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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, FURNISHING AND EQUIPPING OF THREE ELEMENTARY SCHOOLS (ONE IN EACH OF THE TOWNS OF CHARLESTOWN, RICHMOND AND HOPKINTON) AND IMPROVEMENTS AT THE SWITCH ROAD CAMPUS INCLUDING, BUT NOT LIMITED TO, COSTS OF DEMOLITION, DESIGN, HEALTH AND SAFETY PROJECTS, PLAYGROUNDS, LANDSCAPING, PAVING AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN \$150,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 61% AT THE TIME OF ISSUANCE, WHICH RATE OR RATIO MAY INCREASE TO MORE THAN 76% AT PROJECT COMPLETION

Introduced By: Senator Victoria Gu

Date Introduced: March 01, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The regional school district incorporated pursuant to Chapter 55 of the Public
2 Laws of 1958, as amended, known as the Chariho Regional School District, is hereby empowered,
3 in addition to authority previously granted, to issue general obligation bonds to an amount not
4 exceeding one hundred fifty million dollars (\$150,000,000) from time to time under its corporate
5 name and seal; provided, however, that bonds and notes shall not be issued unless the conditions
6 of Section 4 hereof as to the level of state housing aid are met. The bonds of each issue may be
7 issued in the form of serial bonds or term bonds, zero coupon bonds, capital appreciation bonds, or
8 compound interest bonds or a combination thereof and shall be payable either by maturity of
9 principal in the case of serial bonds or by mandatory sinking fund installments in the case of term
10 bonds, in annual installments of principal, the first installment to be not later than five (5) years and
11 the last installment not later than thirty (30) years after the date of the bonds. The amount of
12 principal appreciation each year on any bonds, after the date of original issuance, shall not be
13 considered to be principal indebtedness for the purposes of any constitutional or statutory debt limit
14 or any other limitation. The appreciation of principal after the date of original issue shall be

1 considered interest. Only the original principal amount shall be counted in determining the principal
2 amount so issued and any interest component shall be disregarded.

3 SECTION 2. The bonds shall be signed by the district treasurer and the chairperson of the
4 regional school district committee and shall be issued and sold in such amounts as the regional
5 school district committee may authorize. The manner of sale, denominations, maturities, interest
6 rates and other terms, conditions and details of any bonds or notes issued under this act may be
7 fixed by the proceedings of the regional school district committee authorizing the issue or by
8 separate resolution of the regional school district committee or, to the extent provisions for these
9 matters are not so made, they may be fixed by the officers authorized to sign the bonds or notes.
10 The proceeds derived from the sale of the bonds shall be delivered to the treasurer of the regional
11 school district committee, and such proceeds, exclusive of premiums and accrued interest, shall be
12 expended: (1) To finance the construction, furnishing and equipping of three (3) elementary schools
13 (one in each of the towns of Charlestown, Richmond and Hopkinton) and improvements at the
14 Switch Road Campus including, but not limited to, costs of demolition, design, health and safety
15 projects, playgrounds, landscaping, paving and all expenses incidental thereto (the "projects"); or
16 (2) In payment of the principal or interest on temporary notes issued under Section 3; or (3) In
17 repayment of advances under Section 4; (4) In payments of costs of issuance associated with the
18 issuance of bonds or notes hereunder; and/or (5) To finance capitalized interest for the projects. No
19 purchaser of any bonds or notes under this act shall be in any way responsible for the proper
20 application of the proceeds derived from the sale thereof. The proceeds of bonds or notes issued
21 under this act, any applicable federal or state assistance and the other moneys referred to in Sections
22 4 and 6, shall be deemed appropriated for the purpose of this act without further action than that
23 required by this act. This bond issue authorized by this act may be consolidated for the purpose of
24 issuance and sale with any other bond issue of the regional school district heretofore or hereafter
25 authorized; provided that, notwithstanding any such consolidation, the proceeds from the sale of
26 the bonds authorized by this act shall be expended for the purposes set forth above. The district
27 treasurer and the chairperson of the regional school district committee, on behalf of the regional
28 school district, are hereby authorized to execute such instruments, documents or other papers as
29 either of them deem necessary or desirable to carry out the intent of this act and are also authorized
30 to take all actions and execute all documents or agreements necessary to comply with federal tax
31 and securities laws, which documents or agreements may have a term coextensive with the maturity
32 of the bonds authorized hereby, including Rule 15c2-12 of the Securities and Exchange
33 Commission and to execute and deliver a continuing disclosure agreement or certificate in
34 connection with the bonds or notes.

