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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO PUBLIC FINANCE -- REFUNDING BOND AUTHORITY

Introduced By: Senator Frank A. Ciccone

Date Introduced: March 06, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 35-8.1-1, 35-8.1-2, 35-8.1-3, 35-8.1-4, 35-8.1-5, 35-8.1-6, 35-8.1-
2 7, 35-8.1-8, 35-8.1-8.1, 35-8.1-8.2, 35-8.1-8.3, 35-8.1-8.4, 35-8.1-8.5, 35-8.1-8.6, 35-8.1-9, 35-
3 8.1-10, 35-8.1-11, 35-8.1-12, 35-8.1-13, 35-8.1-14, 35-8.1-15, 35-8.1-16, 35-8.1-17, 35-8.1-18,
4 35-8.1-19, 35-8.1-20, 35-8.1-21, 35-8.1-22, 35-8.1-23, 35-8.1-24, 35-8.1-26, 35-8.1-27, 35-8.1-28
5 and 35-8.1-29 of the General Laws in Chapter 35-8.1 entitled "Refunding Bond Authority" are
6 hereby repealed.

7 ~~**35-8.1-1. Short title.** -- This chapter shall be known as and may be cited as the "Rhode~~
8 ~~Island Refunding Bond Authority Act".~~

9 ~~**35-8.1-2. Legislative findings.** -- The general assembly hereby finds, declares, and~~
10 ~~observes that the:~~

11 ~~(1) State issued its general obligation bonds dated May 1, 1984, in the aggregate~~
12 ~~principal amount of thirty million dollars (\$30,000,000) pursuant to statutory authorities approved~~
13 ~~by the electorate of the state, and the state issued its general obligation bonds dated June 28,~~
14 ~~1985, in the aggregate principal amount of ninety million dollars (\$90,000,000) pursuant to~~
15 ~~statutory authorities approved by the electorate of the state;~~

16 ~~(2) 1984 and 1985 bonds bear interest at a rate in excess of current interest rates and the~~
17 ~~general assembly has determined that it would be in the best interests of the people of the state to~~
18 ~~obtain funds to pay, redeem, or retire the 1984 and 1985 bonds with bonds bearing a lower rate of~~
19 ~~interest;~~

1 ~~(3) Statutory authorities previously approved do not provide authorization for the~~
2 ~~issuance of general obligation refunding bonds of the state; and~~

3 ~~(4) General assembly desires to create an authority with the power to issue bonds to~~
4 ~~provide funds to loan to the state so that the state can pay, redeem, or retire the 1984 and 1985~~
5 ~~bonds.~~

6 ~~(5) Furthermore, the general assembly desires to consolidate debt issuing authorities and~~
7 ~~create administrative savings as a result of such consolidations. To accomplish this desire, on~~
8 ~~July 1, 1997, the public building authority shall be eliminated as an entity and its functions,~~
9 ~~powers, rights, duties and liabilities shall be transferred to the authority pursuant to the provisions~~
10 ~~of this chapter.~~

11 ~~**35-8.1-3. Definitions.** Unless otherwise indicated by the context, the following~~
12 ~~definitions shall apply for purposes of this chapter:~~

13 ~~(1) "Authority" shall mean this refunding bond authority created by section 35-8.1-4;~~

14 ~~(2) "Board" means the board of directors of the authority as constituted by section 35-~~
15 ~~8.1-5;~~

16 ~~(3) "Bond" or "bonds" shall include any bond or note and other instrument or form of~~
17 ~~indebtedness, whether or not certificated, that may lawfully be issued by the authority;~~

18 ~~(4) "Revenues" shall include all loan payments, charges, fees, moneys, profits, gifts,~~
19 ~~grants, contributions, appropriations, and all other income derived or to be derived by the~~
20 ~~authority under this chapter;~~

21 ~~(5) "State" shall mean the state of Rhode Island and Providence Plantations;~~

22 ~~(6) "1984 bonds" shall mean the state's thirty million dollar (\$30,000,000) general~~
23 ~~obligation bonds dated May 1, 1984; and~~

24 ~~(7) "1985 bonds" shall mean the state's ninety million dollar (\$90,000,000) general~~
25 ~~obligation bonds dated June 28, 1985.~~

26 ~~(8) The word "project" shall mean any public facility or public equipment which the~~
27 ~~authority is authorized to construct, improve, equip, furnish, maintain, acquire, install, or operate~~
28 ~~under the provisions of this chapter, to provide for the conduct of the executive, legislative, and~~
29 ~~judicial functions of government, and its various branches, departments, and agencies, at all~~
30 ~~levels including federal, state and municipal. The projects may include but need not be limited to~~
31 ~~judicial, administrative, educational, residential, rehabilitative, medical, correctional, recreational,~~
32 ~~transportation, public water supply system, and such other projects as the authority shall be~~
33 ~~requested to initiate to provide effective governmental, health, safety, and welfare services in the~~
34 ~~state, or by the federal government, or by any municipality or joint or regional agencies of the~~

1 ~~state or any combination thereof.~~

2 ~~(9) The word "person" shall mean and include natural persons, firms, associations,~~
3 ~~corporations, business trusts, partnerships, and public bodies.~~

4 ~~(10) The term "federal agency" shall mean and include the United States of America, and~~
5 ~~any department of, or corporation, agency, or instrumentality heretofore or hereafter created,~~
6 ~~designated or established by the United States of America.~~

7 ~~(11) The word "construction" shall mean and include acquisition and construction, and~~
8 ~~the term "to construct" shall mean and include to acquire and to construct, all in such manner as~~
9 ~~may be deemed desirable.~~

10 ~~(12) The term "improvement" shall mean and include extension, enlargement, and~~
11 ~~improvement, and the term "to improve" shall mean and include to extend, to enlarge, and to~~
12 ~~improve all in such manner as may be deemed desirable.~~

13 ~~(13) The term "public equipment" shall mean and include all tangible personal property,~~
14 ~~new or used, including without limiting the generality of the foregoing, all machinery, equipment,~~
15 ~~transportation equipment, maintenance equipment, construction equipment, sanitation equipment,~~
16 ~~and all other things and rights usually included within the term, including any and all interests in~~
17 ~~the property which are less than full title, such as leasehold interests, security interests, and every~~
18 ~~other interest or right, legal, or equitable.~~

19 ~~(14) The word "cost" as applied to any project to be constructed or acquired by the~~
20 ~~authority shall include the cost of acquisition or construction, and, if the project consists of~~
21 ~~public facilities, the cost of the acquisition of all land, rights of way, property, rights, easements,~~
22 ~~and interests acquired by the authority for the construction, the cost of demolishing or removing~~
23 ~~any buildings or structures on land so acquired, including the cost of acquiring any lands to which~~
24 ~~the buildings or structures may be moved, the cost of all machinery and equipment, financing~~
25 ~~charges, interest prior to and during construction, and for one year after completion of~~
26 ~~construction, cost of estimates and of planning, engineering, and legal services, plans,~~
27 ~~specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to~~
28 ~~determining the feasibility or practicability of the construction, administrative expenses and such~~
29 ~~other expenses as may be necessary or incident to the construction, the financing of the~~
30 ~~construction and the placing of the project in operation. The word "cost" as applied to any project~~
31 ~~which the authority may be authorized to acquire shall mean the amount of the purchase price of~~
32 ~~any public equipment, or if the project consists of public facilities, the amount of any~~
33 ~~condemnation award in connection with the acquisition of the project, and shall include the cost~~
34 ~~of acquiring all of the capital stock of the corporation owning the project, if such be the case, and~~

