

2018 -- S 2909

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LC005649
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM -- 2018 BOND REFERENDA

Introduced By: Senators Goodwin, and Ruggerio

Date Introduced: May 17, 2018

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Proposition to be submitted to the people. -- At the general election to be
2 held on the Tuesday next after the first Monday in November 2018, there shall be submitted to
3 the people ("people") of the state of Rhode Island ("state"), for their approval or rejection, the
4 following proposition:

5 "Shall the action of the general assembly, by an act passed at the January 2018 session,
6 authorizing the issuance of bonds, refunding bonds, and/or temporary notes of the state of Rhode
7 Island for the capital projects and in the amount with respect to each such project listed below be
8 approved, and the issuance of bonds, refunding bonds, and/or temporary notes authorized in
9 accordance with the provisions of said act?"

10 **Project**

11 (1) Rhode Island School Buildings \$250,000,000

12 Approval of this question will allow the state of Rhode Island to issue general obligation
13 bonds, refunding bonds, and/or temporary notes in an amount not to exceed two hundred fifty
14 million dollars (\$250,000,000) over a five (5) year period, and not to exceed one-hundred million
15 dollars (\$100,000,000) in any one year, to provide direct funding for foundational level school
16 housing aid and the school building authority capital fund with the amount of the allocation
17 between the two (2) programs to be determined by the school building authority as designated in
18 chapter 105, title 16 of the general laws.

19 (2) Higher Education Facilities \$70,000,000

1 Approval of this question will allow the state of Rhode Island to issue general obligation
2 bonds, refunding bonds, and/or temporary notes in an amount not to exceed seventy million
3 dollars (\$70,000,000) to higher education facilities, to be allocated as follows:

4 (a) University of Rhode Island Narragansett Bay Campus \$45,000,000

5 Provides forty-five million dollars (\$45,000,000) to fund repairs and construct new
6 facilities on the University of Rhode Island's Narragansett Bay campus in support of the
7 educational and research needs for the marine disciplines.

8 (b) Rhode Island College School of Education and Human Development \$25,000,000

9 Provides twenty-five million dollars (\$25,000,000) to fund the renovation of Horace
10 Mann Hall on the campus of Rhode Island College, which houses the School of Education and
11 Human Development.

12 (3) Green Economy and Clean Water \$55,500,000

13 Approval of this question will allow the state of Rhode Island to issue general obligation
14 bonds, refunding bonds, and/or temporary notes in an amount not to exceed fifty-five million five
15 hundred thousand dollars (\$55,500,000) for environmental and recreational purposes, to be
16 allocated as follows:

17 (a) Coastal Resiliency and Public Access Projects \$5,000,000

18 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching
19 grants to public and nonprofit entities for restoring and/or improving resiliency of vulnerable
20 coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage
21 significant matching funds to support local programs to improve community resiliency and public
22 safety in the face of increased flooding, major storm events, and environmental degradation.

23 (b) Capital for Clean Water and Drinking Water \$6,100,000

24 Provides six million one hundred thousand dollars (\$6,100,000) for clean water and
25 drinking water infrastructure improvements. Projects range from wastewater treatment upgrades
26 and storm water quality improvements to combine sewer overflow abatement projects.

27 (c) Wastewater Treatment Facility Resilience Improvements \$5,000,000

28 Provides five million dollars (\$5,000,000) for up to fifty percent (50%) matching grants
29 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased
30 flooding, major storm events and environmental degradation.

31 (d) Dam Safety \$4,400,000

32 Provides four million four hundred thousand dollars (\$4,400,000) for repairing and/or
33 removing state-owned dams.

34 (e) State Recreation Projects Program \$10,000,000

1 Provides ten million dollars (\$10,000,000) for capital improvements to state recreational
2 facilities, including Fort Adams State Park.

3 (f) State Bikeway Development Program \$5,000,000

4 Provides five million dollars (\$5,000,000) for the state to design, repair, and construct
5 bikeways, including the East Bay bike path.

6 (g) Brownfield Remediation and Economic Development \$4,000,000

7 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants
8 to public, private, and/or nonprofit entities for brownfield remediation projects.

9 (h) Local Recreation Projects \$5,000,000

10 Provides five million dollars (\$5,000,000) for up to eighty percent (80%) matching grants
11 for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
12 growing needs for active recreational facilities.

13 (i) Access to Farmland \$2,000,000

14 Provides two million dollars (\$2,000,000) to protect the state's working farms through the
15 state farmland access program and the purchase of development rights by the agricultural lands
16 preservation commission

17 (j) Local Open Space \$2,000,000

18 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants
19 to municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,
20 development rights, or conservation easements on open space and urban parklands.