1 SECTION 3. The regional school district committee may by resolution authorize the
2 issuance from time to time of interest bearing or discounted notes in anticipation of the issue of
3 bonds or in anticipation of the receipt of federal or state aid for the purposes of this act. The amount
4 of original notes issued in anticipation of bonds may not exceed the amount of bonds which may
5 be issued under this act and the amount of original notes issued in anticipation of federal or state
6 aid may not exceed the amount of available federal or state aid as estimated by the treasurer of the
7 regional school district. Temporary notes issued hereunder shall be signed by the district treasurer
8 and the chairperson of the regional school district committee and shall be payable within five (5)
9 years from their respective dates, but the principal of and interest on notes issued for a shorter
10 period may be renewed or paid from time to time by the issue of other notes hereunder; provided
11 the period from the date of an original note to the maturity of any note issued to renew or pay the
12 same debt or the interest thereon shall not exceed five (5) years. Any temporary notes in anticipation
13 of bonds issued under this section may be refunded prior to the maturity of the notes by the issuance
14 of additional temporary notes; provided that, no such refunding shall result in any amount of such
15 temporary notes outstanding at any one time in excess of two hundred percent (200%) of the amount
16 of bonds which may be issued under this act; and provided, further, that if the issuance of any such
17 refunding notes results in any amount of such temporary notes outstanding at any one time in excess
18 of the amount of bonds which may be issued under this act, the proceeds of such refunding notes
19 shall be deposited in a separate fund established with the bank which is paying agent for the notes
20 being refunded. Pending their use to pay the notes being refunded, monies in the fund shall be
21 invested for the benefit of the regional school district by the paying agent at the direction of the
22 treasurer of the regional school district in any investment permitted under Section 5. The monies
23 in the fund and any investments held as a part of the fund shall be held in trust and shall be applied
24 by the paying agent solely to the payment or prepayment of the principal of and interest on the
25 notes being refunded. Upon payment of all principal of and interest on the notes, any excess monies
26 in the fund shall be distributed to the regional school district committee. The regional school district
27 committee may pay the principal of and interest on notes in full from sources other than the issuance
28 of refunding notes prior to the issuance of bonds pursuant to Section 1 hereof. In such case, the
29 regional school district committee's authority to issue bonds or notes in anticipation of bonds under
30 this act shall continue; provided that, (1) The regional school district committee passes a resolution
31 evidencing the regional school district committee's intent to pay off the notes without extinguishing
32 the authority to issue bonds or notes; and (2) That the period from the date of an original note to
33 the maturity date of any other note shall not exceed five (5) years.

34 SECTION 4. Bonds and notes shall not be issued unless the Chariho Regional School

1 District has received a letter from the Rhode Island Department of Elementary and Secondary
2 Education confirming that the Board of Education has approved the facilities to be financed for
3 school housing aid and that the then-current reimbursement rate pursuant to §§ 16-7-35 through
4 16-7-47, as amended from time to time, or pursuant to any other law hereafter enacted providing
5 for funds to municipalities or regional school districts for school housing aid purposes, is not less
6 than sixty-one percent (61%) of debt service for eligible costs at the time of issuance. Such school
7 housing aid reimbursement rate or state share ratio may be increased through the award of
8 incentives pursuant to §§ 16-7-39, 16-7-40 and 16-105-3 at the completion of each project. Failure
9 of a project to be awarded state housing aid at a reimbursement rate or share ratio higher than sixty
10 one percent (61%) shall not affect the authority to issue the bonds under this act. Notwithstanding
11 any other provision of the general laws governing school housing aid reimbursement rates or share
12 ratios or any school-related regulations, for any project financed with proceeds of bonds issued
13 pursuant to this act, the school housing aid ratio for such project shall be increased by the
14 percentages provided in § 16-17-40 as it may be amended from time to time, so long as the
15 construction of the project commences by December 30, 2024 and is completed by December 30,
16 2029, or such later dates as set forth in § 16-7-40, as amended from time to time.

