

# RESOLUTION OF THE CITY COUNCIL

No. 414

Approved October 30, 1972

RESOLVED, that the following propositions to be submitted to the people on Election Day, November 7, 1972, are hereby endorsed:

"Shall the action of the general assembly by an act passed at the January session, 1971 amending section 42-34-2, sections 1 and 3 of section 42-34-6 and 42-34-10 of the general laws in chapter 42-34 entitled, "Industrial building authority," to extend the power of Rhode Island industrial building authority to pledge the faith and credit of the state by insuring mortgage payments on mortgage loans covering new anti-pollution equipment and devices for the benefit of private industry, and to increase the maximum aggregate amount of the unpaid principal balances of all mortgage loans covering industrial projects which may be insured at any one time by the authority by the pledge of the faith and credit of the state from forty million dollars (\$40,000,000) to eighty million dollars (\$80,000,000) and also providing for the issuance of bonds from time to time by the state pledging the faith and credit of the state in accordance with said act, be approved?"

"Shall the action of the general assembly by an act passed at the January session, 1972, entitled 'An act in amendment of chapter 42-38 of the general laws entitled "Rhode Island recreational building authority"' and extending the power of the Rhode Island recreational building authority to increase the maximum amount in connection with a mortgage loan covering a single private recreational project which may be insured by the authority from \$1,000,000 to \$5,000,000 and to increase the maximum aggregate amount of the unpaid principal balances of all mortgage loans covering such projects from \$5,000,000 to \$20,000,000 thereby pledging the credit of the state for such increased amounts, be approved?"

IN CITY COUNCIL

OCT 19 1972

READ and PASSED

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President  
Clerk

APPROVED

OCT 30 1972

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MAYOR

Chapter 96, Public Laws 1972

State of Rhode Island and Providence Plantations

JANUARY SESSION, 1972

CHAPTER 96.

**AN ACT in Amendment of Chapter 42-38 of the General Laws Entitled "Rhode Island Recreational Building Authority."**

H 5414  
Approved  
May 1, 1972.

It is enacted by the General Assembly as follows:

**Section 1. PROPOSITION TO BE SUBMITTED TO PEOPLE.**—At a special election to be called by the governor pursuant to the provisions of section 2 hereof or at the general election to be held on the Tuesday next after the first Monday in November 1972, there shall be submitted to the people for their approval or rejection, the following proposition:

1/ "Shall the action of the general assembly, by an act passed at the January session, 1972, entitled 'An act in amendment of chapter 42-38 of the general laws entitled "Rhode Island recreational building authority"' and extending the power of the Rhode Island recreational building authority to increase the maximum amount in connection with a mortgage loan covering a single private recreational project which may be insured by the authority from \$1,000,000 to \$5,000,000 and to increase the maximum aggregate amount of the unpaid principal balances of all mortgage loans covering such projects from \$5,000,000 to \$20,000,000 thereby pledging the credit of the state for such increased amounts, be approved?"

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**Sec. 2. AUTHORITY TO CALL SPECIAL ELECTION.**—The governor is hereby authorized to call a special election to be held prior to the Tuesday next after the first Monday, November, 1972 for the purpose of carrying out the provisions of section 1 hereof. Such special election may be the same date as that fixed for any other special election or elections.

Sec. 3. Section 42-38-10 of the general laws in said chapter is hereby amended to read as follows:

**"42-38-10. INSURANCE OF MORTGAGES.**—The authority is authorized, upon application of the proposed mortgagee, to insure mortgage payments required by a first mortgage on any recreational project, upon such terms and conditions as the authority may prescribe, provided, the aggregate amount of principal obligations of all mortgages so insured outstanding at any one time shall not exceed ~~five million dollars (\$5,000,000)~~ **twenty million dollars (\$20,000,000)**. To be eligible for insurance under the provisions of this chapter a mortgage shall:

