



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

03-12-10 P04:00 IN

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

Memorandum

To: The Honorable Steven M. Costantino
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: March 12, 2010

Subject: Revised Article 28 for FY 2011 Appropriations Act (10-H-7397)

The Governor requests Article 28 of the FY 2011 Appropriations Act entitled "Relating to Turnpike and Bridge Authority" be replaced with the attached version. The revised version replaces debt resolution and general law "reserve for interest" references with "debt service reserve". These changes are required to bring Rhode Island Turnpike and Bridge Authority statutes into conformity with current rating agency convention. The revised language is indicated by shading.

It should also be noted that whether or not the General Assembly accepts the Governor's proposal to toll the Sakonnet River Bridge, the Rhode Island Turnpike and Bridge Authority is still in need of the authority to issue debt as contained in Section 2 of Article 28 in order to continue work on the Newport and Jamestown Bridges. This section may be more appropriately moved to Article 6, Relating to Debt Management Act Joint Resolutions.

If you have any questions regarding the revised article, please feel free to call me at 222-6300.

TAM:sm 10-22

Attachment

cc: Representative Robert A. Watson
Senator Dennis L. Algieri
Sharon Reynolds Ferland
Peter Marino
Tim Costa

TDD#: 277-1227

ARTICLE 28 (Revised 3/4/10)

RELATING TO TURNPIKE AND BRIDGE AUTHORITY

SECTION 1. This article consists of Joint Resolutions relating to the Rhode Island Turnpike and Bridge Authority that are submitted pursuant to Rhode Island General Laws § 35-18-1, et seq., as well as amendments to Rhode Island General Laws Chapter 24-12.

SECTION 2. *Rhode Island Turnpike and Bridge Authority Project.*

WHEREAS, the Rhode Island Turnpike and Bridge Authority (the “Authority”) is a public corporation of the State of Rhode Island (the “State”), constituting a public instrumentality and agency exercising public and essential governmental functions of the State, created by the General Assembly pursuant to Rhode Island General Laws§ 24-12-1, et seq. (as enacted, reenacted and amended, the “Act”); and

WHEREAS, the State recognizes that the Pell Bridge and other facilities of the Authority are an essential part of the State’s transportation system and facilitates the tourism industry; and it is the policy of the State that the public welfare and the further economic development and the prosperity of the State requires the maintenance of such facilities and the financing thereof; and

WHEREAS, the Act provides that the Authority shall have the power to charge and collect tolls for the use of its facilities; and

WHEREAS, the Act also provides that the Authority shall have the power to acquire, hold and dispose of real and personal property in the exercise of its powers and performance of its duties; and

WHEREAS, the Act authorizes the Authority to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Act, to issue revenue bonds of the Authority for any of its purposes and to refund its bonds, borrow money in anticipation of the issuance of its bonds, and secure its bonds by the pledge of its tolls and other revenues; and

WHEREAS, in furtherance of its corporate purposes, the Authority is authorized to issue from time to time its negotiable revenue bonds and notes in one or more series in such principal amounts for the purpose of paying all or a part of the costs of any one or more projects authorized by the Act, making provision for working capital and a reserve for interest; and

WHEREAS, pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4 of the Rhode Island Public Corporation Debt Management Act (as enacted, reenacted and amended, the "Debt Management Act"), the Authority hereby requests the approval of the General Assembly of the Authority's issuance of not more than sixty eight million ninety thousand dollars (\$68,090,000) Rhode Island Turnpike and Bridge Authority Revenue Bonds (the "Bonds") to be secured by toll and other revenues, for the purpose of providing funds to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading and improvement of the Pell Bridge, the Mount Hope Bridge, and other projects authorized under the Act, replacement of the components thereof, working capital, capitalized interest, a debt service reserve and the costs of issuing and insuring the Bonds (the "Project"); and

WHEREAS, the Project constitutes essential public facilities directly benefiting the State; and

WHEREAS, the Authority is authorized pursuant to §24-12-28 of the Act to secure its bonds by a pledge of the tolls and other revenues derived from the projects in connection with which bonds shall have been issued; and

WHEREAS, the State shall directly benefit economically from the Project by the repair, maintenance and improvement of the State transportation infrastructure; and

WHEREAS, in the event that not all of the Bond proceeds are used to carry out the specified Project, the Authority will use any remaining funds to pay debt service on the Bonds; now, therefore, be it

RESOLVED, that this General Assembly finds that the Project is an essential public facility and is of a type and nature consistent with the purposes and within the powers of the