21 (k) Dredging – Downtown Providence Rivers \$7,000,000

22 Provides seven million dollars (\$7,000,000) for the state to obtain additional dredging
23 analysis and the dredging of the Downtown Providence Rivers from:

24 The Woonasquattucket River from I-95 north of Providence Place Mall to its confluence
25 with the Providence River; the Moshassuck River from Smith Street to its confluence with the
26 Providence River; and the Providence River from Steeple Street to Point Street; and dredging a
27 sediment basin upstream of the Providence Place Mall and I-95 for approximately six hundred
28 feet (600').

29 SECTION 2. **Ballot labels and applicability of general election laws.** -- The secretary
30 of state shall prepare and deliver to the state board of elections ballot labels for each of the
31 projects provided for in section 1 hereof with the designations "approve" or "reject" provided next
32 to the description of each such project to enable voters to approve or reject each such proposition.
33 The general election laws, so far as consistent herewith, shall apply to this proposition.

34 SECTION 3. **Approval of projects by people.** -- If a majority of the people voting on

1 the proposition in section 1 hereof shall vote to approve any project stated therein, said project
2 shall be deemed to be approved by the people. The authority to issue bonds, refunding bonds
3 and/or temporary notes of the state shall be limited to the aggregate amount for all such projects
4 as set forth in the proposition, which has been approved by the people.

5 SECTION 4. Bonds for capital development program. -- The general treasurer is
6 hereby authorized and empowered, with the approval of the governor, and in accordance with the
7 provisions of this act to issue capital development bonds in serial form, in the name of and on
8 behalf of the state of Rhode Island, in amounts as may be specified by the governor in an
9 aggregate principal amount not to exceed the total amount for all projects approved by the people
10 and designated as "capital development loan of 2018 bonds." Provided, however, that the
11 aggregate principal amount of such capital development bonds and of any temporary notes
12 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
13 exceed the total amount for all such projects approved by the people. All provisions in this act
14 relating to "bonds" shall also be deemed to apply to "refunding bonds."

15 Capital development bonds issued under this act shall be in denominations of one
16 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
17 of the United States which at the time of payment shall be legal tender for public and private
18 debts. These capital development bonds shall bear such date or dates, mature at specified time or
19 times, but not mature beyond the end of the twentieth state fiscal year following the fiscal year in
20 which they are issued; bear interest payable semi-annually at a specified rate or different or
21 varying rates; be payable at a designated time or times at a specified place or places; be subject to
22 express terms of redemption or recall, with or without premium; be in a form, with or without
23 interest coupons attached; carry such registration, conversion, reconversion, transfer, debt
24 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
25 approval by the governor, upon each issue of such capital development bonds at the time of each
26 issue. Whenever the governor shall approve the issuance of such capital development bonds, the
27 governor's approval shall be certified to the secretary of state; the bonds shall be signed by the
28 general treasurer and countersigned by the secretary of state and shall bear the seal of the state.
29 The signature approval of the governor shall be endorsed on each bond.

30 SECTION 5. Refunding bonds for 2018 capital development program. -- The general
31 treasurer is hereby authorized and empowered, with the approval of the governor, and in
32 accordance with the provisions of this act, to issue bonds to refund the 2018 capital development
33 program bonds, in the name of and on behalf of the state, in amounts as may be specified by the
34 governor in an aggregate principal amount not to exceed the total amount approved by the people,

1 to be designated as "capital development program loan of 2018 refunding bonds" (hereinafter
2 "refunding bonds").

3 The general treasurer with the approval of the governor shall fix the terms and form of
4 any refunding bonds issued under this act in the same manner as the capital development bonds
5 issued under this act, except that the refunding bonds may not mature more than twenty (20)
6 years from the date of original issue of the capital development bonds being refunded.

7 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and
8 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the
9 general treasurer immediately to the paying agent for the capital development bonds which are to
10 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they
11 are applied to prepay the capital development bonds. While such proceeds are held in trust, the
12 proceeds may be invested for the benefit of the state in obligations of the United States of
13 America or the state of Rhode Island.

14 If the general treasurer shall deposit with the paying agent for the capital development
15 bonds the proceeds of the refunding bonds, or proceeds from other sources, amounts that, when
16 invested in obligations of the United States or the state of Rhode Island, are sufficient to pay all
17 principal, interest, and premium, if any, on the capital development bonds until these bonds are
18 called for prepayment, then such capital development bonds shall not be considered debts of the
19 state of Rhode Island for any purpose starting from the date of deposit of such monies with the
20 paying agent. The refunding bonds shall continue to be a debt of the state until paid.