1 ~~the amount to be paid to discharge all of the obligations of the corporation in order to vest title to~~
2 ~~the project which may be determined by the authority to be necessary prior to the financing~~
3 ~~thereof, interest during the period of construction of the improvements and for one year~~
4 ~~thereafter, the cost of all lands, properties, rights, easements, franchises, and permits acquired, the~~
5 ~~cost of planning, engineering, and legal services, plans, specifications, surveys, estimates of cost~~
6 ~~and of revenues, other expenses necessary or incident to determining the feasibility or~~
7 ~~practicability of the acquisition or improvement, administrative expenses, and such other expense~~
8 ~~as may be necessary or incident to the financing of the acquisition or improvement, and the~~
9 ~~placing of the project in operation by the authority. The word "cost" shall include the cost of~~
10 ~~purchase and installation of solar, wind, and renewable energy systems, which include solar~~
11 ~~thermal, solar electric, and wind energy systems that provide heating, cooling, hot water, or~~
12 ~~electricity to a building together with equipment for collection, storage, distribution, and control,~~
13 ~~including structural components of a building specifically designed to retain heat derived from~~
14 ~~solar energy.~~

15 ~~(15) The word "owner" shall mean and include all individuals, incorporated companies,~~
16 ~~copartnerships, societies, or associations and also municipalities, political subdivisions and all~~
17 ~~public agencies and instrumentalities having any title or interest in any property, rights,~~
18 ~~easements, or franchises authorized to be acquired under the provisions of this chapter.~~

19 ~~(16) The words "public facilities" shall mean and include any real property, lands,~~
20 ~~structures, buildings, facilities, or improvements, new or existing, and shall include all structures,~~
21 ~~parking facilities, landscaping and other appurtenances and facilities, including fixtures,~~
22 ~~furnishings, personalty, and equipment, incidental to the use of any building, the site thereof, and~~
23 ~~any easements, rights of way or other property rights appurtenant thereto or necessary or~~
24 ~~convenient in connection therewith.~~

25 ~~(17) The word "municipality" shall mean and include any city or town within the state~~
26 ~~now existing or hereafter created or any joint, mutual or regional entities, authorizing venture or~~
27 ~~undertaking involving two (2) or more such cities or towns.~~

28 ~~(18) The word "state" shall mean and include the state of Rhode Island and Providence~~
29 ~~Plantations, any office, department, board, commission, bureau, division, authority, public~~
30 ~~corporation, agency, or instrumentality thereof.~~

31 **35-8.1-4. Creation.** ~~There is hereby created and established a public corporation to be~~
32 ~~administered by the office of the general treasurer, having a distinct legal existence from the state~~
33 ~~and not constituting a department of state government, to be known as the "Rhode Island~~
34 ~~refunding bond authority". The authority is constituted as a public instrumentality to exercise~~

1 public and essential governmental functions.

2 ~~35-8.1-5. Governing board --- Members --- Vacancies --- Officers --- Quorum ---~~

3 ~~**Affirmative votes.** --- (a) The authority shall be governed by a board which shall have seven (7)~~
4 ~~members, consisting of:~~

5 ~~(1) The general treasurer or his or her designee who shall be a subordinate within the~~
6 ~~general treasurer's office, who shall serve as chairperson;~~

7 ~~(2) The director of administration or his or her designee who shall be a subordinate~~
8 ~~within the department of administration;~~

9 ~~(3) A representative of the budget office or his or her designee from within the budget~~
10 ~~office, who shall be appointed by the director of administration;~~

11 ~~(4) Two (2) public members appointed by the governor with the advice and consent of~~
12 ~~the senate, one of whom shall serve an initial term of three (3) years; and one of whom shall serve~~
13 ~~an initial term of four (4) years. Thereafter, the members appointed pursuant to this subsection~~
14 ~~shall serve for a term of four (4) years and until his or her successor is appointed and qualified;~~

15 ~~(5) Two (2) public members appointed by the general treasurer, with the advice and~~
16 ~~consent of the senate: one of whom shall serve an initial term of two (2) years; and one of whom~~
17 ~~shall serve an initial term of one year. Thereafter, the members appointed pursuant to this~~
18 ~~subsection shall serve for a term of four (4) years and until his or her successor is appointed and~~
19 ~~qualified; and~~

20 ~~(6) The gubernatorial and general treasurer appointees shall be persons qualified by~~
21 ~~training and experience in the fields of finance or banking. No one shall be eligible for~~
22 ~~appointment unless he or she is a resident of this state. Any member of the general public that~~
23 ~~was appointed by the governor prior to the effective date of this act [July 4, 2006] shall continue~~
24 ~~to serve until such time as a successor is appointed and qualified.~~

25 ~~Public members of the authority shall be removable by the chair for cause only, and~~
26 ~~removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall~~
27 ~~be unlawful.~~

28 ~~Newly appointed and qualified public members shall, within six (6) months of their~~
29 ~~appointment, attend a training course that shall be developed and provided by the office of the~~
30 ~~general treasurer and shall include instruction in the following areas: the provisions of chapters~~
31 ~~35-8.1, 42-46, 36-14 and 38-2 of the Rhode Island general laws; and the authority's rules and~~
32 ~~regulations. The director of the department of administration shall, within ninety (90) days of the~~
33 ~~effective date of this act [July 4, 2006] prepare and disseminate training materials relating to the~~
34 ~~provisions of chapters 42-46, 36-14 and 38-2.~~

1 ~~(b) In the event of vacancy occurring in the public membership, the appointing authority~~
2 ~~shall appoint a public member for the unexpired term. Any public member of the board shall be~~
3 ~~eligible for reappointment. No one shall be eligible for appointment unless he or she is a resident~~
4 ~~of this state.~~

5 ~~(c) Each member of the board, before entering upon any duties, shall swear or solemnly~~
6 ~~affirm to administer the duties of office faithfully and impartially, and that oath or affirmation~~
7 ~~shall be filed in the office of the secretary of state.~~

8 ~~(d) The board shall elect one of their number to serve as both secretary and treasurer.~~
9 ~~Four (4) members of the board shall constitute a quorum and the affirmative vote of four (4)~~
10 ~~members shall be necessary for any action taken by the authority. No vacancy in the membership~~
11 ~~of the board shall impair the right of a quorum to exercise all the rights and perform all the duties~~
12 ~~of the board.~~

13 ~~**35-8.1-6. Compensation and expenses of members -- Effect of membership on state**~~
14 ~~**office or employment.** -- The members of the authority shall serve without compensation, but the~~
15 ~~authority shall reimburse them for actual expenses necessarily incurred in the discharge of their~~
16 ~~duties. Notwithstanding any other law, an officer or employee of the state shall not be deemed to~~
17 ~~have forfeited or shall forfeit his or her office or employment or any benefits thereof by reason of~~
18 ~~acceptance of the office of member of the authority.~~

19 ~~**35-8.1-7. Staff -- Consultants -- Rules.** -- The authority shall be staffed by the office of~~
20 ~~the general treasurer. The authority may employ such consultants, as it, in its discretion, deems~~
21 ~~necessary. For purposes of this chapter only, the authority may adopt rules pursuant to chapter 35~~
22 ~~of title 42 upon less than twenty (20) days' notice and it may proceed upon any abbreviated notice~~
23 ~~and hearing to adopt an emergency rule if it finds an economic benefit to the state. The rules shall~~
24 ~~become effective immediately upon filing with the secretary of state.~~

25 ~~**35-8.1-8. General powers.** -- To carry out the purposes of this chapter, the authority has~~
26 ~~the power to:~~