17 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
18 of any authorization or issue of notes hereunder, the district treasurer, with the approval of the
19 regional school district committee, may, to the extent that bonds or notes may be issued hereunder,
20 apply funds in the treasury of the regional school district committee to the purposes specified in
21 Section 2, such advances to be repaid without interest from the proceeds of bonds or notes
22 subsequently issued or from the proceeds of applicable federal or state assistance or from other
23 available funds.

24 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable federal
25 or state assistance, pending their expenditure, may be deposited or invested by the district treasurer
26 in demand deposits, time deposits or savings deposits in banks which are members of the Federal
27 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
28 America or by any agency or instrumentality thereof ("government obligations") or as may be
29 provided in any other applicable law of the State of Rhode Island or resolution of the regional
30 school district committee or pursuant to an investment policy of the regional school district
31 committee. Any bank deposits or investments, other than investments in government obligations,
32 must either be directly insured by the Federal Deposit Insurance Corporation or be collateralized
33 by government obligations which have a value equal to or greater than one hundred two percent
34 (102%) of the deposit or investment amount.

1 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
2 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
3 bonds or notes hereunder shall, in the discretion of the district treasurer, be applied to the cost of
4 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided, to
5 the payment of the cost of the projects, to the payment of the principal of or interest on bonds or
6 notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
7 marketing bonds or notes issued hereunder may also, in the discretion of the district treasurer, be
8 met from bond or note proceeds exclusive of accrued interest or from other monies available
9 therefor. If, upon completion of any of the projects there shall be any balance of bond or note
10 proceeds remaining not required for the payment of the costs of such project, such funds shall be
11 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
12 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
13 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues
14 of the regional school district from the member towns. In exercising any discretion under this
15 section, the treasurer shall be governed by any instructions adopted by resolution of the regional
16 school district committee.

17 SECTION 8. All bonds and notes issued under this act and the debts evidenced thereby
18 shall be obligatory on the regional school district committee in the same manner and to the same
19 extent as other debts are obligatory under the laws of this state on incorporated towns of this state
20 and they shall be excepted from the operating of § 45-12-2. Such debt evidenced by said bonds or
21 notes shall not be construed at any time to form a part of the debt of any individual town which is
22 a member of the regional school district for the purpose of ascertaining the borrowing capacity of
23 such town, nor shall said debt contracted by the regional school district in any way apply to the
24 operation of § 45-12-2, as amended, with respect to any member town. The regional school district
25 shall annually appropriate a sum sufficient to pay the principal and interest coming due within the
26 year on bonds and notes issued hereunder until such bonds and notes and the interest thereon are
27 paid in full.

28 SECTION 9. Any bonds or notes issued under the provisions of this act, if properly
29 executed by officers of the regional school district in office on the date of execution, shall be valid
30 and binding according to their terms notwithstanding that before the delivery thereof and payment
31 therefor any or all of such officers shall for any reason have ceased to hold office.

32 SECTION 10. The regional school district, acting by resolution of its regional school
33 district committee, is authorized to apply for, contract for and expend any federal or state advances
34 or other grants or assistance which may be available for the purposes of this act, and any such

1 expenditures may be in addition to other monies provided in this act. To the extent of any
2 inconsistency between any law of this state and any applicable federal law or regulation, the latter
3 shall prevail. Federal and state advances, with interest where applicable, whether contracted for
4 prior to or after the effective date of this act, may be repaid as project costs under Section 2.

5 SECTION 11. Bonds and notes may be issued under this act without obtaining the approval
6 of any governmental agency or the taking of any proceedings or the happening of any conditions
7 except as specifically required by this act for such issue. In carrying out any project financed in
8 whole or in part under this act, including where applicable the condemnation of any land or interest
9 in land, and in the levy and collection of assessments or other charges permitted by law on account
10 of any such project, all action shall be taken which is necessary to meet constitutional requirements
11 whether or not such action is otherwise required by statute; but the validity of bonds and notes
12 issued hereunder shall in no way depend upon the validity or occurrence of such action.