1. Be one which is made to and held by a mortgagee approved by the authority;
2. Involve a principal obligation, including initial service charges and appraisal, inspection and other fees approved by the authority, not to exceed ~~one million dollars (\$1,000,000)~~ **five million dollars (\$5,000,000)** for any one project and not to exceed seventy-five percent (75%) of the cost of the project.
3. Have a maturity satisfactory to the authority but in no case later than twenty-five (25) years from the date of the mortgage;
4. Contain complete amortization provisions satis-

factory to the authority requiring periodic payments by the mortgagor which may include principal and interest payments, cost of local property taxes and assessments, land lease rentals if any, and hazard insurance on the property and such mortgage insurance premiums as are required under section 42-38-11, all as the authority shall from time to time prescribe or approve.

5. Be in such form and contain such terms and provisions with respect to property, insurance, repairs, alterations, payment of taxes and assessments, default reserve, delinquency charges, default remedies, anticipation of maturity additional and secondary liens and other matters as the authority may prescribe. No mortgage shall be insured under the provisions of this chapter unless the authority shall have made affirmative determinations in accordance with paragraphs 8 and 9 of section 42-38-7."

Sec. 4. Sections 1, 2, and 4 of this act shall take effect upon passage. The remaining sections shall take effect when and if the board of elections shall certify to the secretary of state that a majority of the qualified electors voting on the proposition contained in section 1 hereof have indicated their approval thereof.

A true copy,

Attest:



*August M. LaFrance*  
Secretary of State

Chapter 148, Public Laws 1971

State of Rhode Island and Providence Plantations

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JANUARY SESSION, 1971

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CHAPTER 148.

**AN ACT in Amendment of Title 42, Chapter 34, Entitled "Rhode Island Industrial Building Authority."**

H 1829  
Approved  
June 30, 1971.

It is enacted by the General Assembly as follows:

Section 1. PROPOSITION TO BE SUBMITTED TO PEOPLE. —At a special election to be called by the governor pursuant to the provisions of section 2 hereof, or at the general election to be held on the Tuesday next after the first Monday in November, 1972, there shall be submitted to the people for their approval or rejection, the following propositions:

“Shall the action of the general assembly by an act passed at the January session, 1971 amending section 42-34-2, sections 1 and 3 of section 42-34-6 and 42-34-10 of the general laws in chapter 42-34 entitled, “Industrial building authority,” to extend the power of Rhode Island industrial building authority to pledge the faith and credit of the state by insuring mortgage payments on mortgage loans covering new anti-pollution equipment and devices for the benefit of private industry, and to increase the maximum aggregate amount of the unpaid principal balances of all mort-

gage loans covering industrial projects which may be insured at any one time by the authority by the pledge of the faith and credit of the state from forty million dollars (\$40,000,000) to eighty million dollars (\$80,000,000) and also providing for the issuance of bonds from time to time by the state pledging the faith and credit of the state in accordance with said act, be approved?"

Sec. 2. AUTHORITY TO CALL SPECIAL ELECTION.—The governor is hereby authorized to call a special election to be held on such date as he may fix prior to the Tuesday next after the first Monday in November, 1972, which may be the same date as that fixed for any other special election or elections, for the purpose of carrying out the provisions of section 1 of this act.

Sec. 3. GENERAL ELECTION LAWS TO GOVERN.—The general election laws, so far as consistent herewith, shall apply to the special election authorized hereunder.

Sec. 4. Section 42-34-2 of the general laws, in chapter 42-34 entitled "Industrial building authority," is hereby amended to read as follows:

"42-34-2. PURPOSE.—It is declared that statewide need exists for new industrial buildings, expansions to existing industrial buildings, new machinery and equipment and antipollution equipment and devices to provide enlarged opportunities for gainful employment by the people of Rhode Island and to thus insure the preservation and betterment of the economy of the state and its inhabitants. It is also declared that

it is in the interest of the public welfare and purpose to promote the expansion and diversification of industry, to increase employment and to provide a larger taxable base for the economy of the state of Rhode Island. Therefore, the Rhode Island industrial building authority is created to encourage the making of mortgage loans for the purpose of furthering industrial expansion of the state, and, thus, improve the welfare of the public for the foregoing reasons and, by the stimulation of a larger flow of private investment funds from banks, building and loan association, credit unions, savings and loan associations, insurance companies and other financial institutions, including pension, retirement and profit-sharing funds, meet the need of industrial plant expansion, new machinery and equipment and anti-pollution equipment and devices."