- 27 ~~(1) Sue and be sued;~~
28 ~~(2) Adopt and have an official seal and alter the seal at its pleasure;~~
29 ~~(3) Make and alter bylaws, rules, and regulations for the conduct of its affairs and~~
30 ~~business;~~
31 ~~(4) Maintain an office at such place or places within the state as it may determine;~~
32 ~~(5) Acquire, hold, use, and dispose of its revenue income, funds, and moneys;~~
33 ~~(6) Acquire, purchase, hold, and use any property, real, personal or mixed, tangible or~~
34 ~~intangible, or any interest therein necessary or desirable for carrying out the purposes of the~~

1 ~~authority, and to mortgage, lease, or sell any of the property; and (without limitation of the~~
2 ~~foregoing) to lease as lessee, any property, real, personal, or mixed, or any interest therein to~~
3 ~~lease as lessor to the federal government, the state, and any municipality any project of the~~
4 ~~authority, and to sell, transfer, and convey to any lessee or to any other person upon such terms~~
5 ~~and conditions and for such considerations as the authority shall determine.~~

6 ~~(7) Borrow money, issue its bonds, provide for and secure the payment thereof, and~~
7 ~~provide for the rights of the holders thereof, and purchase, hold, and dispose of any of its bonds;~~

8 ~~(8) Lend money for its purposes, invest and reinvest its funds, and, at its option, take and~~
9 ~~hold property, real or personal, as security for the payment of funds so loaned and invested,~~
10 ~~except that at no time will the authority take and hold property of the state as security for the~~
11 ~~payment of funds so loaned;~~

12 ~~(9) Accept, in furtherance of its purposes, appropriations, gifts, or grants of property,~~
13 ~~funds, money, materials, labor, supplies, or services from the United States of America or the~~
14 ~~state or any other state or agencies or departments thereof, or from any governmental unit or any~~
15 ~~person, firm, or corporation, and to carry out the terms or provisions or make agreements with~~
16 ~~respect to those appropriations, gifts, or grants, and to do any and all things necessary, useful,~~
17 ~~desirable, or convenient in connection with the procurement, acceptance, or disposition of those~~
18 ~~appropriations, gifts, or grants;~~

19 ~~(10) Do and perform any acts and things authorized by this chapter under, through, or by~~
20 ~~means of its officers or consultants or by contracts with any person, firm, or corporation;~~

21 ~~(11) Make, enter into, and enforce all contracts or agreements necessary, convenient, or~~
22 ~~desirable for the purposes of the authority or pertaining to any loan to the state or to the~~
23 ~~performance of its duties and execution or carrying out of any of its powers under this chapter;~~

24 ~~(12) Purchase any bond or interest rate insurance and establish such credit or liquidity~~
25 ~~enhancement arrangements with financial institutions as the authority shall deem advisable;~~

26 ~~(13) Invest any funds or moneys of the authority in the same manner as permitted for~~
27 ~~investment of funds belonging to the state or held in the state treasury; and~~

28 ~~(14) Do all acts and things necessary, convenient, or desirable to carry out the powers~~
29 ~~expressly granted or necessarily implied in this chapter;~~

30 ~~(15) Acquire by purchase, lease, or otherwise, and to construct, improve, equip, furnish,~~
31 ~~maintain, repair, and operate projects, and to establish rules and regulations for the use of any~~
32 ~~project;~~

33 ~~(16) Rent such space in such public facilities as from time to time may not be needed by~~
34 ~~any governmental entity to any person for such other purposes as the authority may determine~~

1 ~~and upon such terms and in such manner as the authority may determine;~~

2 ~~(17) Employ, in its discretion, planning, architectural, or engineering consultants,~~
3 ~~attorneys, accountants, construction, and financial experts, superintendents, managers, and such~~
4 ~~other officers, employees and agents as may be necessary in its judgment, and to fix their~~
5 ~~compensation;~~

6 ~~(18) Fix and revise from time to time, subject to the provisions of this chapter, and to~~
7 ~~charge and collect fees, rentals, and other charges for the use of the facilities of, or for the~~
8 ~~services rendered by, the authority or projects thereof, at rates to be determined by the authority,~~
9 ~~for the purpose of providing for the payment of the expenses of the authority, the acquisition,~~
10 ~~construction, improvement, repair, equipping, furnishing, maintenance, and operation of its~~
11 ~~facilities and properties, the payment of the principal of and interest on its obligations, and to~~
12 ~~fulfill the terms and provisions of any agreements made with the purchasers or holders of any~~
13 ~~obligations;~~

14 ~~(19) Without limitation of the foregoing, to borrow money from, to receive, and accept~~
15 ~~grants for or in aid of construction or acquisition of projects authorized under this chapter from,~~
16 ~~and to enter into contracts, leases, or other transactions with, any federal agency; and to receive~~
17 ~~and accept from the state or any municipality, and from any other source, aid or contributions of~~
18 ~~either money, property, labor, or other things of value, to be held, used, and applied only for the~~
19 ~~purposes for which the grants and contributions may be made;~~

20 ~~(20) Combine for financing purposes any two (2) or more projects authorized to be~~
21 ~~acquired or constructed under the provisions of this chapter;~~

22 ~~(21) Be a promoter, partner, member, owner, associate, or manager of any partnership,~~
23 ~~condominium, or other enterprise or venture;~~

24 ~~(22) Acquire in the name of the authority by purchase or otherwise, on such terms and~~
25 ~~conditions and in such manner as it may deem proper, or by the exercise of the rights of~~
26 ~~condemnation in the manner hereinafter provided, such public or private lands, including public~~
27 ~~parks, playgrounds, or reservations, or parts thereof or rights therein, rights of way, property,~~
28 ~~rights, easements, and interests as it may deem necessary for carrying out the provisions of this~~
29 ~~chapter; provided, however, that all public property damaged in carrying out the powers granted~~
30 ~~by this chapter shall be restored or repaired and placed in its original condition as nearly as~~
31 ~~practicable.~~

32 **35-8.1-8.1. Transfer of functions, powers, rights, duties, and liabilities of the public**
33 **buildings authority.** ~~--- Upon the passage of this article there are hereby transferred to the~~
34 ~~authority all the functions, powers, rights, duties, liabilities, property and resources of the public~~

1 buildings authority.

2 ~~**35-8.1-8.2. Acquisition and construction of projects -- Lease or sale -- Conveyance to**~~
3 ~~**authority -- Request for project. --**~~

4 (a) In order to benefit the people of the state and to provide
5 for their general health and welfare and to maintain the high standards of public facilities and
6 public equipment within the state the authority is hereby authorized and empowered to acquire
7 and construct public facilities and to acquire public equipment; to maintain, repair and operate the
8 same; and with the consent of both the governor and the general assembly to issue revenue bonds
9 of the authority, payable solely from revenues derived from leasing of the projects, to finance the
10 same. Development of the projects may be initiated by the authority only upon request of the
11 proper agency of the federal government, or of the legislative body of the municipality seeking
12 the project, or of both the general assembly and the governor in the case of the state, the director
13 of administration with the approval of the governor being hereby authorized to enter into a
14 contract of lease with the authority for the leasing of such projects upon such terms and
15 conditions as shall be agreed to by the director of administration and the authority; and, in the
16 case of public facilities (except those public facilities to be used in connection with projects to
17 provide judicial complexes, administrative offices, educational facilities and warehouse
18 facilities), shall require, prior to the issuance of such revenue bonds, approval by resolution of the
19 legislative body of the municipality in which they are proposed to be located.

20 (b) Without limiting the generality of the foregoing the authority is expressly empowered
21 to lease or sell a project or any part thereof to the state or to any municipality. Any such lease by
22 the authority to the state or any municipality may be for such period, upon such terms and
23 conditions, with or without an option to purchase, as the authority may determine.

