

2010 -- S 2213

LC00893

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

Introduced By: Senator Michael J. McCaffrey

Date Introduced: February 09, 2010

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64-7.1 of the General Laws in Chapter 42-64 entitled "Rhode
2 Island Economic Development Corporation" is hereby amended to read as follows:

3 **42-64-7.1. Subsidiaries.** -- (a) (1) The parent corporation shall have the right to exercise
4 and perform its powers and functions, or any of them, through one or more subsidiary
5 corporations whose creation shall be approved and authorized by the general assembly.

6 (2) (i) Express approval and authorization of the general assembly shall be deemed to
7 have been given for all legal purposes on July 1, 1995 for the creation and lawful management of
8 a subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
9 Park, that subsidiary corporation being managed by a board of directors, the members of which
10 shall be constituted as follows: (A) two (2) members who shall be appointed by the town council
11 of the town of North Kingstown; (B) two (2) members who shall be residents of the town of
12 North Kingstown appointed by the governor; (C) four (4) members who shall be appointed by the
13 governor; (D) the chairperson, who shall be the executive director of the Rhode Island economic
14 development corporation; and (E) non-voting members, who shall include the members of the
15 general assembly whose districts are comprised in any part by areas located within the town of
16 North Kingstown and one non-voting member who shall be a resident of the town of Jamestown,
17 appointed by the town council of the town of Jamestown. Upon receipt of approval and
18 authorization from the general assembly, the parent corporation by resolution of the board of

1 directors may direct any of its directors, officers, or employees to create subsidiary corporations
2 pursuant to chapter 1.2 or 6 of title 7 or in the manner described in subsection (b); provided, that
3 the parent corporation shall not have any power or authority to create, empower or otherwise
4 establish any corporation, subsidiary corporation, corporate body or any form of partnership or
5 any other separate entity, without the express approval and authorization of the general assembly.

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

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

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

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

21 (b) As used in this section, "subsidiary public corporation" means a corporation created
22 pursuant to the provisions of this section. The person or persons directed by the resolution
23 referred to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of
24 the subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the
25 purpose or purposes for which the subsidiary public corporation is organized which shall not be
26 more extensive than the purposes of the corporation set forth in section 42-64-5; (4) the number
27 of directors (which may, but need not be, more than one) constituting the initial board of directors
28 and their names and business or residence addresses; (5) the name and business or residence
29 address of the person preparing the articles of incorporation; (6) the date when corporate
30 existence shall begin (which shall not be earlier than the filing of the articles of incorporation
31 with the secretary of state as provided in this subsection); (7) any provision, not inconsistent with
32 law, which the board of directors elect to set forth in the articles of incorporation for the
33 regulation of the internal affairs of the subsidiary public corporation; and (8) a reference to the
34 form of authorization and approval by the general assembly and to the resolution of the board of

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

22 (c) Any subsidiary corporation shall not be subject to the provisions of section 42-64-
23 8(a), (c), and (d), except as otherwise provided in the articles of incorporation of the subsidiary
24 corporation.

25 (d) The Rhode Island economic development corporation, as the parent corporation of
26 the Rhode Island Airport Corporation, shall not be liable for the debts or obligations or for any
27 actions or inactions of the Rhode Island Airport Corporation, unless the Rhode Island economic
28 development corporation expressly agrees otherwise in writing.

29 (e) The East Providence Waterfront District shall, with the approval of its commission
30 and the board of directors of the corporation, be a subsidiary of the Rhode Island economic
31 development corporation for the purposes of exercising such powers of the corporation as the
32 board of directors shall determine, and notwithstanding the requirements of subsection (b), the act
33 creating the District shall be deemed fully satisfactory for the purposes of this section regarding
34 the establishment of subsidiary public corporations, and the express approval and authorization of

1 the general assembly shall be deemed to have been given for all legal purposes for the creation
2 and lawful management of a subsidiary corporation created for the purposes of implementing the
3 purposes of the District.

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

8 (g)(1) The Rhode Island airport corporation – appointment of directors:
9 The board of directors of the Rhode Island airport corporation shall consist of seven (7)
10 members: The board of directors shall have extensive experience in he fields of finance,
11 business, construction and/or organized labor.

12 The governor of the State of Rhode Island shall appoint, with the advice and consent of
13 the senate when nominated to serve, the seven (7) members of the board of directors, one of
14 whom shall be selected from a list of three (3) candidates submitted by the mayor of the City of
15 Warwick. Each director shall be appointed for a term of four (4) years.

16 Any vacancy occurring in the board of directors shall be filled by the governor of the
17 State of Rhode Island in the same manner prescribed for the original appointments.

18 A director appointed to fill a vacancy of a director appointed by the governor of the State
19 of Rhode Island shall be appointed for the unexpired portion of the term of office of the director
20 whose vacancy is to be filled.

21 All members of the board of directors of the Rhode Island airport corporation shall serve
22 without compensation.

23 SECTION 2. The Rhode Island airport corporation is hereby authorized to amend its
24 articles of incorporation in the manner provided in section 42-64-7.2 to comport with the terms of
25 this act.

26 SECTION 3. This act shall take effect upon passage and all members of the board of
27 directors of the Rhode Island airport corporation serving as of the effective date of this act shall
28 serve for the unexpired portion of their respective term of office and shall be subject to the advice
29 and consent of the senate only if nominated for a successive term.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

1 This act would require all board members of the Rhode Island airport corporation to be
2 appointed by the governor with the advice and consent of the senate.

3 This act would take effect upon passage and all members of the board of directors of the
4 Rhode Island airport corporation serving as of the effective date of this act would serve for the
5 unexpired portion of their respective term of office and would be subject to the advice and
6 consent of the senate only if nominated for a successive term.

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