21 The term "bond" shall include "note," and the term "refunding bonds" shall include
22 "refunding notes" when used in this act.

23 SECTION 6. Proceeds of capital development program. -- The general treasurer is
24 directed to deposit the proceeds from the sale of capital development bonds issued under this act,
25 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond
26 insurance, in one or more of the depositories in which the funds of the state may be lawfully kept
27 in special accounts (hereinafter cumulatively referred to as "such capital development bond
28 fund") appropriately designated for each of the projects set forth in section 1 hereof which shall
29 have been approved by the people to be used for the purpose of paying the cost of all such
30 projects so approved.

31 All monies in the capital development bond fund shall be expended for the purposes
32 specified in the proposition provided for in section 1 hereof under the direction and supervision of
33 the director of administration (hereinafter referred to as "director"). The director or their designee
34 shall be vested with all power and authority necessary or incidental to the purposes of this act,

1 including, but not limited to, the following authority:

2 (1) To acquire land or other real property or any interest, estate or right therein as may be
3 necessary or advantageous to accomplish the purposes of this act;

4 (2) To direct payment for the preparation of any reports, plans and specifications, and
5 relocation expenses and other costs such as for furnishings, equipment designing, inspecting and
6 engineering, required in connection with the implementation of any projects set forth in section 1
7 hereof;

8 (3) To direct payment for the costs of construction, rehabilitation, enlargement, provision
9 of service utilities, and razing of facilities, and other improvements to land in connection with the
10 implementation of any projects set forth in section 1 hereof; and

11 (4) To direct payment for the cost of equipment, supplies, devices, materials and labor for
12 repair, renovation or conversion of systems and structures as necessary for the 2018 capital
13 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
14 expended in excess of the amount of the capital development bond fund designated for each
15 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
16 Section 1, the proceeds shall be used for the following purposes:

17 Question 1, relating to bonds in the amount of two hundred fifty million dollars
18 (\$250,000,000) to provide funding for the construction, renovation, and rehabilitation of the
19 state's public schools.

20 Question 2, relating to bonds in the amount of seventy million dollars (\$70,000,000) to
21 provide funding for higher education facilities to be allocated as follows:

22 (a) Rhode Island College School of Education and Human Development \$25,000,000

23 Provides twenty-five million dollars (\$25,000,000) to renovate Horace Mann Hall on the
24 campus of Rhode Island College in Providence. Horace Mann Hall houses the Feinstein School of
25 Education and Human Development, the historical leader in producing Rhode Island's public
26 school teachers. The facility has exceeded its useful life with no major renovations since it was
27 constructed in 1969. The renovation will allow the Feinstein School of Education and Human
28 Development to ensure its curriculum and programming are among the best in the nation and
29 create a top learning environment for students.

30 (b) University of Rhode Island Narragansett Bay Campus \$45,000,000

31 Provides forty-five million dollars (\$45,000,000) to renovate, build additions, and
32 construct new facilities, including a new Ocean Innovation Center building, to support the
33 ongoing and evolving educational and research needs in marine biology, oceanography, oceanic
34 instrumentation and other marine disciplines at the Narragansett Bay Campus. Constructing new

1 facilities will allow the university to accommodate a new one hundred twenty-five million dollars
2 (\$125,000,000) National Science Foundation federal research vessel and other university-
3 supported research vessels at the university's Narragansett Bay Campus facilities.

4 Question 3, relating to bonds in the amount of exceed fifty-five million five hundred
5 thousand dollars (\$55,500,000) for environmental and recreational purposes, to be allocated as
6 follows:

7 (a) Coastal Resiliency and Public Access Projects \$5,000,000
8 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching
9 grants to public and nonprofit entities for restoring and/or improving resiliency of vulnerable
10 coastal habitats, and restoring rivers and stream floodplains.

11 (b) Capital for Clean Water and Drinking Water \$6,100,000
12 Provides six million one hundred thousand dollars (\$6,100,000) for clean water and
13 drinking water infrastructure improvements such as from wastewater treatment upgrades and
14 storm water quality improvements to combined sewer overflow abatement projects.

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34 growing needs for active recreational facilities.

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11 analysis and the dredging of the Downtown Providence Rivers from:

12 The Woonasquatucket River from I-95 north of Providence Place Mall to its confluence
13 with the Providence River; the Moshassuck River from Smith Street to its confluence with the
14 Providence River; and the Providence River from Steeple Street to Point Street; and dredging a
15 sediment basin upstream of the Providence Place Mall and I-95 for approximately six hundred
16 feet (600').