24 (c) The provisions of any other laws or ordinances, general, special or local, or of any
25 rule or regulation of the state or any municipality, restricting or regulating in any manner the
26 power of the state or any municipality to lease (as lessee or lessor) or sell property, real, personal
27 or mixed, shall not apply to leases and sales made with the authority pursuant to this chapter.

28 (d) The state and any municipality, notwithstanding any contrary provision of law, are
29 hereby authorized and empowered to lease, lend, grant or convey to the authority, at its request
30 upon such terms and conditions as the proper authorities of the state and any such municipality
31 may deem reasonable and fair and without the necessity for any advertisement, order of court or
32 other action or formality, other than the regular and formal action of the authorities concerned,
33 any real property or personal property which may be necessary or convenient to the effectuation
34 of the authorized purpose of the authority, including public roads and other real property already
devoted to public use; and subject to the aforesaid, the state hereby consents to the use of all lands

1 ~~owned by it, including lands lying under water, which are deemed by the authority to be~~
2 ~~necessary for the construction or operation of any project.~~

3 ~~(e) The authority is hereby authorized and empowered to contract for the acquisition of~~
4 ~~any of its projects or portions thereof by the federal government; and to contract with any state,~~
5 ~~federal, or municipal agencies for the performance of any services essential or convenient to its~~
6 ~~purposes under this chapter.~~

7 ~~(f) Any request by the legislative body of a municipality seeking a project shall be in the~~
8 ~~form of a resolution adopted by a unanimous vote of such body, or, in the case of projects~~
9 ~~requested by the legislative bodies of two or more cities or towns comprising a joint or regional~~
10 ~~undertaking, by a unanimous vote of the legislative body of each such city or town participating~~
11 ~~in such undertaking.~~

12 ~~**35-8.1-8.3. Eminent domain proceedings.** The authority shall have the right to~~
13 ~~acquire any land, or any interest therein, by the exercise of the power of eminent domain,~~
14 ~~whenever it shall be determined by the authority that the acquisition of the land, or interest, is~~
15 ~~necessary for the construction or the operation of any project.~~

16 ~~(1) The necessity for an acquisition shall be conclusively presumed upon the adoption by~~
17 ~~the authority of a resolution declaring that the acquisition of the land, or interest therein,~~
18 ~~described in the resolution is necessary for the construction or operation. Within six (6) months~~
19 ~~thereafter the authority shall cause to be filed in the land evidence records of the city or town in~~
20 ~~which the land is located, a copy of the resolution of the authority, together with a plat of the~~
21 ~~land, or interest therein described, and a statement, signed by the chairperson of the authority, that~~
22 ~~the lands, or interest therein, are taken pursuant to the provisions of this chapter. Thereupon the~~
23 ~~authority shall file in the superior court in and for the county in which the land, or interest therein~~
24 ~~lies, a statement of the sum of money estimated by the authority to be just compensation for the~~
25 ~~land taken.~~

26 ~~(2) Upon the filing of the copy of the resolution, plat, and statement in the land evidence~~
27 ~~records of the city or town, the filing in the superior court, of the statement, and the depositing in~~
28 ~~the superior court, to the use of the persons entitled thereto, of such sum as the court shall~~
29 ~~determine to be amply sufficient to satisfy the claims of all persons interested in the land (and the~~
30 ~~court may, in its discretion, take evidence on the question to determine the sum to be deposited),~~
31 ~~title to the land, or interest therein, shall vest in the authority in fee simple absolute and the~~
32 ~~authority thereupon may take possession of the land, or interest therein.~~

33 ~~(3) No sum so paid into the court shall be charged with clerk's fees of any nature. After~~
34 ~~the filing of the copy, plat, and statement, notice of the taking of the land, or interest therein, shall~~

1 ~~be served upon the owners of and persons having an estate in and interested in the land by the~~
2 ~~sheriff or his or her deputies of the county in which the land, or interest therein, lies, leaving a~~
3 ~~true and attested copy of the description and statement with each of the persons personally, or at~~
4 ~~their last and usual place of abode in this state with some person living there, and in the case any~~
5 ~~of the persons are absent from this state and have no last and usual place of abode therein~~
6 ~~occupied by any person, the copy shall be left with the persons, if any, in charge of or having~~
7 ~~possession of the land, or interest therein, taken of the absent persons if the same are known to the~~
8 ~~officer; and after the filing of the resolution, plat, and statement, the secretary of the authority~~
9 ~~shall cause a copy of the resolution and statement to be published in some newspaper published~~
10 ~~or having general circulation in the county where the land, or interest therein, may be located, at~~
11 ~~least once a week for three (3) successive weeks. If any person shall agree with the authority for~~
12 ~~the price of the land, or interest therein, so taken, the court upon the application of the parties in~~
13 ~~interest, may order that the sum agreed upon be paid forthwith from the money deposited, as the~~
14 ~~just compensation to be awarded in the proceeding.~~

15 ~~(4) Any owner of or persons entitled to any estate in or interested in any part of the land,~~
16 ~~or interest therein, so taken, who cannot agree with the authority for the price of the land, or~~
17 ~~interest therein, so taken in which he or she is interested as aforesaid, may, within three (3)~~
18 ~~months after personal notice of the taking, or, if he or she have no personal notice, may within~~
19 ~~one year from the first publication of the copy of the resolution and statement, apply by petition~~
20 ~~to the superior court in and for the county in which the land, or interest therein, lies, setting forth~~
21 ~~the taking of his or her land or interest therein, and praying for an assessment of damages by a~~
22 ~~jury. Upon the filing of the petition the court shall cause twenty (20) days notice of the pendency~~
23 ~~thereof to be given to the authority by serving the chairperson or vice chairperson of the authority~~
24 ~~with a certified copy thereof, and may proceed after notice to the trial thereof; and the trial shall~~
25 ~~determine all questions of fact relating to the value of the land, or interest therein, and the amount~~
26 ~~thereof, and judgment shall be entered upon the verdict of the jury and execution shall be issued~~
27 ~~therefor against the money so deposited in court and in default thereof against any other property~~
28 ~~of the authority. In case two (2) or more conflicting petitioners make claim to the same land, or to~~
29 ~~any interests therein, or to different interests in the same parcel of land, the court upon motion~~
30 ~~shall consolidate their several petitions for trial at the same time by the same jury, and may frame~~
31 ~~all necessary issues for the trial thereof; and all proceedings taken pursuant to the provisions of~~
32 ~~this chapter shall take precedence over all other civil matters then pending before the court, or if~~
33 ~~the superior court in and for the county in which the land, or interest therein, lies, be not in~~
34 ~~session in the county, then the trial may be heard in the superior court for the counties of~~

1 ~~Providence and Bristol.~~

2 ~~(5) If any lands, or interests therein, in which any minor or other person not capable in~~
3 ~~law to act in his or her own behalf is interested, are taken by the authority under the provisions of~~
4 ~~this chapter, the superior court, upon the filing therein of any petition by or in behalf of the minor~~
5 ~~or other person, may appoint a guardian ad litem for the minor or other person, and the guardian~~
6 ~~may appear and be heard in behalf of the minor or other person; and the guardian may also, with~~
7 ~~the advice and consent of the superior court and upon the terms as said superior court may~~
8 ~~prescribe, release to the authority all claims for damages for the lands of the minor or other~~
9 ~~person or for any interests therein. Any lawfully appointed, qualified, and acting guardian or~~
10 ~~other fiduciary of the estate of any minor or other person, with the approval of the court of~~
11 ~~probate within this state having jurisdiction to authorize the sale of lands and properties within~~
12 ~~this state of any minor or other person, may, before the filing of any petition, agree with the~~
13 ~~authority upon the amount of damages suffered by the minor or other person by any taking of his~~
14 ~~or her lands or of his or her interests in any lands, and may, upon receiving the amount, release to~~
15 ~~the authority all claims of damages of the minor or other person for such taking.~~