Authority to undertake, and hereby approves the Authority's issuance of not more than sixty eight million ninety thousand dollars (\$68,090,000) in Bonds, which amount is in addition to all prior authorizations; and be further

RESOLVED, that the Bonds will be special obligations of the Authority payable from funds received by the Authority from the tolls and other revenues of its facilities. The Authority's maximum liability will be the total debt service on the Bonds, estimated to average approximately seven million eleven thousand dollars (\$7,011,000) per year or approximately two hundred six million eight hundred twelve thousand dollars (\$206,812,000) in the aggregate, prior to the receipt of any federal subsidy and/or assistance, at an average interest rate of nine percent (9.00%) and an approximately thirty (30) year maturity; and be it further

RESOLVED, that the Bonds will not constitute indebtedness of the State or any of its subdivisions or a debt for which the full faith and credit of the State or any of its subdivisions is pledged.

SECTION 3. *Sakonnet River Bridge Project.*

WHEREAS, the Rhode Island Turnpike and Bridge Authority (the "Authority") is a public corporation of the State of Rhode Island (the "State"), constituting a public instrumentality and agency exercising public and essential governmental functions of the State, created by the General Assembly pursuant to Rhode Island General Laws § 24-12-1, et seq. (as enacted, reenacted and amended, the "Act"); and

WHEREAS, pursuant to Article 8 of Chapter 376 of the Public Laws of 2003 (the "Garvee Act"), the financing for a replacement Sakonnet River Bridge (the "Replacement Sakonnet River Bridge") was authorized to replace the existing Sakonnet River Bridge (the "Existing Sakonnet River Bridge"); and

WHEREAS, in December 2008, the Governor's Blue Ribbon Panel for Transportation Funding issued a report recommending that Rhode Island secure an additional two hundred

eighty-five million dollars (\$285,000,000) per year over the next ten (10) years to bring the State's transportation infrastructure to a condition of good operation and repair; and

WHEREAS, the Blue Ribbon Panel identified certain options to secure additional funding for transportation improvements ("RIDOT Projects"), including the tolling of the Replacement Sakonnet River Bridge; and

WHEREAS, upon the transfer and tolling of the Replacement Sakonnet River Bridge to the Authority from the Rhode Island Department of Transportation ("RIDOT"), the Federal Highway Administration ("FHWA") shall require funds reflecting the federal-aid provided under Section 311 of the National Highway System Designation Act of 1995, referred to as the Grant Anticipation Revenue Vehicle Program ("GARVEE Program"), and other federal funds dedicated to the Replacement Sakonnet River Bridge to be reimbursed for utilization in other Rhode Island transportation infrastructure improvements in accordance with federal law; and

WHEREAS, the Act provides that the Authority shall have the power to charge and collect tolls for the use of its facilities; and

WHEREAS, the Act also provides that the Authority shall have the power to acquire, hold and dispose of real and personal property in the exercise of its powers and performance of its duties; and

WHEREAS, the Act authorizes the Authority to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Act; and

WHEREAS, pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4 of the Rhode Island Public Corporation Debt Management Act (as enacted, reenacted and amended, the "Debt Management Act"), the Authority hereby requests the approval of the General Assembly for the Authority's incurrence of an obligation of not more than three hundred fifty million dollars (\$350,000,000) (the "Sakonnet Obligation"), to RIDOT and/or the State under a financing agreement for the purpose of providing funds to acquire the Replacement Sakonnet River Bridge

and/or for the construction, renovation, renewal, repair, rehabilitation, retrofitting, upgrading and/or improvement thereof and the demolition of the Existing Sakonnet River Bridge, reimbursement to RIDOT and/or the State for any and all of the costs of construction of the Replacement Sakonnet River Bridge, including any required mitigation and/or remediation and/or replacement of the Garvee Program funds used therefor or for such projects as may be deemed eligible under federal law due to the transfer of the Replacement Sakonnet River Bridge to the Authority, replacement of the components thereof, and the costs of incurring such obligation (the "Project"); and

WHEREAS, the Project constitutes essential public facilities directly benefiting the State; and

WHEREAS, the State shall directly benefit economically from the Project by the repair, maintenance and improvement of the State transportation infrastructure; now, therefore, be it

RESOLVED, that this General Assembly finds that the Project is an essential public facility and is of a type and nature consistent with the purposes and within the powers of the Authority to undertake, and hereby approves the Authority's incurrence of the Sakonnet Obligation; and be it further