Sec. 5. Subsections, 1 and 3 of section 42-34-6 of the general laws, as amended, are hereby further amended to read as follows:

Sec. 42-34-6. DEFINITIONS.—

"1. 'Cost of project' shall mean the cost or fair market value of construction, lands, property rights, easements, franchises, machinery and equipment (subject to the provisions of 3(b) hereof), anti-pollution equipment and devices, financing charges, interest, engineering and legal services, plans, specifications, surveys, cost estimates, studies and other expenses as may be necessary or incident to the development, construction, financing, and placing in operation of an industrial project."

"3. (b) 'Industrial project' shall also mean any new machinery and equipment provided (i) such machinery

and equipment has been acquired for use in connection with any building, new or otherwise, in Rhode Island, used for the manufacturing, processing or assembling of raw materials or manufactured products or for the providing of research facilities in connection therewith or is used as an anti-pollution device, as defined by regulation of the authority; (ii) the authority has determined that such machinery, equipment and anti-pollution equipment and devices will tend to provide gainful employment for the people of Rhode Island, increase the tax base of the economy and diversify and expand industry so that periods of large scale unemployment and distressed times may be avoided; (iii) the owner thereof has agreed not to remove such machinery, equipment and anti-pollution equipment and devices from such building or real estate improvement until the principal obligation of any mortgage on such machinery and equipment, the mortgage payments under which are insured by the authority pursuant to §42-34-10, has been paid in full, except that such machinery, equipment and antipollution equipment and devices may be removed from such building or real estate improvement with the prior written consent of the authority if such owner has agreed to substitute in place thereof other new machinery and equipment approved by the authority and the mortgagee within such reasonable period of time as the authority shall prescribe.

“(c) An industrial project as defined herein, whether a new building, new addition to an existing building, other real estate improvement, machinery and equipment or antipollution equipment and devices, shall cost more than one hundred thousand dollars (\$100,000); provided, however, where the authority com-



mences to insure mortgage payments on new machinery and equipment and anti-pollution equipment and devices at the same time as it commences to insure mortgage payments on a new building, new addition to an existing building, or other real estate improvement, it shall have the power to commence insuring mortgage payments on such machinery and equipment and anti-pollution equipment and devices without limitation as to the minimum amount of one hundred thousand dollars (\$100,000) provided for herein."

Sec. 6. Section 42-34-10 of the general laws, as amended, in chapter 42-34 entitled, "Industrial building authority," is hereby amended to read as follows:

"Sec. 42-34-10. INSURANCE OF MORTGAGES.—The authority is authorized, upon application of the proposed mortgagee, to insure mortgage payments required by a mortgage on any industrial project, upon such terms and conditions as the authority may prescribe, provided the aggregate amount of the unpaid principal balance of all obligations of all mortgages so insured outstanding at any one time shall not exceed eighty million dollars (\$80,000,000). To be eligible for insurance under the provisions of this chapter a mortgage shall:

"1. Be one which is made to and held by a mortgagee approved by the authority;

"2. Involve a principal obligation, including initial service charges and appraisal, inspection and other fees approved by the authority, not to exceed five million dollars (\$5,000,000) for any one project and not to exceed ninety percent (90%) of the cost of any project described in section 42-34-6 (3) (a) and not to

exceed eighty percent (80%) of the cost of any project described in section 42-34-6 (3) (b);

“3. Have a maturity date satisfactory to the authority but in no case later than twenty-five (25) years from the date of the mortgage for any project described in section 42-34-6 (3) (a) and ten (10) years from the date of the mortgage for any project described in section 42-34-6 (3) (b);

“4. Contain complete amortization provisions satisfactory to the authority requiring periodic payments, cost of local property taxes and assessments, land lease rentals, if any, and hazard insurance on the property and such mortgage insurance premiums as are required under 42-34-11, all as the authority shall from time to time prescribe or approve.