16 ~~(6) Whenever, from time to time the authority has satisfied the court that the amount~~
17 ~~deposited with the court is greater than is amply sufficient to satisfy the claims of all persons~~
18 ~~interested in the land, the court may order that the amount of any excess including any interest or~~
19 ~~increment on any sums so deposited shall be repaid to the authority. Whenever the authority has~~
20 ~~satisfied the court that the claims of all persons interested in the land taken have been satisfied,~~
21 ~~the unexpended balance, including any interest of increment on any sums so deposited, shall be~~
22 ~~paid forthwith to the authority.~~

23 ~~(7) In any proceedings for the assessment of compensation and damages for land or~~
24 ~~interest therein taken or to be taken by eminent domain by the authority the following provisions~~
25 ~~shall be applicable:~~

26 ~~(i) At any time during the pendency of the action or proceeding, the authority or an~~
27 ~~owner may apply to the court for an order directing an owner or the authority, as the case may be,~~
28 ~~to show cause why further proceedings should not be expedited, and the court may upon an~~
29 ~~application make an order requiring that the hearings proceed and that any other steps be taken~~
30 ~~with all possible expedition.~~

31 ~~(ii) If any of the land, or interest therein, is devoted to a public use, it may, nevertheless,~~
32 ~~be acquired, and the taking shall be effective provided that no land, or interest therein, belonging~~
33 ~~to a public utility corporation may be acquired without the approval of the public utilities~~
34 ~~administrator or other officer or tribunal having regulatory power over the corporation. Any land,~~

1 ~~or interest therein, already acquired by the authority may, nevertheless be included within the~~
2 ~~taking for the purpose of acquiring any outstanding interests in the land.~~

3 ~~**35-8.1-8.4. Eminent domain -- Standards.** -- In addition to all of the proceedings and~~
4 ~~requirements under section 35-8.1-8.3, the authority shall further be required to follow the same~~
5 ~~statutory proceedings for the taking of land as required of state agencies when the agencies take~~
6 ~~land under the authority granted by chapter 6 of title 37.~~

7 ~~**35-8.1-8.5. Use of projects.** -- The use of the facilities of the authority and the operation~~
8 ~~of its business shall be subject to the rules and regulations from time to time adopted by the~~
9 ~~authority; provided, however, that the authority shall not be authorized to do anything which will~~
10 ~~impair the security of the holders of the obligations of the authority or violate any agreements~~
11 ~~with them or for their benefit.~~

12 ~~**35-8.1-8.6. Transfer to governmental body.** -- When all bonds issued under the~~
13 ~~provisions of the chapter for each specific project and the interest thereon shall have been paid or~~
14 ~~a sufficient amount for the payment of all the bonds and the interest thereon to the maturity~~
15 ~~thereof shall have been set aside in trust for the benefit of the bondholders, that specific project~~
16 ~~financed under the provisions of this chapter may be transferred to the governmental body leasing~~
17 ~~the project on such terms and conditions and for such consideration as the authority shall~~
18 ~~determine. If the authority shall be dissolved all funds of the authority not required for the~~
19 ~~payment of bonds shall be paid to the general treasurer for the use of the state and all property~~
20 ~~belonging to the authority shall be vested in the state and delivered to it.~~

21 ~~**35-8.1-9. Supplementary powers.** -- In addition to any other powers granted in this~~
22 ~~chapter, the authority has the power to:~~

23 ~~(1) Conduct examinations and hearings and hear testimony and take proof, under oath or~~
24 ~~affirmation, at public or private hearings, on any matter material for its information and necessary~~
25 ~~to carry out the terms of this chapter;~~

26 ~~(2) Issue subpoenas, necessary to carry out the terms of this chapter, requiring the~~
27 ~~attendance of witnesses and the production of books and papers pertinent to any hearing before~~
28 ~~the authority, or before one or more of the members of the authority appointed by it to conduct~~
29 ~~the hearing; and~~

30 ~~(3) Apply to any court, having territorial jurisdiction of the offense, to have punished for~~
31 ~~contempt any witness who refuses to obey a subpoena, or who refuses to be sworn or affirmed to~~
32 ~~testify, or who is guilty of any contempt after summons to appear.~~

33 ~~**35-8.1-10. Annual report, audit, and debt service needs certification.** -- In the month~~
34 ~~of January, the authority shall make an annual report of its activities for the preceding fiscal year~~

1 ~~to the governor, the speaker of the house of representatives, the president of the senate and the~~
2 ~~secretary of state. The report shall set forth a complete operating and financial statement covering~~
3 ~~its operations during the year, a summary of meetings or hearings held, meeting minutes if~~
4 ~~requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies~~
5 ~~conducted, policies and plans developed, approved, or modified, and programs administered or~~
6 ~~initiated; a summary of performance during the previous fiscal year including accomplishments,~~
7 ~~shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal~~
8 ~~matters related to the authority of the board; a summary of any training courses held pursuant to~~
9 ~~subsection 35-8.1-5(a); a briefing on anticipated activities in the upcoming fiscal year; and~~
10 ~~findings and recommendations for improvements. The report shall be posted electronically on the~~
11 ~~general assembly and the secretary of state's website as prescribed in section 42-20-8.2 of the~~
12 ~~Rhode Island general laws. The director of the department of administration shall be responsible~~
13 ~~for the enforcement of this provision.~~

14 ~~**35-8.1-11. Loan to state authorized -- Repayment subject to appropriation.** --~~ The
15 ~~authority may lend money to the state, upon the request of the governor, by entering into a loan~~
16 ~~and trust agreement. The governor is authorized to enter into a loan and trust agreement with the~~
17 ~~authority for the loaning of money to the state upon such terms and conditions as shall be agreed~~
18 ~~upon by the governor and the authority. Upon the loaning and delivery of money to the state, the~~
19 ~~state shall be deemed to have agreed to make certain loan payments in order to provide revenues~~
20 ~~to the authority. Notwithstanding anything in this chapter or any loan and trust agreement to the~~
21 ~~contrary, the amounts required to be paid by the state shall be subject to and dependent upon~~
22 ~~appropriations being made from time to time by the general assembly for that purpose.~~

23 ~~**35-8.1-12. Receipt, investment, and application by state of loan.** --~~ (a) ~~Other than as~~
24 ~~provided in subsection (b), the proceeds of a loan to the state shall, upon their receipt, be paid by~~
25 ~~the general treasurer immediately to the paying agent or other suitable trustee for the 1984 and~~
26 ~~1985 bonds and the paying agent or trustee shall hold the proceeds in trust until they are applied~~
27 ~~to pay the 1984 and 1985 bonds. Neither the governor nor the general treasurer or any other~~
28 ~~official of the state or trustee for the 1984 and 1985 bonds shall make or permit to be made any~~
29 ~~expenditures for new capital improvements from the proceeds of the loan. While the proceeds are~~
30 ~~held in trust, they may be invested in obligations of the United States or the state or any other~~
31 ~~state.~~

32 ~~(b) The proceeds generated for refinancing the pension obligation shall be paid to the~~
33 ~~general treasurer on behalf of the state, who shall then immediately remit the proceeds to the~~
34 ~~state retirement system. Neither the governor nor the general treasurer or any other official of the~~

1 ~~state shall make any expenditures for new capital improvements from the proceeds. While the~~
2 ~~proceeds are held by the state retirement system they shall be invested pursuant to the investment~~
3 ~~statutes and policies of the state investment commission.~~