RESOLVED, that the Sakonnet Obligation will be a special obligation of the Authority payable to RIDOT and/or the State in accordance with federal requirements annually from a portion of funds (not to exceed seventy (70%) percent) received by the Authority from the tolls of the Replacement Sakonnet Bridge after deducting therefrom operating, repair, maintenance and replacement expenses of the Replacement Sakonnet Bridge and any funds required to match federal funds, aid and grants to the Authority therefor. The Authority's maximum liability under the Sakonnet Obligation will be the repayment of principal of the Sakonnet Obligation, which shall not bear interest; and be it further

RESOLVED, that the Sakonnet Obligation will not constitute indebtedness of the State or any of its subdivisions or a debt for which the full faith and credit of the State or any of its subdivisions is pledged; and be it further

RESOLVED, that any obligation incurred pursuant to this Joint Resolution and Act shall not constitute “state debt” within the meaning of Article 6, Section 16 of the Rhode Island Constitution and shall be the obligation of only the issuer of such obligations; and be it further

RESOLVED, that the Governor, or the State Properties Committee (“SPC”) and/or RIDOT are hereby authorized to transfer at any time and from time to time and to enter into a financing agreement with the Authority, and the Authority is hereby authorized to enter into a financing agreement with the Governor, or the State Properties Committee (“SPC”) and/or RIDOT, and to accept the transfer of the Existing Sakonnet River Bridge and/or the Replacement Sakonnet River Bridge, including any approach roads, toll and/or entrance plazas, interchanges, overpasses, underpasses and adjacent property to the Authority; and be it further

RESOLVED, that any or all of the amounts paid by the Authority to RIDOT and/or the State in accordance with federal requirements for the Replacement Sakonnet River Bridge shall be used for such projects as may be approved by FHWA or as otherwise permitted by federal law and/or to reimburse the Garvee Program and other federal funds and/or RIDOT for its expenditures on the Replacement Sakonnet River Bridge and provide funds for such other RIDOT Projects; and be it further

RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by the General Assembly.

SECTION 4. Sections 24-12-1, 24-12-5, 24-12-9, 24-12-18, 24-12-26, 24-12-28, 24-12-40.A, and 24-12-50 of the General Laws in Chapter 24-12 entitled “Rhode Island Bridge and Turnpike Authority” are hereby amended to read as follows:

§ 24-12-1. Definitions. – As used in this chapter, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning:

(1) "Additional facility" means any bridge, (~~excluding the Sakonnet River Bridge~~), feeder road, highway, road, freeway, tunnel, overpass or underpass or parking facility, in the state, equipment or signal and information system, which the authority is authorized by this chapter or any other law to construct, reconstruct, renovate, acquire, maintain, repair, operate, or manage after May 3, 1954 or any portion thereof.

(2) "Annual period" means the one-year fiscal period of the state commencing on the first day of July of any year and ending the last day of June of the following year.

(3) "Authority" means the Rhode Island turnpike and bridge authority created by § 24-12-2, or, if the authority shall be abolished, the board, body, or commission succeeding to the principal functions thereof or upon whom the powers given by the chapter to the authority shall be given by law.

(4) "Cost" as applied to any project to be constructed, reconstructed, renovated, maintained, acquired, leased, repaired, operated or managed by the authority shall embrace the cost of construction, reconstruction, renovation, maintenance, repair, operation or management, the cost of the acquisition of all land, rights-of-way, property, rights, easements, and interests acquired by the authority for the construction, reconstruction, renovation, maintenance, repair, operation or management, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to and during construction, reconstruction, renovation, maintenance, repair, operation or management, and for one year after completion of construction, reconstruction, renovation, maintenance, repair, operation or management, cost of traffic estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of construction, reconstruction, renovation, maintenance, repair, operation or management, administrative expenses, and such other expenses as may be necessary or incident to the construction, reconstruction, renovation, maintenance,

repair, operation or management, the financing of the construction, and the placing of the project in operation, and in connection with the Newport Bridge shall include the purchase price of the ferry franchise, and in connection with the acquisition of the Sakonnet River Bridge shall include the purchase price of the Sakonnet River Bridge. The word "cost" as applied to any project which the authority may be authorized to acquire means the amount of the purchase price, lease payments or the amount of any condemnation award in connection with the acquisition of the project, and shall include the cost of acquiring all the capital stock of the corporation owning the project, if such be the case, and the amount to be paid to discharge all of the obligations of the corporation in order to vest title to the project in the authority, the cost of improvements to the project which may be determined by the authority to be necessary prior to the financing thereof, interest during the period of construction of the improvements and for one year thereafter, the cost of all lands, properties, rights, easements, franchises, and permits acquired, the cost of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the acquisition or improvement, administrative expenses, and such other expenses as may be necessary or incident to the financing of the acquisition or improvement and the placing of the project in operation by the authority.

