

2022 -- S 2969

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR THE REPAVING OF STREETS IN THE CITY AND ALL COSTS RELATED THERETO AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$3,000,000 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS THEREFOR, TO FUND THE CAPITAL IMPROVEMENT PROGRAM FOR THE TWO FISCAL YEARS 2024 AND 2025

Introduced By: Senator Sandra Cano

Date Introduced: May 19, 2022

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Pawtucket is hereby authorized, in addition to authority previously
2 granted, to issue bonds and other evidences of indebtedness (hereinafter "bonds") up to an amount
3 not exceeding three million dollars (\$3,000,000) from time to time under its corporate name and
4 seal or a facsimile of such. The bonds of each issue may be issued in the form of serial bonds or
5 term bonds or a combination thereof and shall be payable either by maturity of principal in the case
6 of serial bonds or by mandatory sinking fund installments in the case of term bonds, in annual
7 installments of principal, the first installment to be not later than three (3) years and the last
8 installment not later than thirty (30) years after the date of the bonds.

9 SECTION 2. The bonds shall be signed by the city treasurer and by the manual or facsimile
10 signature of the mayor and be issued and sold in such amounts as the city council may determine
11 by resolution. The manner of sale, denominations, maturities, interest rates and other terms,
12 conditions and details of any bonds or notes issued under this act may be fixed by the proceedings
13 of the city council authorizing the issue or by separate resolution of the city council or, to the extent
14 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
15 the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to the city
16 treasurer, and such proceeds, exclusive of premiums and accrued interest. shall be expended: (1)

1 For repaving of streets in the city and all costs related thereto (the "project"); (2) In payment of the
2 principal of or interest on temporary notes issued under section 3; (3) In repayment of advances
3 under section 4; (4) In payment of related costs of issuance of any bonds or notes; and/or (5) In
4 payment of capitalized interest during construction of the project. No purchaser of any bonds or
5 notes under this act shall be in any way responsible for the proper application of the proceeds
6 derived from the sale thereof. The proceeds of bonds or notes issued under this act, any applicable
7 federal or state assistance and the other monies referred to in sections 6 and 9 shall be deemed
8 appropriated for the purposes of this act without further action than that required by this act.

9 SECTION 3. The city council may by resolution authorize the issuance from time to time
10 of interest bearing or discounted notes in anticipation of the issue of bonds under section 2 or in
11 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
12 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
13 under this act and the amount of original notes issued in anticipation of federal or state aid may not
14 exceed the amount of available federal or state aid as estimated by the city treasurer. Temporary
15 notes issued hereunder shall be signed by the manual or facsimile signatures of the city treasurer
16 and the mayor and shall be payable within five (5) years from their respective dates, but the
17 principal of and interest on notes issued for a shorter period may be renewed or paid from time to
18 time by the issue of other notes hereunder; provided the period from the date of an original note to
19 the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed
20 five (5) years. Any temporary notes in anticipation of bonds issued under this section may be
21 refunded prior to the maturity of the notes by the issuance of additional temporary notes; provided
22 that no such refunding shall result in any amount of such temporary notes outstanding at any one
23 time, in excess of two hundred percent (200%) of the amount of bonds which may be issued under
24 this act; and provided, further, that if the issuance of any such refunding notes results in any amount
25 of such temporary notes outstanding at any one time in excess of the amount of bonds which may
26 be issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
27 established with the bank which is paying agent for the notes being refunded. Pending their use to
28 pay the notes being refunded, monies in the fund shall be invested for the benefit of the city by the
29 paying agent at the direction of the city treasurer in any investment permitted under section 5. The
30 monies in the fund and any investments held as a part of the fund shall be held in trust and shall be
31 applied by the paying agent solely to the payment or prepayment of the principal of and interest on
32 the notes being refunded. Upon payment of all principal of and interest on the notes, any excess
33 monies in the fund shall be distributed to the city. The city may pay the principal of and interest on
34 notes in full from other than the issuance of refunding notes prior to the issuance of bonds pursuant

1 to section 1 hereof. In such case, the city's authority to issue bonds or notes in anticipation of bonds
2 under this act shall continue provided that: (1) The city council passes a resolution evidencing the
3 city's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and (2)
4 That the period from the date of an original note to the maturity date of any other note shall not
5 exceed five (5) years. Section 5-106 of the city charter shall not apply to the issue of notes in
6 anticipation of bonds.

7 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
8 of any authorization or issue of notes hereunder, the city treasurer, with the approval of the city
9 council may, to the extent that bonds or notes may be issued hereunder, apply funds in the general
10 treasury of the city to the purposes specified in section 2, such advances to be repaid without interest
11 from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal
12 or state assistance or from other available funds.

13 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable federal
14 or state assistance, pending their expenditure may be deposited or invested by the city treasurer, in
15 demand deposits, time deposits or savings deposits in banks which are members of the Federal
16 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
17 America or by any agency or instrumentality thereof or as may be provided in any other applicable
18 law of the State of Rhode Island or resolution of the city council or pursuant to an investment policy
19 of the city.