13 SECTION 12. All or any portion of the authority to issue bonds and notes under this act
14 may be extinguished by resolution of the regional school district committee, without further action
15 by the general assembly, seven (7) years after the effective date of this act.

16 SECTION 13. The question of the approval of this act shall be submitted to the electors of
17 the towns of Charlestown, Richmond and Hopkinton at a special election on May 7, 2024 or on
18 another date set by the regional school district committee, which election is subject to the provisions
19 of title 17. The question shall be submitted in substantially the following form: "Shall an Act passed
20 at the 2024 Session of the general assembly entitled, 'AN ACT AUTHORIZING THE CHARIHO
21 REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, FURNISHING AND
22 EQUIPPING OF THREE ELEMENTARY SCHOOLS (ONE IN EACH OF THE TOWNS OF
23 CHARLESTOWN, RICHMOND AND HOPKINTON) AND IMPROVEMENTS AT THE
24 SWITCH ROAD CAMPUS INCLUDING, BUT NOT LIMITED TO, COSTS OF DEMOLITION,
25 DESIGN, HEALTH AND SAFETY PROJECTS, PLAYGROUNDS, LANDSCAPING, PAVING
26 AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN
27 \$150,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE
28 HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS
29 THAN 61% AT THE TIME OF ISSUANCE, WHICH RATE OR RATIO MAY INCREASE TO
30 MORE THAN 76% AT PROJECT COMPLETION' be approved?" The warning for the election
31 shall contain the question to be submitted. From the time the election is warned and until it is held,
32 it shall be the duty of the town clerks of the respective towns of Charlestown, Richmond and
33 Hopkinton to keep a copy of the act available at their offices for public inspection, but the validity
34 of the election shall not be affected by this requirement. To the extent of any inconsistency between

1 this act and the home rule charter of any member town, this act shall prevail. Notwithstanding
2 anything contained in § 17-19-7 to the contrary, the towns' boards of canvassers may certify the
3 question to the secretary of state not later than thirty (30) days prior to the date set for the election.

4 SECTION 14. This section and section 13 shall take effect upon the passage of this act.
5 The remainder of this act shall take effect upon the approval of this act by a majority in each town
6 of those voting on the question at the election prescribed by the foregoing section.

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EXPLANATION

OF

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AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, FURNISHING AND EQUIPPING OF THREE ELEMENTARY SCHOOLS (ONE IN EACH OF THE TOWNS OF CHARLESTOWN, RICHMOND AND HOPKINTON) AND IMPROVEMENTS AT THE SWITCH ROAD CAMPUS INCLUDING, BUT NOT LIMITED TO, COSTS OF DEMOLITION, DESIGN, HEALTH AND SAFETY PROJECTS, PLAYGROUNDS, LANDSCAPING, PAVING AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN \$150,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 61% AT THE TIME OF ISSUANCE, WHICH RATE OR RATIO MAY INCREASE TO MORE THAN 76% AT PROJECT COMPLETION

1 This act would authorize the Chariho Regional School District to finance the construction,
2 furnishing and equipping of three (3) elementary schools (one in each of the towns of Charlestown,
3 Richmond and Hopkinton) and improvements at the Switch Road Campus including, but not
4 limited to, costs of demolition, design, health and safety projects, playgrounds, landscaping, paving
5 and all expenses incidental thereto by the issuance of not more than one hundred fifty million dollar
6 (\$150,000,000) bonds and/or notes therefor, subject to approval of state school housing aid at a
7 reimbursement rate of not less than sixty one percent (61%), which rate or ratio may increase to
8 more than seventy-six percent (76%) at project completion. This act would also provide that for
9 any project financed pursuant to this act, the school housing aid ratio for such project shall be
10 increased by the percentages provided in § 16-7-40, as long as the construction of the project
11 commences by December 30, 2024 and is completed by December 30, 2029, or such later dates as
12 may be set forth in § 16-7-40, as amended from time to time.

13 Sections 13 and 14 would take effect upon passage. The remainder of the act would take
14 effect upon approval of the act by a majority of the electors in each of the towns of Charlestown,
15 Richmond and Hopkinton.

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