4 ~~(c) The board, with the approval of the governor, shall have the authority to appoint a~~
5 ~~paying agent or other suitable trustee for the 1984-1985 bonds and the governor is authorized to~~
6 ~~execute any documents or agreements on behalf of the state necessary to carry out the purposes of~~
7 ~~this section.~~

8 ~~(d) Any proceeds issued pursuant to section 35-8.1-13(d), can be used in accordance~~
9 ~~within the terms of any trust or agreement entered into by the authority in connection with such~~
10 ~~bonds.~~

11 ~~**35-8.1-13. Bonds of the authority -- Issuance -- Purposes.** (a) The authority shall~~
12 ~~have the power and is authorized to provide by resolution for the issuance of bonds upon the~~
13 ~~request of the governor and a finding of a financial benefit to the state, in such principal amounts~~
14 ~~as it shall deem necessary to provide funds for the purposes of:~~

15 ~~(1) Loaning money to the state to provide funds to pay, redeem, or retire:~~

16 ~~(i) All or a part of the 1984 and 1985 bonds; or~~

17 ~~(ii) A portion of the unfunded liability of the state retirement system not to exceed three~~
18 ~~hundred million dollars (\$300,000,000); provided, that the authority conferred hereby, as it relates~~
19 ~~to the refunded liability of the state retirement system, shall expire on June 30, 1995;~~

20 ~~(2) Funding or refunding the principal of, or interest or redemption premium on, any~~
21 ~~bonds issued by it, whether the bonds or interest to be paid, funded, or refunded have or have not~~
22 ~~become due or are subject to redemption prior to maturity in accordance with their terms;~~

23 ~~(3) Establishing or increasing reserves to secure or to pay such bonds or interest thereon~~
24 ~~as are reasonably required and permitted by law; and~~

25 ~~(4) Paying all other costs or expenses of the authority incident to and necessary or~~
26 ~~convenient to carry out its purposes and powers.~~

27 ~~(b) In the event that the authority issues refunding bonds pursuant to subsection (a)(2),~~
28 ~~the proceeds of the refunding bonds may be applied, in the discretion of the authority, to the~~
29 ~~purchase, retirement at maturity, or redemption of the outstanding bonds either at their earliest or~~
30 ~~a subsequent redemption date, and may, pending that application, be placed in escrow with a~~
31 ~~suitable trustee. While the proceeds are held in trust, they may be invested in obligations of the~~
32 ~~United States or the state or any other state.~~

33 ~~(c) If the authority shall deposit the proceeds of refunding bonds with a suitable trustee~~
34 ~~in such an amount that, when invested in and combined with income expected to be derived from~~

1 obligations of the United States or the state or any other state, are sufficient to pay all principal,
2 interest, and premium, if any, on any of its outstanding bonds, then, until the outstanding bonds
3 are called for prepayment or otherwise paid, the outstanding bonds shall not be considered debts
4 of the authority, for any purpose, from the date of deposit of the moneys with the trustee.

5 ~~(d) Notwithstanding the provisions of subsections (a) — (c) above, (1) with the consent of~~
6 ~~both the governor and the general assembly the authority is hereby authorized to provide by~~
7 ~~resolution for the issuance, at one time or from time to time, of revenue bonds of the authority for~~
8 ~~the purpose of paying all or a part of the cost of any one or more projects, the construction or~~
9 ~~acquisition of which is authorized by this chapter. The principal of and the interest on the bonds~~
10 ~~shall be payable solely from the funds herein provided for the payment. The bonds of each issue~~
11 ~~pursuant to this subsection shall be dated, shall bear interest at such rate or rates as the authority~~
12 ~~shall determine, payable semi annually, shall mature at such time or times not exceeding forty~~
13 ~~(40) years from their date or dates, as may be determined by the authority, and may be made~~
14 ~~redeemable before maturity, at the option of the authority, at such price or prices and under such~~
15 ~~terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The~~
16 ~~authority shall determine the form of the bonds, including any interest coupons to be attached~~
17 ~~thereto, and shall fix the denomination or denominations of the bonds and the place or places of~~
18 ~~payment of the principal and interest, which may be at any bank or trust company within or~~
19 ~~without the state. The bonds shall be signed by the chairperson of the authority or shall bear his or~~
20 ~~her facsimile signature, and the official seal of the authority or a facsimile thereof shall be~~
21 ~~impressed or imprinted thereon and attested by the secretary of the authority, and any coupons~~
22 ~~attached to the bonds shall bear the facsimile signature of the chairperson of the authority. In case~~
23 ~~any officer whose signature or facsimile of whose signature shall appear on any bonds or coupons~~
24 ~~shall cease to be an officer before the delivery of the bonds, the signature or the facsimile shall~~
25 ~~nevertheless be valid and, sufficient for all purposes, the same as if he or she had remained in~~
26 ~~office until the delivery. The bonds may be issued in coupon or in registered form, or both, as the~~
27 ~~authority may determine, and provision may be made for the registration of any coupon bonds as~~
28 ~~to principal alone and also as to both principal and interest, for the reconversion into coupon~~
29 ~~bonds of any bonds registered as to both principal and interest and for the interchange of~~
30 ~~registered and coupon bonds. The authority may sell such bonds in such manner, either at public~~
31 ~~or private sale, and for such price, as it may determine will best effect the purposes of this~~
32 ~~chapter.~~

33 ~~(2) The proceeds of the bonds issued pursuant to subsection (d) shall be used solely for~~
34 ~~the payment of the cost of the project or projects for which the bonds shall have been issued, and~~

1 ~~shall be disbursed in such manner and under such restrictions, if any, as the authority may~~
2 ~~provide in the resolution authorizing the issuance of the bonds or in the trust agreement~~
3 ~~hereinafter mentioned securing the same. If the proceeds of the bonds of any issue shall exceed~~
4 ~~the cost, the surplus shall be deposited to the credit of the sinking fund for the bonds or may be~~
5 ~~applied to the payment of the cost of any project thereafter financed under the provisions of~~
6 ~~subsection (d).~~

7 ~~(3) Prior to the preparation of definitive bonds, the authority may, under like restrictions,~~
8 ~~issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive~~
9 ~~bonds when the bonds shall have been executed and are available for delivery. The authority may~~
10 ~~also provide for the replacement of any bonds which shall become mutilated or shall be destroyed~~
11 ~~or lost. Bonds may be issued under the provisions of this subsection without obtaining the~~
12 ~~consent of any department, division, commission, board, bureau, or agency of the state, and~~
13 ~~without any other proceedings or the happening of any other conditions or things than those~~
14 ~~proceedings, conditions or things which are specifically required by this chapter.~~

15 ~~(4) In the discretion of the authority, any bonds issued under the provisions of this~~
16 ~~chapter may be secured by a trust agreement by and between the authority and a corporate~~
17 ~~trustee, which may be any trust company or bank having the powers of a trust company within or~~
18 ~~without the state. The trust agreement or the resolution providing for the issuance of the bonds~~
19 ~~may pledge or assign the revenues to be received and may convey or mortgage any project or any~~
20 ~~part thereof or any combination of projects or parts hereof. The trust agreement or resolution~~
21 ~~providing for the issuance of the bonds may contain such provisions for protecting and enforcing~~
22 ~~the rights and remedies of the bondholders or noteholders as may be reasonable and proper and~~
23 ~~not in violation of the law, including covenants setting forth the duties of the authority in relation~~
24 ~~to the acquisition of property and the construction, improvement, maintenance, repair, operation,~~
25 ~~and insurance of the project or projects in connection with which the bonds shall have been~~
26 ~~authorized, the custody, safeguarding, and application of all moneys, and conditions or limitations~~
27 ~~with respect to the issuance of additional bonds. It shall be lawful for any bank or trust company~~
28 ~~incorporated under the laws of the state which may act as depository of the proceeds of bonds or~~
29 ~~of revenues to furnish such indemnifying bonds or to pledge such securities as may be required~~
30 ~~by the authority. The trust agreement may set forth the rights and remedies of the bondholders~~
31 ~~and of the trustee, and may restrict the individual right of action by bondholders. In addition to~~
32 ~~the foregoing, the trust agreement or resolution may contain such other provisions as the~~
33 ~~authority may deem reasonable and proper for the security of the bondholders. All expenses~~
34 ~~incurred in carrying out the provisions of the trust agreement or resolution may be treated as a~~