20 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
21 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
22 bonds or notes hereunder and, to the extent permitted by applicable federal laws, any net earnings
23 or profits realized from the deposit or investment of funds hereunder shall, in the discretion of the
24 city treasurer, be applied to the cost of preparing, issuing, and marketing bonds or notes hereunder
25 to the extent not otherwise provided, to the payment of the cost of the project, to the payment of
26 the principal of or interest on bonds or notes issued hereunder, to the revenues of the city and dealt
27 with as part of the revenues of the city from property taxes to the extent permitted by federal law,
28 or to any one or more of the foregoing. The cost of preparing, issuing, and marketing bonds or notes
29 hereunder may also, in the discretion of the city treasurer, be met from bond or note proceeds
30 exclusive of premium and accrued interest or from other monies available therefor. Any balance of
31 bond or note proceeds remaining after payment of the cost of the projects and the cost of preparing,
32 issuing and marketing bonds or notes hereunder shall be applied to the payment of the principal of
33 or interest on bonds or notes issued hereunder. To the extent permitted by applicable federal laws,
34 any earnings or net profit realized from the deposit or investment of funds hereunder may, upon

1 receipt, be added to and dealt with as part of the revenues of the city from property taxes. In
2 exercising any discretion under this section, the city treasurer shall be governed by any instructions
3 adopted by resolution of the city council. Any balance of bond or note proceeds remaining after
4 completion of the project shall be subject to section 5-109 of the city charter.

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

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

19 SECTION 9. The city, acting by resolution of its city council is authorized to apply for,
20 contract for and expend any federal or state advances or other grants of assistance which may be
21 available for the purposes of this act, and any such expenditures may be in addition to other monies
22 provided in this act. To the extent of any inconsistency between any law of this state and any
23 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
24 where applicable, whether contracted for prior to or after the effective date of this act, may be
25 repaid as a cost of the project under section 2.

26 SECTION 10. Bonds and notes may be issued under this act without obtaining the approval
27 of any governmental agency or the taking of any proceedings or the happening of any conditions
28 except as specifically required by this act for such issue. In carrying out any project financed in
29 whole or in part under this act, including where applicable the condemnation of any land or interest
30 in land, and in the levy and collection of assessments or other charges permitted by law on account
31 of any such project, all action shall be taken which is necessary to meet constitutional requirements
32 whether or not such action is otherwise required by statute, but the validity of bonds and notes
33 issued hereunder shall in no way depend upon the validity or occurrence of such action. Without
34 limiting the generality of the foregoing, the validity of bonds and notes issued hereunder shall in

1 no way be affected by section 2-308 of the city charter and section 4-1602 of the city code of
2 ordinances, and the purposes of this act shall be deemed to constitute a single project under article
3 V of the city charter.

4 SECTION 11. The city treasurer and the mayor, on behalf of the city are hereby authorized
5 to execute such instruments, documents or other papers as either of the foregoing deem necessary
6 or desirable to carry out the intent of this act and are also authorized to take all actions and execute
7 all documents 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 (the "Rule") and to execute
10 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes
11 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

12 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds
13 and notes under this act may be extinguished by resolution of the city council, without further action
14 by the general assembly, seven (7) years after the effective date of this act.

15 SECTION 13. The question of the approval of this act shall be submitted to the electors of
16 the city at the next general election but if a special city-wide election or special state election, in
17 either case other than a primary, is called for a date earlier than the date of such general election,
18 the mayor may direct that the question of the approval of this act be submitted at such special
19 election. The question shall be submitted in substantially the following form: "Shall an act passed
20 at the 2022 session of the general assembly entitled 'AN ACT AUTHORIZING THE CITY OF
21 PAWTUCKET TO PROVIDE FOR THE REPAVING OF STREETS IN THE CITY AND ALL
22 COSTS RELATED THERETO AND AUTHORIZING THE FINANCING THEREOF,
23 INCLUDING THE ISSUE OF NOT MORE THAN \$3,000,000 BONDS, NOTES AND OTHER
24 EVIDENCES OF INDEBTEDNESS THEREFOR, TO FUND THE CAPITAL IMPROVEMENT
25 PROGRAM FOR THE TWO FISCAL YEARS 2024 AND 2025' be approved?" and the warning
26 for the election shall contain the question to be submitted. From the time the election is warned and
27 until it is held, it shall be the duty of the city clerk to keep a copy of the act available at the clerk's
28 office for public inspection, but the validity of the election shall not be affected by this requirement.
29 To the extent of any inconsistency between this act and the city charter or any law of special
30 applicability to the city, this act shall prevail.

1 SECTION 14. This section and the foregoing shall take effect upon passage. The remainder
2 of this act shall take effect upon the approval of this act by a majority of those voting on the question
3 at the election prescribed by the foregoing section.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR THE REPAVING OF STREETS IN THE CITY AND ALL COSTS RELATED THERETO AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$3,000,000 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS THEREFOR, TO FUND THE CAPITAL IMPROVEMENT PROGRAM FOR THE TWO FISCAL YEARS 2024 AND 2025

1 This act would authorize the city of Pawtucket to issue not more than \$3,000,000 general
2 obligation bonds, notes and other evidences of indebtedness to finance the repaving of streets and
3 all costs related thereto.

4 Sections 13 and 14 would take effect upon passage. The remainder of the act would take
5 effect upon approval of the question provided for in section 13.

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