(ii) "Cost" as applied to the Mount Hope Bridge means such amount, if any, as the authority may deem necessary, following the acquisition of a bridge under the provisions of § 24-12-40A, to place the bridge in safe and efficient condition for its operation. And as applied to any project constructed or acquired by the authority under the provisions of the chapter, the word "cost" shall also include such amounts as the authority may deem necessary for working capital and to create a debt service reserve ~~for interest~~.

(iii) "Cost" as applied to the Sakonnet River Bridge also includes such amount, if any, as the authority may deem necessary, following the acquisition of the Sakonnet River Bridge under the provisions of § 24-12-40F, for mitigation and remediation and to place the bridge in safe and

efficient condition for its operation and/or to reimburse or replace federal agency grants used therefor and/or bond proceeds used therefor and/or for payments on indebtedness incurred or bonds or finance lease obligations issued to finance the cost thereof and to demolish the existing Sakonnet River bridge. As applied to any project constructed or acquired by the authority under the provisions of the chapter, the word "cost" shall also include such amounts as the authority may deem necessary for capitalized interest, working capital and to create a debt service reserve.

(5) "Department" means the department of transportation, or, if the department shall be abolished, the board, body, or commission succeeding to the principal functions thereof or upon whom the powers given by chapter 5 of title 37 to the department shall be given by law.

(6) "Ferry franchise" means the existing franchises and rights to operate ferries belonging to the Jamestown and Newport ferry company, but not including any other intangible personal property or real estate or tangible personal property of the corporation which shall remain the property of the corporation.

(7) "Jamestown Bridge" means the existing bridge over the west passage of Narragansett Bay between the towns of Jamestown and North Kingstown constructed by the Jamestown Bridge commission under the provisions of chapter 2536 of the Public Laws, 1937 and the approaches thereto, and shall embrace all tollhouses, administration, and other buildings and structures used in connection therewith, together with all property, rights, easements, and interests acquired by the Jamestown Bridge commission in connection with the construction and operation of the bridge.

(8) "Jamestown Verrazzano Bridge" means any bridge constructed in replacement of the Jamestown Bridge, as defined in subdivision (7).

(9) "Mount Hope Bridge" means the existing bridge between the towns of Bristol and Portsmouth and the approaches thereto, which was constructed by the Mount Hope Bridge corporation and which was acquired and is now owned and operated by the Mount Hope Bridge authority under the provisions of chapter 13 of this title, and shall embrace all tollhouses,

administration, and other buildings and structures used in connection therewith, together with all property, rights, easements, and interests acquired by the Mount Hope Bridge corporation or the Mount Hope Bridge authority in connection with the construction and operation of the bridge.

(10) "Newport Bridge" means the bridge or tunnel or combination of bridge and tunnel to be constructed under the provisions of this chapter over or under the waters of Narragansett Bay between Conanicut Island and the island of Rhode Island, shall embrace the substructure and the superstructure thereof and the approaches thereto and the entrance plazas, interchanges, overpasses, underpasses, tollhouses, administration, storage, and other buildings, and highways connecting the bridge or tunnel with the Jamestown Bridge (defined in subdivision (7)) and with state highways as the authority may determine to construct from time to time in connection therewith, together with all property, rights, easements, and interests acquired by the authority for the construction and operation of the bridge or tunnel or combination of bridge and tunnel.

(11) "Owner" means and include all individuals, incorporated companies, partnerships, societies, or associations, and also municipalities, political subdivisions, and all public agencies and instrumentalities, having any title or interest in any property, rights, easements, or franchises authorized to be acquired under the provisions of this chapter.

(12) "Project" means the "Newport Bridge," "Mount Hope Bridge," "Sakonnet River Bridge," the "turnpike" or any "additional facility," as the case may be, or any portion thereof which may be financed, acquired or leased under the provisions of this chapter.

(13) "Turnpike" means the controlled access highway or any portion thereof to be constructed, from time to time, under the provisions of this chapter from a point at or near the Connecticut-Rhode Island border through the county of Washington and the county of Newport to a point at or near the Massachusetts-Rhode Island border in the town of Tiverton (excluding the Jamestown-Verrazzano Bridge, the Mount Hope Bridge, the Newport Bridge, and the Sakonnet River Bridge), together with all bridges (except those mentioned above), overpasses, underpasses, interchanges, entrance plazas, approaches, approach roads, tollhouses, service

stations, and administration, storage, and other buildings and facilities which the authority may deem necessary for the operation of the turnpike, together with all property, rights, easements, and interests which may be acquired by the authority for the construction or the operation of the turnpike.