1 ~~part of the authority's cost of operation and maintenance.~~

2 ~~(5) The authority is hereby authorized to provide for the issuance of refunding bonds of~~
3 ~~the authority for the purpose of refunding any bonds then outstanding which shall have been~~
4 ~~issued under the provisions of this subsection, including the payment of any redemption premium~~
5 ~~thereon or any interest accrued or to accrue to the earliest or subsequent date of redemption~~
6 ~~purchase or maturity of the bonds. The proceeds of bonds or notes issued for the purpose of~~
7 ~~refunding outstanding bonds or notes may be applied, in the discretion of the authority, to the~~
8 ~~purchase, retirement at maturity, or redemption of the outstanding bonds or notes either on their~~
9 ~~earliest or a subsequent redemption date, and may, pending the application, be placed in escrow.~~
10 ~~Any escrowed proceeds may be invested and reinvested in obligations of or guaranteed by the~~
11 ~~United States of America, or in certificates of deposit, time deposits, or repurchase agreements~~
12 ~~fully secured or guaranteed by the state or the United States, or an instrumentality of either,~~
13 ~~maturing at such time or times as shall be appropriate to assure the prompt payment, as to~~
14 ~~principal, interest, and redemption premium, if any, of the outstanding bonds and notes to be so~~
15 ~~refunded. The interest, income and profits, if any, earned or realized on any investment may also~~
16 ~~be applied to the payment of the outstanding bonds or notes to be so refunded. After the terms of~~
17 ~~the escrow have been fully satisfied and carried out, any balance of the proceeds and interest,~~
18 ~~income and profits, if any, earned or realized on the investments thereof may be returned to the~~
19 ~~authority for use by it in furtherance of its purposes. The issuance of the bonds, the maturities and~~
20 ~~other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the~~
21 ~~authority in respect of the same shall be governed by the provisions of this chapter insofar as the~~
22 ~~same may be applicable.~~

23 ~~**35-8.1-14. Negotiability of bonds.** -- Notwithstanding any law to the contrary, bonds~~
24 ~~issued under this chapter are fully negotiable for all purposes.~~

25 ~~**35-8.1-15. Form of bonds.** -- (a) Bonds shall be authorized by resolution of the authority~~
26 ~~and may be issued in one or more series and shall bear such date or dates, mature at such time or~~
27 ~~times, be in such denomination or denominations, be in such form, carry such conversion or~~
28 ~~registration privileges, have such rank or priority, be executed in such manner, be payable from~~
29 ~~such sources, in such medium of payment, at such place or places within or without the state, and~~
30 ~~be subject to such terms of redemption, with or without premium, as the authority shall~~
31 ~~determine. The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall~~
32 ~~be determined in the manner and in accordance with the procedures established by the authority~~
33 ~~prior to the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to~~
34 ~~bonds bearing a fixed rate of interest to the extent and in the manner determined by the authority~~

1 ~~prior to the issuance of the bonds. The interest on bonds may be payable semiannually or~~
2 ~~annually or at any other interval as may be provided by the authority prior to the issuance of the~~
3 ~~bonds, or the interest may be compounded and paid at maturity or at any other times as may be~~
4 ~~specified by the authority prior to the issuance of the bonds.~~

5 ~~(b) In case any person whose signature or facsimile of whose signature shall appear on~~
6 ~~any bonds shall cease to be an officer before the delivery of the bonds, the signature or the~~
7 ~~facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had~~
8 ~~remained in office until delivery. The bonds may be issued in coupon form or in any form~~
9 ~~permitted by chapter 13 of this title, or both, as the authority may determine, and provision may~~
10 ~~be made for the registration of any coupon form bonds as to principal alone and also as to both~~
11 ~~principal and interest, for the reconversion into coupon form bonds of any bonds registered as to~~
12 ~~both principal and interest, and for the interchange of registered and coupon form bonds. The~~
13 ~~authority may sell these bonds in such manner, either at public or private sale, and for such price~~
14 ~~as it may determine will best effect the purposes of this chapter.~~

15 ~~(c) The authority may, if it deems it desirable to do so, cause the bonds to conform to~~
16 ~~any requirements imposed to exempt the interest paid on the bonds from federal income taxation.~~

17 ~~(d) The proceeds of the bonds shall be loaned to the state and shall be disbursed in such~~
18 ~~manner and under such restrictions, if any, as the authority may provide in the resolution~~
19 ~~authorizing the issuance of the bonds or in the loan and trust agreement mentioned in section 35-~~
20 ~~8.1-16 securing the bonds. Any surplus proceeds may be used to repurchase bonds of the~~
21 ~~authority, may be deposited to the credit of any reserve fund for the bonds, or may be used for~~
22 ~~any other purpose of the authority consistent herewith.~~

23 ~~(e) Bonds may be issued under the provisions of this chapter without obtaining the~~
24 ~~consent of any department, division, commission, board, bureau, or agency of the state, and~~
25 ~~without any other proceedings or the happening of any other conditions or things than those~~
26 ~~proceedings, conditions, or things which are specifically required by this chapter.~~
27 ~~Notwithstanding the foregoing, the authority shall be subject to chapter 10.1 of title 42 (Public~~
28 ~~Finance Management Board).~~

29 ~~**35-8.1-16. Loan and trust agreement.** -- In the discretion of the authority, any bonds~~
30 ~~issued under the provisions of this chapter may be secured by a loan and trust agreement by and~~
31 ~~between the (1) authority, the state, and a corporate trustee, which may be any trust company or~~
32 ~~bank having the powers of a trust company within or without the state; or (2) the authority, the~~
33 ~~state and the state retirement system. The loan and trust agreement, or the resolution providing for~~
34 ~~the issuance of the bonds, may pledge or assign the revenues of the authority and may contain~~

1 ~~such provisions for protecting and enforcing the rights and remedies of the bondholders as may~~
2 ~~be reasonable and proper and not in violation of law. It shall be lawful for any bank or trust~~
3 ~~company incorporated under the laws of the state which may act as depository of the proceeds of~~
4 ~~bonds or of revenues of the authority to furnish such indemnifying bonds or to pledge such~~
5 ~~securities as may be required by the authority. The loan and trust agreement may set forth the~~
6 ~~rights and remedies of the bondholders and of the trustee, if applicable, and may restrict the~~
7 ~~individual right of action by bondholders.~~

8 ~~**35-8.1-17. Bonds neither debt of or pledge of credit by state or subdivisions.**~~ (a)

9 ~~Bonds issued under this chapter shall not be deemed to constitute a debt of the state or any other~~
10 ~~political subdivision thereof or a pledge of the faith and credit of the state or any other political~~
11 ~~subdivision thereof, but shall be payable solely from the funds provided therefrom from revenues.~~
12 ~~Each bond must contain on its face a statement to the effect that the authority is obligated to pay~~
13 ~~the principal thereof and the interest thereon only from revenues or funds of the authority and that~~
14 ~~neither the faith and credit nor the taxing power of the state is pledged to the payment of the~~
15 ~~principal or the interest on the bonds.~~

