity,
28 without the express approval and authorization of the general assembly.

29 (c) Any subsidiary corporation shall not be subject to the provisions of section 42-64-
30 8(a), (c), and (d), except as otherwise provided in the articles of incorporation of the subsidiary
31 corporation.

32 (d) The Rhode Island economic development corporation, as the parent corporation of
33 the Rhode Island Airport Corporation, shall not be liable for the debts or obligations or for any
34 actions or inactions of the Rhode Island Airport Corporation, unless the Rhode Island economic

1 development corporation expressly agrees otherwise in writing.

2 (e) The East Providence Waterfront District shall, with the approval of its commission
3 and the board of directors of the corporation, be a subsidiary of the Rhode Island economic
4 development corporation for the purposes of exercising such powers of the corporation as the
5 board of directors shall determine, and notwithstanding the requirements of subsection (b), the act
6 creating the District shall be deemed fully satisfactory for the purposes of this section regarding
7 the establishment of subsidiary public corporations, and the express approval and authorization of
8 the general assembly shall be deemed to have been given for all legal purposes for the creation
9 and lawful management of a subsidiary corporation created for the purposes of implementing the
10 purposes of the District.

11 (f) The parent corporation is hereby authorized and empowered to create a subsidiary
12 corporation for the expressed purpose to issue bonds and notes of the type and for those projects
13 and purposes specified in the Joint Resolution and Act of the general assembly adopted by the
14 Rhode Island house of representatives and the Rhode Island senate.

15 [\(g\) All gubernatorial appointees to any subsidiary corporation created pursuant to this](#)
16 [section shall be subject to the advice and consent of the senate.](#)

17 SECTION 3. Section 45-37.1-4 of the General Laws in Chapter 45-37.1 entitled
18 "Industrial Facilities Corporation" is hereby amended to read as follows:

19 **45-37.1-4. Rhode Island industrial facilities corporation constituted public body**
20 **corporate and agency of the state.** -- (a) The Rhode Island industrial facilities corporation,
21 previously created as a nonbusiness corporation, under and pursuant to chapter 6 of title 7, as
22 amended by chapter 121 of the Public Laws of 1966, is constituted and established as a public
23 body corporate and agency of the state for the purposes of acquiring, constructing, financing, and
24 leasing projects, as defined in this chapter, within the state. The exercise by the corporation of the
25 powers conferred by this chapter are deemed and held to be the performance of an essential
26 governmental function.

27 (b) All of the powers of the corporation are vested in the board of directors of the
28 corporation previously elected at the first meeting of the incorporators of the Rhode Island
29 industrial facilities corporation, and the members of the board shall continue to serve for the
30 duration of the terms for which they were originally elected. Successors to the members of the
31 board of directors shall be appointed by the governor, as follows: prior to the month of June in
32 each year, commencing in the year 1967, the governor shall appoint a member to serve on the
33 board of directors for a term of five (5) years to succeed the member whose term will expire in
34 June of that year. In the event of a vacancy occurring in the membership of the board of directors,

1 the governor shall appoint a new member of the board of directors for the unexpired term. Any
2 member of the board of directors shall be eligible for reappointment. [Each gubernatorial](#)
3 [appointee shall be subject to the advice and consent of the senate.](#)

4 (c) Each member of the board of directors, before entering upon his or her duties, shall
5 take an oath to administer the duties of his or her office faithfully and impartially, and the oath
6 shall be filed in the office of the secretary of state.

7 (d) The board of directors may elect officers, who need not be members of the board, as
8 may be required to conduct the authority's business. The director of the department of economic
9 development shall serve as executive director and chief executive officer, ex officio, of the
10 corporation. Three (3) members of the board of directors of the corporation constitutes a quorum,
11 and the vote of three (3) members of the board of directors is necessary for any action taken by
12 the corporation. No vacancy in the membership of the board of directors of the corporation shall
13 impair the right of a quorum to exercise all the powers and perform the duties of the corporation.

