

2018 -- S 2821

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

AUTHORIZING THE TOWN OF JAMESTOWN TO ISSUE GENERAL OBLIGATION BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$9,800,000 TO FINANCE CONSTRUCTION, REPLACEMENTS, RENOVATIONS AND/OR OTHER IMPROVEMENTS AND RELATED EQUIPMENT AT THE JAMESTOWN PUBLIC SCHOOLS, THE JAMESTOWN GOLF COURSE AND THE JAMESTOWN PHILOMENIAN LIBRARY

Introduced By: Senator Dawn M. Euer

Date Introduced: April 12, 2018

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. The Town of Jamestown is hereby empowered, in addition to authority
2 previously granted, to issue its general obligation bonds and notes to an amount not exceeding
3 Nine Million Eight Hundred Thousand Dollars (\$9,800,000) at one time or from time to time
4 under its corporate name and seal or a facsimile of such seal to finance construction,
5 replacements, renovations and/or other improvements and related equipment at the Jamestown
6 public schools, the Jamestown Golf Course and the Jamestown Philomenian Library; of which
7 amount not more than five million nine hundred thousand dollars (\$5,900,000) shall be for said
8 school purposes, not more than two million nine hundred thousand dollars (\$2,900,000) for said
9 golf course purposes and not more than one million dollars (\$1,000,000) for said library purposes.
10 The bonds of each issue may be issued in the form of serial bonds or term bonds or a combination
11 thereof and shall be payable either by maturity of principal in the case of serial bonds or by
12 mandatory serial redemption in the case of term bonds, in annual installments of principal, the
13 first installment to be not later than five (5) years and the last installment not later than thirty (30)
14 years after the date of the bonds. All such bonds of a particular issue may be issued in the form of
15 zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a combination
16 thereof. Annual installments of principal may be provided for by maturity of principal in the case

1 of serial bonds or by mandatory serial redemption in the case of term bonds. The amount of
2 principal appreciation each year on any bonds, after the date of original issuance, shall not be
3 considered to be principal indebtedness for the purpose of a constitutional or statutory debt limit
4 or any other limitation. The appreciation of principal after the date of original issue shall be
5 considered interest. Only the original principal amount shall be counted in determining the
6 principal amount so issued and any interest component shall be disregarded.

7 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the
8 finance director and the president of the town council and shall be issued and sold in such
9 amounts as the town council may authorize by majority vote of all its members. The amount of
10 the bond issue, manner of sale, denominations, maturities, interest rate or rates, award and other
11 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
12 proceedings of the town council authorizing their issue or by separate resolution to the town
13 council or, to the extent provisions for these matters are not so made, they may be fixed by the
14 officers authorized to sign the bonds. The town council may provide that any bonds issued under
15 this act and any other authorized issue of bonds of the town may be consolidated and issued at the
16 same time as a single bond issue, provided that the last installment of the portion of any such
17 consolidated issue that is allocable to the bonds issued under this act shall not be later than the
18 times specified by the applicable provisions hereof. The bonds may be made callable with or
19 without premium. The proceeds derived from the sale of the bonds shall be delivered to the
20 finance director, and such proceeds, exclusive of premiums and accrued interest, shall be
21 expended for costs of financing construction, replacements, renovations, and/or other
22 improvements and related equipment at the Jamestown public schools, the Jamestown golf course
23 and/or the Jamestown Philomenian Library as applicable (herein referred to as the "projects") if
24 approved by the voters in accordance with Section 12 hereof, including all other costs incidental
25 and related to the foregoing project and its financing pursuant to this act, including, but not
26 limited to, the payment of principal of or interest on temporary notes issued under Section 3, the
27 repayment of advances made under Section 4, and/or to finance capitalized interest on the
28 projects. No purchaser of any bonds or notes under this act shall be in any way responsible for the
29 proper application of the proceeds derived from the sale thereof. The projects shall be carried out
30 and all contracts made therefor on behalf of the town by the town council, or as may be
31 authorized by the town council. The proceeds of bonds or notes issued under this act, any
32 applicable federal or state assistance and any other monies referred to in Sections 5, 6, or 9 shall
33 be deemed appropriated for the purposes of this act without further action than that required by
34 this act. The bond issue authorized by this act may be consolidated for the purposes of issuance

1 and sale with any other bond issue of the town heretofore or hereafter authorized; provided that,
2 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by
3 this act shall be expended for the purposes set above. The finance director and president of the
4 town council acting singly, on behalf of the town, are hereby authorized to execute such
5 instruments, documents, or other papers as either of them deem necessary or desirable to carry
6 out the intent of this act and are also authorized to take all actions and execute all documents or
7 agreements necessary to comply with federal tax and securities laws, which documents or
8 agreements may have a term coextensive with the maturity of the bonds authorized hereby,
9 including Rule 15c2-12 of the Securities and Exchange Commission, to execute and deliver a
10 continuing disclosure agreement or certificate in connection with the bond or notes, and to
11 comply with the provisions of §§ 16-7-35 through 16-7-47 of the Rhode Island general laws,
12 1956, as amended; including making all necessary contracts and agreements to issue said bonds
13 and/or notes or portion thereof through the Rhode Island Health and Educational Building
14 Corporation.

