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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RHODE ISLAND PUBLIC
TRANSIT AUTHORITY

Introduced By: Representatives O'Brien, Edwards, McEntee, DeSimone, Azzinaro,
Vella-Wilkinson, Dawson, Shanley, Cardillo, and Noret

Date Introduced: February 02, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-18-1, 39-18-3 and 39-18-7 of the General Laws in Chapter 39-
2 18 entitled "Rhode Island Public Transit Authority" are hereby amended to read as follows:

3 **39-18-1. Definitions.**

4 As used in this chapter, the following words and terms shall have the following meanings
5 unless the context shall indicate another or different meaning:

6 (1) "Authority" means the Rhode Island public transit authority created by § 39-18-2, or,
7 if the authority shall be abolished, the board, body, or commission succeeding to the principal
8 functions thereof, or upon whom the powers of the authority given by this chapter shall be given
9 by law.

10 (2) "Bonds" means bonds, notes, or other evidences of indebtedness, including temporary
11 notes of the authority issued in anticipation of revenues to be received by the authority or in
12 anticipation of the receipt of federal, state, or local grants or other aid.

13 (3) "Municipality" means any town, city, or subdivision thereof.

14 (4) "Supported transit project" means any transit-related, and/or transit-oriented
15 development for which state or federal grant and loan assistance or other aid is or is expected to be
16 available, including without limitation, the transit center project.

17 (5) "Transit center project" means a transit property proposed by the authority to be
18 developed in the city or Providence that is expected to include an enclosed intermodal transit center,

1 indoor parking, and authority administrative space, adjacent and/or transit-oriented development,
2 and related infrastructure.

3 (6) "Transit-oriented development" means a mixed use development consisting of
4 properties that are available for industrial, commercial residential, leisure or other uses that are
5 reasonably related to the use and/or financial support of a transit property and may include retail,
6 affordable housing, and amenities that complement and/or financially support such transit property
7 uses, including, without limitation, projects eligible for federal assistance under 23 U.S.C. §
8 601(a)(12)(E) and similar state and federal grant loan assistance programs.

9 ~~(4)~~(7) "Transit property" means and includes any property, whether real or personal, and
10 any apparatus and equipment used or useful in the operation of a motor bus, water, or rail passenger
11 transportation line or system, and includes any rights or franchises to operate any passenger
12 transportation line or system, but it does not include other property or assets.

13 **39-18-3. Purposes of the authority.**

14 (a) It shall be the purposes of the authority to:

15 (1) Provide public transit services that meet mobility needs of the people of the state,
16 including the elderly and disabled;

17 (2) Increase access to employment opportunities;

18 (3) Connect different modes of public transportation, including rail, air, and water services;

19 (4) Promote community design that features public transit services as defining elements of
20 a community;

21 (5) Facilitate energy conservation and efficient energy use in the transportation sector by
22 providing public transit services; ~~and~~

23 (6) Mitigate traffic congestion and enhance air quality; and

24 (7) Facilitate transit-oriented development in support of the development of transit
25 properties.

26 (b) It shall further be the purpose of the authority to own and operate a mass motor bus,
27 water, or rail passenger transportation system and to manage, to coordinate, and to perform vehicle
28 maintenance for a state paratransit system. Whenever any operator of a mass motor bus, water, or
29 rail passenger transportation system files with the public utilities administrator a petition to
30 discontinue any service, it is the purpose and function of the authority to determine if it is in the
31 public interest to discontinue that service. If it is determined that it is not in the public interest to
32 discontinue that service, the authority is authorized and empowered to acquire all or any part of the
33 transit property, or any interest therein, of the system.