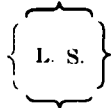
“5. Be in such form and contain such terms and provisions, with respect to property, insurance, repairs, alterations, payment of taxes and assessments, restrictions as to location of machinery and equipment and anti-pollution equipment and devices, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, and other matters as the authority may prescribe.”

Sec. 7. If any provision of this act or the application thereof to any person, firm, partnership, corporation, trustees, local development company, or any other legal entity is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to that end, the provisions of this chapter are declared to be severable.

Sec. 8. Sections 1, 2, 3, 7, and 8 of this act shall take effect upon passage and the remaining sections of this act shall take effect when and if the board of elections shall certify to the secretary of state that a majority of the qualified electors voting upon the proposition contained in section 1 hereof have indicated their approval thereof, and thereupon all acts and parts of acts inconsistent herewith shall stand repealed.

A true copy,

Attest:



*August M. LaFrance*  
Secretary of State



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## **Rhode Island Development Council**

EXECUTIVE DEPARTMENT

ROGER WILLIAMS BUILDING HAYES STREET PROVIDENCE, RHODE ISLAND 02908

FRANK LIGHT  
GOVERNOR

ADOLPH T. SCHMIDT  
EXECUTIVE DIRECTOR

ADVISORY COMMISSION  
MAX ALPERIN  
FRANKLYN ASHLEY  
CHELCIE C. BOSLAND  
WALTER COUPE  
GEORGE CULLEN  
JOSEPH F. ESPOSITO  
FELIX A. MIRANDO

Dear Council President:

We recently contacted you requesting your support of the referenda to appear on the November 7th ballot to increase the guarantee powers of the Rhode Island Industrial Building Authority and the Rhode Island Recreational Building Authority.

Enclosed is the layout of an ad we would like to run in your local paper sometime before the election indicating your endorsement of the programs. The ad would be paid for by the Committee to Improve the Rhode Island Economy.

Please let us know at your earliest convenience if the ad meets with your approval by contacting Richard Dow at 277-2614.

We appreciate your interest and cooperation in this project.

Sincerely,

Adolph T. Schmidt  
Executive Director

ATS/dln

Enclosure

# The Industrial & Recreational Building Authorities Referenda

# VOTE APPROVE

Nov. 7

**CLIENT:** R. I. Industrial Building Authority

Date copy written:

Oct. 6, 1972

PUBLICATION:

OTHER MEDIA:

COPY NO.:

ISSUE DATE:

JOB NO.:

SPACE:

APPROVED: \_\_\_\_\_

**NOTE: STATISTICS WILL BE  
FILLED IN TO FIT EACH  
AREA**

The \_\_\_\_\_ (name) \_\_\_\_\_ Town Council urges all voters of \_\_\_\_\_ (name) \_\_\_\_\_ and of neighboring communities to APPROVE the referendum for the R. I. Industrial Building Authority on the Nov. 7 ballot.

The Authority has brought jobs to Rhode Island and to our community. It played the key role in bringing \_\_\_\_\_ new plants to \_\_\_\_\_ (name) \_\_\_\_\_, with hundreds of new jobs and important tax revenue. It played an indispensable role in expanding \_\_\_\_\_ plants, giving us even more jobs. These are jobs we wouldn't have now.

The Authority does all this at NO COST TO TAXPAYERS. It's ONE state agency that operates on funds it earns for itself while creating jobs for our people.

We strongly urge you to vote APPROVE for the Industrial Building Authority referendum on Nov. 7, because it means more jobs for all of us.