(14) "Sakonnet River Bridge" means the replacement Sakonnet River bridge to be constructed under the provisions of Article 36 of Chapter 376 of the Public Laws of 2003 between the towns of Tiverton and Portsmouth and shall embrace the substructure and the superstructure thereof and the approaches thereto and the toll and/or entrance plazas, interchanges, overpasses, underpasses, tollhouses, administration, storage, and other buildings, and highways connecting the bridge with state highways, as the authority may determine to construct or acquire from time to time in connection therewith, together with all property, rights, easements, and interests acquired by the authority for the construction and operation of the bridge.

§ 24-12-5. Power to construct, reconstruct, renovate, acquire, maintain, repair, operate or manage projects or additional facilities and to issue bonds. – In order to facilitate vehicular traffic, remove many of the present handicaps and hazards on the congested highways in the state, alleviate the barriers caused by large bodies of water, and promote the agricultural and industrial development of the state, the Rhode Island turnpike and bridge authority is hereby authorized and empowered: to construct the Newport Bridge, the turnpike, any portion thereof or any additional facility hereafter authorized to be constructed; to acquire the Mount Hope Bridge, to acquire the Sakonnet River Bridge and any additional facility hereafter authorized to be acquired (~~except the Sakonnet River Bridge~~); to maintain, construct, reconstruct, renovate, acquire, repair, operate or manage any project or projects; and to issue bonds of the authority as provided in this chapter to finance any project or projects; provided, however, that the Mount Hope Bridge shall only be acquired as provided for by § 24-12-40A.

§ 24-12-9. Powers of authority. – (a) The authority is hereby authorized and empowered:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business;

(2) To adopt an official seal and alter it at pleasure;

(3) To maintain an office at such place or places within the state as it may designate;

(4) To sue and be sued in its own name, plead and be impleaded; provided, however, that any and all actions at law or in equity against the authority shall be brought only in the county in which the principal office of the authority shall be located;

(5) To determine, subject to the approval of the director of transportation, the location and the design standards of the Newport Bridge, the turnpike and any additional facility to be constructed;

(6) To issue bonds of the authority for any of its purposes and to refund its bonds, all as provided in this chapter;

(7) To combine for financing purposes the Newport Bridge, the Mount Hope Bridge, the Sakonnet River Bridge, the turnpike and any additional facility or facilities, or any two (2) or more of such projects;

(8) To borrow money in anticipation of the issuance of bonds for any of its purposes and to issue notes, certificates, or other evidences of borrowing in form as may be authorized by resolution of the authority, the notes, certificates, or other evidence of borrowing to be payable in the first instance from the proceeds of any bonds issued under the provisions of this chapter and to contain on their face a statement to the effect that neither the state, the authority nor any municipality or other political subdivision of the state shall be obligated to pay the same or the interest thereon except from the proceeds of bonds in anticipation of the issuance of which the notes, certificates, or other evidences of borrowing shall have been issued, or from revenues;

(9) To fix and revise from time to time, subject to the provisions of this chapter, and to charge and collect tolls for transit over the turnpike and the several parts or sections thereof, and

for the use of the Newport Bridge, the Mount Hope Bridge, the Sakonnet River Bridge and any additional facility acquired, financed or leased under the provisions of this chapter;

(10) To acquire, lease, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties;

(11) To acquire in the name of the authority by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the rights of condemnation in the manner as provided by this chapter, public or private lands, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, property, rights, easements and interests as it may deem necessary for carrying out the provisions of this chapter; provided, however, that all public property damaged in carrying out the powers granted by this chapter shall be restored or repaired and placed in its original condition as nearly as practicable;

(12) To designate the locations, with the approval of the director of transportation, and establish, limit and control the points of ingress to and egress from the turnpike and any additional facility as may be necessary or desirable in the judgment of the authority to insure the proper operation and maintenance thereof, and to prohibit entrance to and exit from any point or points not so designated;

(13) To employ, in its discretion, consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation;

(14) To apply for, receive and accept from any federal agency aid and/or grants for or in aid of the repair, maintenance and/or construction of the turnpike, the Newport Bridge, the Sakonnet River Bridge or any additional facility, and to receive and accept from the state, from any municipality, or other political subdivision thereof and from any other source aid or contributions of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which the grants and contributions may be made;