34 **39-18-7. Bonds.**

1 (a)(1) The authority is hereby authorized to provide, by resolution, for the issuance at one
2 time, or from time to time, of bonds of the authority for any of its purposes. The bonds may be
3 general obligations of the authority or special obligations payable only from particular funds. The
4 bonds of each issue shall be dated, shall bear interest at such rate or rates as may be determined by
5 the authority, and shall mature at such time or times not exceeding thirty (30) years from their date
6 or dates as may be determined by the authority, and may be made redeemable before maturity, at
7 the option of the authority, at such price or prices and under such terms and conditions as may be
8 fixed by the authority prior to the issuance of the bonds. Temporary notes of the authority may be
9 issued and refunded from time to time in anticipation of revenues to be received by the authority
10 or in anticipation of the receipt of federal, state, or local grants or other aid. Temporary notes shall
11 mature no later than thirteen (13) months from their respective dates or six (6) months after the
12 expected date of receipt of the grants or aid, whichever shall be later, and may be renewed from
13 time to time in anticipation of the receipt of additional federal, state, or local grants or other aid.
14 Temporary notes shall be in an amount not exceeding the limitations imposed by the last paragraph
15 of this section. The authority shall determine the form of the bonds, including any interest coupons
16 to be attached thereto, and shall fix the denomination or denominations of the bonds and the place
17 or places of payment of the principal and interest which may be at any bank or trust company within
18 or without the state. The bonds shall be signed by the chairperson of the authority or shall bear his
19 or her facsimile signature, and the official seal of the authority, or a facsimile thereof, shall be
20 impressed or imprinted thereupon and attested by the secretary of the authority, and any coupons
21 attached to the bonds shall bear the facsimile signature of the chairperson of the authority. In case
22 any officer whose signature or facsimile of whose signature shall appear on any bonds or coupons
23 shall cease to be the officer before the delivery of the bonds, the signature or the facsimile shall,
24 nevertheless, be valid and sufficient for all purposes the same as if he or she had remained in office
25 until delivery. The bonds or temporary notes may be issued in coupon or in registered form, or
26 both, as the authority may determine, and provision may be made for the registration of any coupon
27 bonds as to principal alone, and also as to both principal and interest, for the reconversion into
28 coupon bonds of any bonds registered as to both principal and interest, and for the interchange of
29 registered and coupon bonds. The authority may sell such bonds in such manner either at public or
30 private sale and for the price as it may determine will best effect the purposes of this chapter.

31 (2) Bonds, temporary notes or other obligations of the authority issued for supported transit
32 projects (including any bonds issued to refinance or refund such bonds) may be authorized pursuant
33 to subsection (a)(1) of this section; provided, however, such bonds shall mature at such time or
34 times not exceeding forty (40) years from their date or dates as may be determined by the authority;

1 and provided further, temporary notes or other short term obligations of the authority issued for
2 supported transit projects in anticipation of revenues to be received by the authority or in
3 anticipation of the receipt of federal, state, or local grants, loans or other aid shall be entitled to a
4 maturity extending to the maximum period of time within which federal or state grant or loan
5 proceeds may be payable under such applicable federal or state programs, and shall not be subject
6 to the limitations imposed by subsection (d) of this section. In connection with the development
7 and financing of a supported transit project, the authority's powers and duties under this chapter,
8 including, without limitation, under §§ 39-18-4 and 39-18-6, shall apply to transit-oriented
9 development in the same manner as they apply to transit properties. No bonds, temporary notes or
10 other short term obligations of the authority issued for supported transit projects shall be issued by
11 the authority unless, at the time of the adoption by the authority of the resolution authorizing the
12 issuance of the bonds, temporary notes or other short term obligations, the authority shall have
13 received from the general manager or chief financial officer of the authority a certificate which
14 shall describe with reasonable particularity the scope of the supported transit project, including the
15 elements thereof, calculations of principal and interest payments and of anticipated revenues,
16 including federal, state, or local grants or other aid and the terms thereof, and anticipated
17 expenditures relating thereto. A copy of the certificate shall be furnished to the governor prior to
18 the issuance of the bonds, temporary notes or other short term obligations described in the
19 certificate.

20 (b) The proceeds of the bonds of each issue shall be disbursed in the manner and under
21 restrictions, if any, as the authority may provide in the resolution authorizing the issuance of the
22 bonds or in the trust agreement described in § 39-18-8 securing the bonds.

23 (c) Prior to the preparation of definitive bonds, the authority may, under like restrictions,
24 issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive
25 bonds when the bonds shall have been executed and are available for delivery. The authority may
26 also provide for the replacement of any bonds that shall become mutilated or shall be destroyed or
27 lost. Except as provided in the following paragraph, bonds may be issued under the provisions of
28 this chapter without obtaining the consent of any department, division, commission, board, bureau,
29 or agency of the state, and without any other proceedings or the happening of any other conditions
30 or things than those proceedings, conditions, or things that are specifically required by this chapter.