15 SECTION 3. The town council may by resolution authorize the issue from time to time of
16 interest bearing or discounted notes in anticipation of the issue of bonds under this act or in
17 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
18 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
19 issued under this act and the amount of original notes issued in anticipation of federal or state aid
20 may not exceed the amount of available federal or state aid as estimated by the finance director.
21 Temporary notes issued hereunder shall be signed by the finance director and the president of the
22 town council and shall be payable within five (5) years from their respective dates, but the
23 principal of and interest on notes issued for a shorter period may be renewed or paid from time to
24 time by the issue of other notes hereunder, provided the period from the date of an original note
25 to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not
26 exceed five (5) years. Any temporary notes in anticipation of bonds issued under this section may
27 be refunded prior to the maturity of the notes by the issuance of additional temporary notes,
28 provided that no such refunding shall result in any amount of such temporary notes outstanding at
29 any one time in excess of two hundred percent (200%) of the amount of bonds which may be
30 issued under this act; and provided further, that if issuance of any such refunding notes results in
31 any amount of bonds which may be issued under this act, the proceeds of such refunding notes
32 shall be deposited in a separate fund established with the bank which is paying agent for the notes
33 being refunded. Pending their use to pay the notes being refunded, monies in the fund shall be
34 invested for the benefit of the town by the paying agent at the direction of the finance director in

1 any investment permitted under Section 5. The monies in the fund and any investments held as
2 part of the fund shall be held in trust and shall be applied by the paying agent solely to the
3 payment or prepayment of the principal of and interest on the notes being refunded. Upon
4 payment of all principal of and interest on the notes, any excess monies in the fund shall be
5 distributed to the town. The period for which bonds may be issued under this act need not be
6 reduced by the period of any temporary loans hereunder. The proceeds derived from the sale of
7 such temporary notes shall be used only for the purposes for which the proceeds bonds issued
8 under this act may be used. The town may pay the principal of and interest on notes in full from
9 other than the issuance of refunding notes prior to the issuance of bonds pursuant to Section 1
10 hereof. In such case, the town's authority to issue bonds or notes in anticipation of bonds under
11 this act shall continue provided that: (1) The town council passes a resolution evidencing the
12 town's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and
13 (2) That the period from the date of an original note to the maturity date of any note shall not
14 exceed five (5) years.

15 SECTION 4. Pending any issue of bonds or notes hereunder, the finance director, with
16 the approval of the town council, may, to the extent that bonds or notes may be issued hereunder,
17 apply funds in the treasury of the town for the purposes specified in Section 2, such advances to
18 be repaid without interest from the proceeds of bonds or notes subsequently issued or from the
19 proceeds of applicable federal or state assistance or from other available funds.

20 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable
21 federal or state assistance, pending their expenditure, may be deposited or invested by the finance
22 director in demand deposits, time deposits or savings deposits in which are members of the
23 federal deposit insurance corporation, in obligations issued or guaranteed by the United States of
24 America or State of Rhode Island, or by an agency, instrumentality or political subdivision of
25 either of them, or as may be provided in any other applicable law of the State of Rhode Island or
26 resolution of the town council or pursuant to an investment policy of the town.

27 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
28 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
29 bonds or notes hereunder shall, in the discretion of the finance director, be applied to the cost of
30 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided,
31 to the payment of the cost of the projects, to the payment of the principal of or interest on bonds
32 or notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing
33 and marketing bonds or notes hereunder may also, in the direction of the finance director, be met
34 from bond or note proceeds exclusive of premiums and accrued interest or from other monies

1 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
2 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder may be
3 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
4 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
5 investment of funds hereunder shall upon receipt be added to and used for the same purposes as
6 the proceeds of bonds or notes issued hereunder or be added to and dealt with as a part of
7 revenues of the town from property taxes. In exercising any discretion under this section, the
8 finance director shall be governed by any instructions adopted by resolution of the town council.
9 The finance director is authorized to take any action deemed by them to be necessary to assure
10 that interest on the bonds or notes issued hereunder remains excludable from gross income of the
11 recipients thereof for federal income tax purposes, including, without limitation, paying to the
12 federal government any rebate of earnings derived from the deposit or investment of the proceeds
13 of such bonds or notes that may be required therefor.