(15) To construct grade separations at intersections of the turnpike, the approaches and highway connections of the Newport Bridge, the Sakonnet River Bridge and any additional facility with public highways, streets, or other public ways or places, and to change and adjust the lines and grades thereof so as to accommodate the same to the design of the grade separation; the cost of the grade separations and any damage incurred in changing and adjusting the lines and grades of the highways, streets, ways, and places shall be ascertained and paid by the authority as a part of the cost of the project;

(16) To vacate or change the location of any portion of any public highway, street, or other public way or place, sewer, pipe, main, conduit, cable, wire, tower, pole, and other equipment and appliance of the state or of any municipality or other political subdivision of the state and to reconstruct the same at such new location as the authority shall deem most favorable for the project and of substantially the same type and in as good condition as the original highway, street, way, place, sewer, pipe, main, conduit, cable, wire, tower, pole, equipment, or appliance, and the cost of the reconstruction and any damage incurred in vacating or changing the location thereof shall be ascertained and paid by the authority as a part of the cost of the project; any public highway, street or other public way or place vacated or relocated by the authority shall be vacated or relocated in the manner provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as a part of the cost of the project;

(17) The authority shall also have the power to make reasonable regulations, subject to the approval of the public utility administrator, for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles, and other equipment and appliances (herein called "public utility facilities") of any public utility as defined in § 39-1-2, in, on, along, over or under any project. Whenever the authority shall determine that it is necessary that any public facilities which now are, or hereafter may be, located in, on, along, over, or under any project should be relocated in the project, or should be

removed from the project, the public utility owning or operating the facilities shall relocate or remove the facilities in accordance with the order of the authority; provided, however, that the cost and expenses of the relocation or removal, including the cost of installing the facilities in a new location, or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights acquired to accomplish the relocation or removal, less the cost of any lands or any rights or interests in lands of any other rights of the public utility paid to the public utility in connection with the relocation or removal of the property, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any relocation or removal of facilities the public utility owning or operating the facilities, its successors or assigns, may maintain and operate the facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate the facilities in their former location or locations;

(18) To make reasonable regulations and to grant easements for the installation, construction, maintenance, repair, renewal, relocation, and removal of pipelines, other equipment, and appliances of any corporation or person owning or operating pipelines in, on, along, over, or under the turnpike, whenever the authority shall determine that it is necessary that any facilities which now are, or hereafter may be located in, on, along, over or under the turnpike should be relocated in the turnpike, or should be removed from the turnpike, the corporation or person owning or operating the facilities shall relocate or remove the facilities in accordance with the order of the authority; provided, however, that the cost and expense of the relocation or removal, including the cost of installing the facilities in a new location, or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights acquired to accomplish the relocation or removal, less the cost of any lands or any rights or interests in lands or any other rights of any corporation or person paid to any corporation or person in connection with the relocation or removal of the property, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any relocation or removal of facilities the corporation or person

owning or operating the facilities, its successors or assigns, may maintain and operate the facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate the facilities in their former location or locations;

(19) To enter upon any lands, waters, and premises for the purpose of making such surveys, soundings, borings, and examinations as the authority may deem necessary or convenient for its purposes, and the entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings; provided, however, the authority shall pay any actual damage resulting to the lands, water, and premises as a result of the entry and activities as a part of the cost of the project;

(20) To enter into contracts or agreements with any board, commission, public instrumentality of another state or the federal government or with any political subdivision of another state relating to the connection or connections to be established between the turnpike or any additional facility with any public highway or turnpike now in existence or hereafter to be constructed in another state, and with respect to the construction, maintenance and operation of interstate turnpikes or expressways;

(21) To enter into contracts with the department of transportation with respect to the construction, reconstruction, renovation, acquisition, maintenance, repair, mitigation, remediation, operation or management of any project and with the Rhode Island state police with respect to the policing of any project;

(22) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter; and

(23) To do all other acts and things necessary or convenient to carry out the powers expressly granted in this chapter.

(24) To grant and/or contract through the transfer of funds of the authority to the department of transportation for the construction, reconstruction, acquisition, maintenance, repair,

operation or management by the department of transportation of any project or projects authorized by this chapter, and the department of transportation is authorized to accept any such grant or transfer of funds.

(b) Provided, the authority in carrying out the provisions of this section shall hold public hearings in the city or town where a proposed project will be located prior to the finalization of any specifications or the awarding of any contracts for any project.