14 (e) Any action taken by the corporation under the provisions of this chapter may be
15 authorized by resolution at any regular or special meeting, and each resolution takes effect
16 immediately and need not be published or posted.

17 (f) The members of the board of directors and the officers of the corporation shall
18 receive no compensation for the performance of their duties under this chapter, but each member
19 or officer shall be paid his or her necessary expenses incurred while in the performance of those
20 duties.

21 SECTION 4. Section 45-38.1-4 of the General Laws in Chapter 45-38.1 entitled "Health
22 And Educational Building Corporation" is hereby amended to read as follows:

23 **45-38.1-4. Corporation established.** -- (a) There is hereby created a public body
24 corporate and agency of the state to be known as the "Rhode Island health and educational
25 building corporation" as successor to the Rhode Island educational building corporation,
26 previously created as a nonbusiness corporation under and pursuant to chapter 6 of title 7, as
27 amended by chapter 121 of the Public Laws of 1966, and constituted and established as a public
28 body corporate and agency of the state for the exercising of the powers conferred on the
29 corporation under and pursuant to sections 45-38.1-1 -- 45-38.1-24.

30 (b) All of the powers of the corporation are vested in the board of directors of the
31 corporation elected at the first meeting of the incorporators of the Rhode Island educational
32 building corporation, and the members of the board shall continue to serve for the duration of the
33 terms for which they were originally elected. Successors to the members of the board of directors
34 shall be appointed by the governor, as follows: prior to the month of June in each year,

1 commencing in the year 1968, the governor shall appoint a member to serve on the board of
2 directors for a term of five (5) years to succeed the member whose term will expire in June of that
3 year. In the event of a vacancy occurring in the membership of the board of directors, the
4 governor shall appoint a new member of the board of directors for the unexpired term. Any
5 member of the board of directors is eligible for reappointment. [Each gubernatorial appointee shall](#)
6 [be subject to the advice and consent of the senate.](#)

7 (c) Each member of the board of directors, before entering upon his or her duties, shall
8 take an oath to administer the duties of his or her office faithfully and impartially, and the oath
9 shall be filed in the office of the secretary of state.

10 (d) The board of directors shall elect two (2) of its members as chairperson and vice
11 chairperson, and also elect a secretary, assistant secretary, treasurer, and assistant treasurer, who
12 need not be members of the board. Three (3) members of the board of directors of the corporation
13 shall constitute a quorum, and the affirmative vote of the majority of the directors present and
14 entitled to vote at any regular or special meeting at which a quorum is present, is necessary for
15 any action to be taken by the corporation; except, however, that the affirmative vote of three (3)
16 members of the board of directors is necessary for the election of officers of the corporation and
17 to amend the bylaws of the corporation. No vacancy in the membership of the board of directors
18 of the corporation impairs the right of a quorum to exercise all the powers of and perform the
19 duties of the corporation.

20 (e) Any action taken by the corporation under the provisions of this chapter may be
21 authorized by resolution at any regular or special meeting, and each resolution takes effect
22 immediately and need not be published or posted.

23 (f) The members of the board of directors shall receive compensation at the rate of fifty
24 dollars (\$50.00) per meeting attended; however, the compensation shall not exceed one thousand
25 five hundred dollars (\$1,500) per fiscal year per member.

26 (g) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict
27 of interest for a trustee, director, officer, or employee of an institution for higher education or a
28 health care provider to serve as a member of the board of directors of the corporation; provided,
29 that the trustee, director, officer, or employee abstains from deliberation, action and vote by the
30 board under this chapter in specific respect to the institution for higher education or the health
31 care provider of which the member is a trustee, director, officer, or employee.

32 SECTION 5. This act shall take effect upon passage.

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

- 1 This act would provide that gubernatorial appointees to certain quasi-public corporations
- 2 be subject to the advice and consent of the senate.
- 3 This act would take effect upon passage.

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