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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - PUBLIC FINANCE  
MANAGEMENT BOARD

Introduced By: Senators DaPonte, Walaska, DiPalma, Ciccone, and Ottiano

Date Introduced: June 11, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-10.1-3 of the General Laws in Chapter 42-10.1 entitled "Public  
2 Finance Management Board" is hereby amended to read as follows:

3 **42-10.1-3. Allocation of statewide financing limitation.** -- (a) The eighty-seven million  
4 four thousand dollars (\$87,004,000) in total recovery zone economic development bond volume  
5 cap allocations granted to the five (5) counties of the State of Rhode Island by the United States  
6 Secretary of the Treasury pursuant to 26 U.S.C. §§ 1400U-1 and 1400U-2 of the Internal Revenue  
7 Code are hereby ceded to the State of Rhode Island for use by the state in connection with the  
8 issuance of general obligation bonds of the state.

9 (b) The one hundred thirty million five hundred four thousand dollars (\$130,504,000) in  
10 total recovery zone facility bond volume cap allocations granted to the five (5) counties of the  
11 State of Rhode Island by the United States Secretary of the Treasury pursuant to 26 U.S.C. §§  
12 1400U-1 and 1400U-3 are hereby ceded to the public finance management board for subsequent  
13 allocation by the board in accordance with rules and regulations to be promulgated by the board  
14 in accordance with the Administrative Procedures Act, Chapter 35 of this title.

15 (c) The ten million nine hundred one thousand dollars (\$10,901,000) in total qualified  
16 energy conservation bond volume cap allocation granted to the State of Rhode Island by the  
17 Secretary of the Treasury pursuant to 26 U.S.C. § 54D of the Internal Revenue Code is hereby  
18 allocated to the board for subsequent allocations by the board in accordance with rules and

1 regulations to be promulgated by the board in accordance with the Administrative Procedures  
2 Act, Chapter 35 of this title, provided, however, that the City of Providence shall be allocated by  
3 the board no less than its portion as provided in 26 U.S.C. § 54D(e)(2)(A) of the Internal Revenue  
4 Code unless the City of Providence determines that the board may further reallocate such portion  
5 to other bond issuers.

6 (d) The general assembly hereby finds, declares and designates the entire State of Rhode  
7 Island as a "recovery zone" meeting the standards referenced in 26 U.S.C. § 1400U-1(b)(1) of the  
8 Internal Revenue Code, given the significant unemployment, rate of foreclosures, or general  
9 distress present throughout the State of Rhode Island, and particularly given the geographic  
10 compactness of the state and the resultant interrelated nature of economic conditions and  
11 activities within the state as a whole.

12 (e) The board is hereby authorized to allocate tax exempt and taxable bond issuance  
13 capacity and/or federal tax credits among all issuers in the state of Rhode Island, pursuant to 26  
14 U.S.C. § 103, 26 U.S.C. § 145, or pursuant to 26 U.S.C. §§ 1400U-1, 1400U-2, 1400U-3, 54D  
15 and any similar federal legislation heretofore or hereinafter enacted. [Such allocation of bond  
16 issuance capacity shall include, but not be limited to, guidelines concerning: tax-supported debt;  
17 state-supported revenue debt; and agency revenue debt in relation to the state's personal income  
18 and annual debt service as a percentage of general revenues.](#) The allocations of tax exempt and  
19 taxable bond issuance capacity and/or federal tax credits shall be pursuant to rules and regulations  
20 to be promulgated by the board in accordance with the Administrative Procedures Act, chapter 35  
21 of this title.

22 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 STATE AFFAIRS AND GOVERNMENT - PUBLIC FINANCE  
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1           This act would add guidelines to be considered by the public finance management board  
2 when allocating bond issuance capacity under this section which guidelines would address tax-  
3 supported debt, state-supported revenue debt, and agency revenue debt in relation to the state's  
4 personal income and annual debt service as a percentage of general revenues.

5           This act would take effect upon passage.

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