§ 24-12-18 Bonds. – (a) *Issuance and sale of revenue bonds.* Subject to the provisions of §§ 24-12-21 – 24-12-24 the authority is hereby authorized to provide by resolution for the issuance, at one time or in series from time to time, of revenue bonds of the authority for the purpose of paying all or a part of the cost of any one or more projects, the construction, reconstruction, renovation, acquisition, maintenance, repair, operation or management of which is authorized by this chapter, and making provision for working capital and a debt service reserve for interest. The principal of and the interest on the bonds shall be payable solely from the funds herein provided for the payment. The bonds of each issue shall be dated, shall bear interest at such rate or rates per annum, shall mature at such time or times not exceeding fifty (50) years from their date or dates, as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The authority may sell such bonds in such manner, either at public or private sale, and for such price, as it may determine to be for the best interests of the authority, but no such sale shall be made at a price less than ninety-seven percent (97%) of the principal amount of the bonds.

(b) *Form and execution of all bonds.* The authority shall determine the form and the manner of execution of all bonds issued under the provisions of this chapter, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of the principal and interest, which may be at any bank or trust company within or without the state. In case any officer whose signature or a facsimile of

whose signature shall appear on any bonds or coupons shall cease to be an officer before the delivery of the bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery, and any bond may bear the facsimile signature of, or may be signed by, the persons as at the actual time of the execution of the bond shall be the proper officers to sign the bond although at the date of the bond the persons may not have been the officers. The bonds may be issued in coupon or in registered form, and in certificated or book entry only form as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds.

§ 24-12-26. Power to collect tolls and charges – Gasoline and service concessions. –

(a) The authority is hereby authorized, subject to the provisions of this chapter, to fix, revise, charge and collect tolls for the use of the Newport Bridge, the Mount Hope Bridge, the Sakonnet River Bridge (subject to federal regulations and approvals), the turnpike and the different parts or sections thereof, and for the use of any additional facility and the different parts or sections thereof, and to contract with any person, partnership, association or corporation for placing on any project telephone, telegraph, electric light or power lines, gas stations, garages, and restaurants if deemed necessary by the authority in connection with the project, or for the use of any project or part thereof, including the right-of-way adjoining the paved portion of the turnpike or of any additional facility or for any other purposes and to fix the terms, conditions, rents and rates of charges for such use; provided, that the authority shall construct any gasoline service facilities which it may determine are needed on the project, and provided, further, that, to afford users of the project a reasonable choice of motor fuels of different brands, each gasoline service station shall be separately offered for lease upon sealed bids and, after notice of the offer has been published once a week in three (3) consecutive weeks in a newspaper having general circulation in the state, and, in the event an acceptable bid shall be received in the judgment of the authority,

each lease shall be awarded to the highest responsible bidder therefor, but no person shall be awarded or have the use of, nor shall motor fuel identified by the trade-marks, trade names, or brands of any one supplier, distributor, or retailer of such fuel be sold at more than one service station if they would constitute more than twenty-five percent (25%) of the service stations on the project. Notwithstanding the provisions of this section, members of the town of Jamestown police and fire department and ambulance service personnel of the town of Jamestown and Jamestown school department who, in the course of their duty, are required to pay a toll for use of the Newport Bridge, shall, upon the presentment of receipts for the payment of the toll to the town of Jamestown, be reimbursed for all charges on an annual basis by the town of Jamestown who in turn shall be reimbursed for all payments made by the state. Notwithstanding the provisions of this section, members of the city of Newport police and fire department and rescue personnel who, in the course of their duty, are required to pay a toll for use of the Newport Bridge, shall, upon the presentment of receipts for the payment of the toll to the city of Newport, be reimbursed for all charges on an annual basis by the city of Newport who in turn shall be reimbursed for all payments made by the state.

(b) Notwithstanding the provisions of this section, members of the police and fire department and rescue personnel of any city or town in this state who, in the course of their duty, are required to pay a toll for use of the Mount Hope Bridge or the Sakonnet River Bridge, shall, upon the presentment of receipts for the payment of the toll to their town or city, be reimbursed for all such charges on an annual basis by the town or city, who in turn shall be reimbursed for all payments made by the state.