14 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby
15 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
16 contracted by it and shall be excepted from the operation of § 45-12-2 of the general laws. No
17 such obligation shall at any time be included in the debt of the town for the purpose of
18 ascertaining its borrowing capacity. The town shall annually appropriate a sum sufficient to pay
19 the principal and interest coming due within the year on bonds and notes issued hereunder to the
20 extent that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
21 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
22 notwithstanding any provision of law to the contrary, all taxable property in the town shall be
23 subject to ad valorem taxation by the town without limitation as to rate or amount.

24 SECTION 8. Any bonds or notes issued under the provisions of this act, if properly
25 executed by officers of the town in office on the date of execution, shall be valid and binding
26 according to their terms notwithstanding that before the delivery thereof and payment therefor
27 any or all of such officers shall for any reason have ceased to hold office.

28 SECTION 9. The town, acting by resolution of its town council, is authorized to apply
29 for, contract for and expand federal or state advances or other grants or assistance which may be
30 available for the purposes of this act, and any such expenditures may be in addition to other
31 monies provided in the act. To the extent of any inconsistency between any law of the state and
32 any applicable federal law or regulation, the latter shall prevail. Federal and state advances, with
33 interest where applicable, whether contracted for prior to or after the effective date of this act,
34 may be repaid as project costs under Section 2.

1 SECTION 10. Bonds and notes may be issued under this act without obtaining the
2 approval of any governmental agency or the taking of any proceedings or the happening of any
3 conditions except as specifically required by this act for such issue. In carrying out any project
4 financed in whole or in part under this act, including where applicable the condemnation of any
5 land or interest in land, and in the levy and collection of assessments or other charges permitted
6 by law on account of any such project, all action shall be taken which is necessary to meet
7 constitutional requirements whether or not such action is otherwise required by statute, but the
8 validity of bonds and notes issued hereunder shall in no way depend upon the validity or
9 occurrence of such action.

10 SECTION 11. After completion of the projects, all or any portion of the authorized but
11 unissued authority to issue bonds and notes under this act may be extinguished by resolution of
12 the town council, without further action by the general assembly.

13 SECTION 12. The question of the approval of this act shall be submitted to the electors
14 of the town of Jamestown at the general election to be held on November 6, 2018. The question
15 shall be submitted in substantially the following form: "Shall an act, passed at the 2018 session of
16 the General Assembly, entitled 'An Act Authorizing the Town of Jamestown to Issue General
17 Obligation Bonds and Notes in an Amount not to Exceed \$9,800,000 to Finance Construction,
18 Replacements, Renovations and/or Other Improvements and Related Equipment at the Jamestown
19 Public Schools, the Jamestown Golf Course and the Jamestown Philomenian Library' be
20 approved?" The warning for election shall contain the question to be submitted. The town board
21 of canvassers may combine any (2) two or more voting districts for the election and when so
22 combined shall be treated as a voting district. If so combined, the town board of canvassers shall
23 advertise the combination of districts in a newspaper of general circulation in the town. From the
24 time the election is warned and until it is held, it shall be the duty of the town clerk to keep a copy
25 of this act available at the clerk's office for public inspection, but the validity of the vote taken at
26 the election shall not be affected by this requirement.

27 SECTION 13. This section and section 12 shall take effect upon the passage of this act.
28 The remainder of this act shall take effect upon the approval of the question listed in Section 12
29 hereof by a majority of those voting on the question at the election prescribed by the foregoing
30 section.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

AUTHORIZING THE TOWN OF JAMESTOWN TO ISSUE GENERAL OBLIGATION
BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$9,800,000 TO FINANCE
CONSTRUCTION, REPLACEMENTS, RENOVATIONS AND/OR OTHER
IMPROVEMENTS AND RELATED EQUIPMENT AT THE JAMESTOWN PUBLIC
SCHOOLS, THE JAMESTOWN GOLF COURSE AND THE JAMESTOWN PHILOMENIAN
LIBRARY

1 This act authorizes the town of Jamestown to issue not more than \$9,800,000 bonds and
2 notes to finance various improvements and related equipment at the town of Jamestown's schools,
3 golf course and library.

4 Sections 12 and 13 would take effect upon the passage. The remainder of this act would
5 take effect upon the approval by the electors of the town of the question provided in Section 12.

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