31 (d) ~~No~~ Except as provided in subsection (a)(2) of this section, no bonds or temporary notes
32 shall be issued by the authority unless, at the time of the adoption by the authority of the resolution
33 authorizing the issuance of the bonds or temporary notes, the authority shall have received from
34 the general manager or chief financial officer of the authority a certificate indicating that the

1 payments of principal (including any payments made to a reserve fund other than payments made
2 from bond [or temporary notes](#) proceeds) and interest on the bonds [or temporary notes](#), together
3 with the payments of the principal and interest on all other then outstanding bonds [or temporary](#)
4 [notes](#) of the authority, will not exceed during any fiscal year of the authority eighty percent (80%)
5 of the revenues (including, without limitation, grants and other aid) of the authority during the fiscal
6 year. In determining the amount of the principal and interest payments to be made during any fiscal
7 year, there shall be deducted any payments to be made from a reserve fund previously established
8 to provide for the payments. The certificate shall be based upon the reasonable expectations (both
9 as to the amount of revenues to be received by the authority and as to the maximum amount of any
10 variable payments to be made on the bonds [or temporary notes](#)) of the officer of the authority
11 executing the certificate at the time the certificate is delivered. The certificate shall describe with
12 reasonable particularity the calculations of principal and interest payments and of anticipated
13 revenues upon which the certificate is based. A copy of the certificate shall be furnished to the
14 governor prior to the issuance of the bonds [or temporary notes](#) described in the certificate and, in
15 the case of any bonds [or temporary notes](#) whose issuance, according to the certificate, is expected
16 to result in the aggregate amount of principal and interest payments (calculated as above) on the
17 bonds [or temporary notes](#) and all then outstanding bonds [or temporary notes](#) of the authority
18 exceeding in any fiscal year of the authority fifty percent (50%) of the revenues of the authority,
19 the bonds [or temporary notes](#) shall not be issued unless the governor shall have approved the
20 issuance or not disapproved the issuance within thirty (30) days of the receipt of the certificate.
21 Approval or disapproval of any bond [or temporary notes](#) ~~issue~~ [issued](#) by the governor shall be
22 evidenced by delivery to the authority of a certificate approving or disapproving the issue or any
23 part thereof.

24 SECTION 2. Chapter 39-18 of the General Laws entitled "Rhode Island Public Transit
25 Authority" is hereby amended by adding thereto the following section:

26 **39-18-25. Design build/P3 authorization.**

27 (a) Definitions. As used in this chapter, unless the context otherwise indicates:

28 (1) "Best value" means the highest overall value to the authority, considering quality and
29 cost.

30 (2) "Design-build contracting" means a method of project delivery where a single private
31 entity is contractually responsible to perform design, construction, and related services.

32 (3) "Progressive design-build contracting" means a method of project delivery where a
33 private entity performs design, construction and related services for the authority in a phased
34 manner, based on a preliminary design that is developed with the authority on a collaborative basis.

1 (4) "Project" means a supported transit project or any other capital project, and related
2 services by a private entity, including, without limitation, design, financing, construction,
3 development, operation, maintenance, management and/or leasing, or any combination of the
4 foregoing, procured by the authority under this section (including without limitation the transit
5 center project).

6 (5) "Proposal" means a proposal by the proposer in connection with a project, in accordance
7 with the requirements of a request-for-proposals that, after review, evaluation, negotiation and
8 documentation may lead to an agreement with the authority.

9 (6) "Public-private partnership" or "P3" means an alternative project delivery mechanism
10 that may be used by the authority to facilitate a private entity's participation in a project, including
11 in its design, financing, construction, development, operation, maintenance, management, and/or
12 leasing (or any combination of the foregoing).

13 (b) Authorization. Notwithstanding any other provision of law, the authority may use
14 design-build contracting, including progressive design-build contracting, and/or a public-private
15 partnership to deliver a project. The authority may evaluate and select proposals on either a best-
16 value or a low-bid basis.

17 SECTION 3. This act shall take effect upon passage, and shall apply with respect to any
18 contract entered into by the authority after such effective date.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RHODE ISLAND PUBLIC
TRANSIT AUTHORITY

1 This act would authorize the Rhode Island public transit authority to enter into certain
2 projects and procure related services including the transit center project, using design build
3 contracting and progressive design build contracting.

4 This act would take effect upon passage, and would apply with respect to any contract
5 entered into by the authority after such effective date.

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