§ 24-12-28. Revenues pledged to sinking fund. – To the extent provided in the resolution authorizing the issuance of bonds or finance lease or in the trust agreement securing the same, the tolls and all other revenues received by the authority ~~derived from the project or projects or portion or portions in connection with which the bonds of any one or more series shall have been issued~~, shall be set aside at such regular intervals as may be provided in the resolution

or the trust agreement in a sinking fund or funds which shall be pledged to, and charged with, the payment of the lease payments and/or of the principal of and the interest on the bonds as the bonds shall become due, and the redemption price or the purchase price of bonds or other obligations retired by call or purchase as provided in the resolution or trust agreement. The pledge shall be valid and binding from the time when the pledge is made; the tolls and other revenues or other money so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of money to the credit of each sinking fund shall be subject to the provisions of the resolution authorizing the issuance of the lease, the bonds or of the trust agreement.

§ 24-12-40.A. Title to Mount Hope Bridge vested in Rhode Island turnpike and bridge authority – Continuation of tolls. – All powers, control, and jurisdiction of and title to the Mount Hope Bridge is hereby affirmed as having vested in the Rhode Island turnpike and bridge authority as of June 1, 1964, and the transfer of funds to the authority by the trustee under the trust indenture securing the Mount Hope Bridge revenue bonds is hereby ratified and affirmed. The authority may ~~shall continue to charge~~ and collect tolls for the use of the Mount Hope Bridge to provide funds sufficient with any other monies available therefor for paying the costs of acquiring, leasing, maintaining, repairing, and operating the Jamestown Verrazzano Bridge, the Mount Hope Bridge, the Newport Bridge, and the Sakonnet River Bridge, the turnpike and additional facilities. ~~the bridge, and in any event tolls for the use of the Mount Hope Bridge shall continue until a fund shall be provided for the payment of engineering, financing, and legal services in connection with the financing and construction of the Newport Bridge. The power and right of the authority to collect and to use tolls collected for the use of the Mount Hope~~

~~Bridge subsequent to June 1, 1964 for the purpose of payment of engineering, financial, and legal services in connection with the financing and construction of the Newport Bridge in an amount heretofore expended not in excess of six hundred thousand dollars (\$600,000) is hereby ratified and affirmed.~~

§ 24-12-50. Relationship to department of transportation. – (a) The department of transportation is hereby constituted as the agency for the authority in carrying out all of the powers to construct, acquire, operate, and maintain turnpikes and bridges as conferred by the general laws upon the authority.

(b) Nothing in chapter 13 of title 42 or in this amendment to chapter 12 of title 24 shall limit the discretions, powers, and authorities of the Rhode Island turnpike and bridge authority necessary or desirable for it to execute and carry out the covenants, agreements, duties, and liabilities assumed by it in the trust agreement by and between the authority and U.S. Bank National Association and its successors ~~the Rhode Island hospital trust company~~, as trustee under indenture dated as of July 1, 2003 ~~December 1, 1965~~, as supplemented from time to time, nor shall these chapters be construed in any way to affect the rights, privileges, powers, and remedies of U.S. Bank National Association and its successors ~~the Rhode Island hospital trust company~~ and its successors, or of the holders of the bonds issued under the indenture, or under any resolutions of the authority.

SECTION 5. Section 24-12-39 of the General Laws in Chapter 24-12 entitled “Rhode Island Turnpike and Bridge Authority” is hereby repealed.

~~**§ 24-12-39. Transfer of projects to state — Dissolution of authority.** — When all bonds issued under the provisions of this chapter and the interest thereon shall have been paid or a sufficient amount for the payment of all the bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, all projects financed under the provisions of this chapter shall be transferred to the state in good condition and repair, and thereupon the authority shall be dissolved and all funds of the authority not required for the~~

~~payment of bonds shall be paid to the general treasurer for the use of the state and all machinery, equipment and other property belonging to the authority shall be vested in the state and delivered to the department of transportation.~~

SECTION 6. Chapter 24-12 of the General Laws entitled “Rhode Island Turnpike and Bridge Authority” is hereby amended by adding thereto the following section:

§ 24-12-40.F. Title to Sakonnet River Bridge vested in Rhode Island turnpike and bridge authority – Institution of tolls. – All powers, control, and jurisdiction of and title to the Sakonnet River Bridge is authorized to be transferred to the Rhode Island turnpike and bridge authority. The authority may charge and collect tolls for the use of the Sakonnet River Bridge to provide funds sufficient with any other monies available therefor for paying the costs of acquiring, leasing, maintaining, repairing and operating, the Jamestown Verrazzano Bridge, the Mount Hope Bridge, the Newport Bridge, and the Sakonnet River Bridge, the turnpike and additional facilities.

SECTION 7. This article shall take effect upon passage.