17 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority
18 of this act shall be sold at not less than the principal amount thereof, in such mode and on such
19 terms and conditions as the general treasurer, with the approval of the governor, shall deem to be
20 in the best interests of the state.

21 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
22 discount, which may be received on the sale of the capital development bonds or notes shall
23 become part of the Rhode Island capital plan fund of the state, unless directed by federal law or
24 regulation to be used for some other purpose.

25 In the event that the amount received from the sale of the capital development bonds or
26 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
27 be used to the extent possible to retire the bonds as the same may become due, to redeem them in
28 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
29 approval of the governor, shall deem to be in the best interests of the state.

30 Any bonds or notes issued under the provisions of this act and coupons on any capital
31 development bonds, if properly executed by the manual or electronic signatures of officers of the
32 state in office on the date of execution, shall be valid and binding according to their tenor,
33 notwithstanding that before the delivery thereof and payment therefor, any or all such officers
34 shall for any reason have ceased to hold office.

1 SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -
2 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the
3 state and shall be general obligations of the state, and the full faith and credit of the state is hereby
4 pledged for the due payment of the principal and interest on each of such bonds and notes as the
5 same shall become due.

6 SECTION 9. Investment of monies in fund. -- All monies in the capital development
7 fund not immediately required for payment pursuant to the provisions of this act may be invested
8 by the investment commission, as established by chapter 10 of title 35, entitled "state investment
9 commission," pursuant to the provisions of such chapter; provided, however, that the securities in
10 which the capital development fund is invested shall remain a part of the capital development
11 fund until exchanged for other securities; and provided further, that the income from investments
12 of the capital development fund shall become a part of the general fund of the state and shall be
13 applied to the payment of debt service charges of the state, unless directed by federal law or
14 regulation to be used for some other purpose, or to the extent necessary, to rebate to the United
15 States treasury any income from investments (including gains from the disposition of
16 investments) of proceeds of bonds or notes to the extent deemed necessary to exempt (in whole or
17 in part) the interest paid on such bonds or notes from federal income taxation.

18 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not
19 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
20 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
21 appropriated.

22 SECTION 11. Advances from general fund. -- The general treasurer is authorized, with
23 the approval of the director and the governor, in anticipation of the issue of notes or bonds under
24 the authority of this act, to advance to the capital development bond fund for the purposes
25 specified in section 6 hereof, any funds of the state not specifically held for any particular
26 purpose; provided, however, that all advances made to the capital development bond fund shall be
27 returned to the general fund from the capital development bond fund forthwith upon the receipt
28 by the capital development fund of proceeds resulting from the issue of notes or bonds to the
29 extent of such advances.

30 SECTION 12. Federal assistance and private funds. -- In carrying out this act, the
31 director, or their designee, is authorized on behalf of the state, with the approval of the governor,
32 to apply for and accept any federal assistance which may become available for the purpose of this
33 act, whether in the form of loan or grant or otherwise, to accept the provision of any federal
34 legislation therefor, to enter into, act and carry out contracts in connection therewith, to act as

1 agent for the federal government in connection therewith, or to designate a subordinate so to act.
2 Where federal assistance is made available, the project shall be carried out in accordance with
3 applicable federal law, the rules and regulations thereunder and the contract or contracts
4 providing for federal assistance, notwithstanding any contrary provisions of state law. Subject to
5 the foregoing, any federal funds received for the purposes of this act shall be deposited in the
6 capital development bond fund and expended as a part thereof. The director or their designee may
7 also utilize any private funds that may be made available for the purposes of this act.

8 SECTION 13. Sections 1, 2, 3, 11 and 12 of this act shall take effect upon passage. The
9 remaining sections of this act shall take effect when and if the state board of elections shall certify
10 to the secretary of state that a majority of the qualified electors voting on the proposition
11 contained in section 1 hereof have indicated their approval of all or any projects thereunder.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CAPITAL DEVELOPMENT PROGRAM -- 2018 BOND REFERENDA

1 This act would submit the state's 2018 capital development program requesting the
2 issuance of general obligation bonds totaling three hundred seventy-five million five hundred
3 thousand dollars (\$375,500,000) for approval of the electorate at the general election to be held
4 on November 6, 2018.

5 Sections 1, 2, 3, 11 and 12 of this act would take effect upon passage. The remaining
6 sections of this act would take effect when and if the state board of elections shall certify to the
7 secretary of state that a majority of the qualified electors voting on the proposition contained in
8 section 1 hereof have indicated their approval of all or any projects thereunder.

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