16 ~~(b) Except as may be otherwise expressly provided in this chapter or by the authority,~~
17 ~~every issue of bonds of the authority shall be general obligations of the authority payable out of~~
18 ~~any revenues or funds of the authority. Bonds may additionally be secured by a pledge of any~~
19 ~~grants, subsidies, contributions, funds, or moneys from the United States or the state or any~~
20 ~~governmental unit or any person, firm, or corporation, or a pledge of any income or revenues,~~
21 ~~funds, or money of the authority from any source whatsoever.~~

22 ~~**35-8.1-18. Revenues.**~~ The authority has the power to fix and collect from time to time,
23 ~~subject to the provisions of this chapter, schedules for the repayment of any loan to the state in~~
24 ~~order to generate revenues. The schedules for repayment shall not be subject to supervision or~~
25 ~~regulation by any commission, board, bureau, or agency of the state or of any municipality or~~
26 ~~other political subdivision of the state. The revenues derived from loan repayments may be~~
27 ~~pledged as provided in any loan and trust agreement or resolution of the authority. The pledge~~
28 ~~shall be valid and binding from the time when the pledge is made. The revenues so pledged and~~
29 ~~thereafter received by the authority shall immediately be subject to the lien of the pledge without~~
30 ~~physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as~~
31 ~~against all parties having claims of any kind in tort, contract, or otherwise against the authority,~~
32 ~~irrespective of whether the parties have notice thereof. Neither the resolution nor any loan and~~
33 ~~trust agreement by which a pledge is created need be filed or recorded except in the records of the~~
34 ~~authority. The use and disposition of revenues shall be subject to the provisions of the resolution~~

1 ~~authorizing the issuance of the bonds or the loan and trust agreement.~~

2 ~~**35-8.1-19. Trust funds.** -- All moneys received pursuant to the provisions of this chapter,~~
3 ~~whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be~~
4 ~~held and applied as may be provided in the resolution authorizing the issuance of the bonds or the~~
5 ~~loan and trust agreement securing the bonds. The authority shall, in the resolution authorizing the~~
6 ~~bonds or in the loan and trust agreement securing the bonds, provide for the payment of proceeds~~
7 ~~of the sale of the bonds and the revenues to be received to a trustee, which shall be any trust~~
8 ~~company or bank having the powers of a trust company within or without the state, which shall~~
9 ~~act as trustee of the funds, and which shall hold and apply the funds to the purposes of this~~
10 ~~chapter, subject to such regulations as this chapter and the resolution or loan and trust agreement~~
11 ~~may provide.~~

12 ~~**35-8.1-20. Remedies.** -- Any holder of bonds issued under the provisions of this chapter~~
13 ~~or any coupons appertaining thereto and the trustee under the loan and trust agreement or the~~
14 ~~resolution, except to the extent the rights given in this chapter may be restricted by the loan and~~
15 ~~trust agreement or the resolution, may, by civil action, mandamus, or other proceeding, protect~~
16 ~~and enforce any and all rights under the laws of the state or granted under this chapter or under~~
17 ~~the loan and trust agreement or the resolution authorizing the issuance of the bonds, and may~~
18 ~~enforce and compel the performance of all duties required by this chapter or by the loan and trust~~
19 ~~agreement or resolution to be performed by the authority or by any officer thereof, including the~~
20 ~~fixing, charging, and collection of revenues.~~

21 ~~**35-8.1-21. Exemptions from taxation.** -- The exercise of the powers granted by this~~
22 ~~chapter will be in all respects for the benefit of the people of the state and for the facilitation of~~
23 ~~the conduct of their public business, and will constitute the performance of essential~~
24 ~~governmental functions. Therefore, the authority shall not be required to pay any taxes or~~
25 ~~assessments upon any property acquired or used by the authority under the provisions of this~~
26 ~~chapter or upon any income it may receive, and the bonds issued under the provisions of this~~
27 ~~chapter, their transfer and the income therefrom (including any profit made on the sale thereof),~~
28 ~~shall at all times be free from taxation by the state or any political subdivision or other~~
29 ~~instrumentality of the state, excepting estate taxes.~~

30 ~~**35-8.1-22. Bonds constitute legal investment.** -- Bonds issued by the authority under the~~
31 ~~provisions of this chapter are securities in which all public officers and public bodies of the state~~
32 ~~and its political subdivisions, insurance companies, trust companies, banking associations,~~
33 ~~investment companies, credit unions, building and loan associations, executors, administrators,~~
34 ~~trustees, and other fiduciaries may properly and legally invest funds, including capital in their~~

1 ~~control or belonging to them. The bonds are securities which may properly and legally be~~
2 ~~deposited with and received by any state or municipal officer or any agency or political~~
3 ~~subdivision of the state for any purpose for which the deposit of bonds or obligations is~~
4 ~~authorized by law.~~

5 ~~**35-8.1-23. State's pledge not to limit or alter authority's powers.** -- The state pledges~~
6 ~~to and agrees with any person, firm, or corporation, or federal agency subscribing to or acquiring~~
7 ~~the bonds to be issued by the authority that the state will not limit or alter the rights vested in the~~
8 ~~authority until all bonds at any time issued, together with the interest thereon, are fully met and~~
9 ~~discharged. The state further pledges to and agrees with the United States and any other federal~~
10 ~~agency that, in the event that any federal agency shall contribute any funds to the authority, the~~
11 ~~state will not alter or limit the rights and powers of the authority in any manner which would be~~
12 ~~inconsistent with the due performance of any agreements between the authority and the federal~~
13 ~~agency and the authority shall continue to have and may exercise all powers granted in this~~
14 ~~chapter, so long as these powers shall be necessary or desirable for the carrying out of the purpose~~
15 ~~of this chapter.~~

16 ~~**35-8.1-24. Personal liability on bonds.** -- Neither the members of the board nor any~~
17 ~~person executing bonds issued under this chapter are liable personally on the bonds.~~

18 ~~**35-8.1-26. Chapter controlling over inconsistent provisions.** -- Insofar as the~~
19 ~~provisions of this chapter are inconsistent with the provisions of any other law or ordinance,~~
20 ~~general, special, or local, or of any rule or regulation of the state or municipality, the provisions~~
21 ~~of this chapter shall be controlling.~~

22 ~~**35-8.1-27. Applicability of other laws.** -- This chapter shall be construed to provide a~~
23 ~~complete additional and alternative method for doing the things authorized hereby and shall be~~
24 ~~regarded as supplemental and in addition to the powers conferred by other laws. The issuance of~~
25 ~~all bonds of the authority under the provisions of this chapter need not comply with the~~
26 ~~requirements of any other statute applicable to the issuance of bonds. No proceedings or notice of~~
27 ~~approval shall be required for the issuance by the authority of any bonds.~~

28 ~~**35-8.1-28. Liberal construction.** -- This chapter, being necessary for the welfare of the~~
29 ~~state and its inhabitants, shall be liberally construed so as to effectuate its purposes.~~

30 ~~**35-8.1-29. Severability.** -- The provisions of this chapter are severable, and if any of its~~
31 ~~provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of~~
32 ~~that court shall not affect or impair any of the remaining provisions.~~

1 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 PUBLIC FINANCE -- REFUNDING BOND AUTHORITY

1 This act would the chapter of the general laws known as the Rhode Island Refunding
2 Bond Authority Act, except section 35-8.1-25 entitled "Transfer of Authority's Funds and
3 Property upon Dissolution," which sets forth that if the authority shall be dissolved, all funds of
4 the authority not required for the payment of bonds or other debts shall be paid to the general
5 treasurer for the use of the state.

6 This act would take effect upon passage.

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