

**2014 -- S 2399 SUBSTITUTE A AS AMENDED**

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LC004651/SUB A  
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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 TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

Introduced By: Senators DaPonte, Goodwin, Nesselbush, Satchell, and Bates

Date Introduced: February 12, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 45-12 of the General Laws entitled "Indebtedness of Towns and  
2           Cities" is hereby amended by adding thereto the following section:

3           **45-12-33. Borrowing for road and bridge projects financed through the "municipal**  
4           **road and bridge revolving fund. -- (a) In addition to other authority previously granted, during**  
5           **calendar year 2014 a city or town may authorize the issuance of bonds, notes, or other evidences**  
6           **of indebtedness to evidence loans from the municipal road and bridge revolving fund**  
7           **administered by the Rhode Island clean water finance agency in accordance with chapter 24-18 of**  
8           **the general laws.**

9           **(b) These bonds, notes, or other evidences of indebtedness are subject to the maximum**  
10           **aggregate indebtedness permitted to be issued by any city or town under § 45-12-2.**

11           **(c) The denominations, maturities, interest rates, methods of sale, and other terms,**  
12           **conditions, and details of any bonds or notes issued under the provisions of this section may be**  
13           **fixed by resolution of the city or town council authorizing them, or if no provision is made in the**  
14           **resolution, by the treasurer or other officer authorized to issue the bonds, notes or evidences of**  
15           **indebtedness; provided, that the payment of principal shall be by sufficient annual payments that**  
16           **will extinguish the debt at maturity, the first of these annual payments to be made not later than**  
17           **three (3) years, and the last payment not later than twenty (20) years after the date of the bonds.**

18           **The bonds, notes, or other evidences of indebtedness may be issued under this section by**  
19           **any political subdivision without obtaining the approval of its electors, notwithstanding the**

1 [provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the](#)  
2 [contrary.](#)

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO TOWNS AND CITIES - INDEBTEDNESS OF TOWNS AND CITIES

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1           This act would permit cities and towns to authorize, without charter or referendum  
2 approval, the issuance of bonds, notes or other evidences of indebtedness for road and bridge  
3 projects financed through the municipal road and bridge revolving fund established pursuant to  
4 chapter 24-18 of the general laws.

5           This act would take effect upon passage.

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