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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

A N A C T

AUTHORIZING THE TOWN OF LITTLE COMPTON TO FINANCE HEALTH, SAFETY AND FIRE CODE-RELATED EMERGENCY REPAIRS, ALTERATIONS, RENOVATIONS, IMPROVEMENTS, LANDSCAPING AND EQUIPPING AND FURNISHING OF THE WILBUR & MCMAHON SCHOOLS AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS AND TO ISSUE NOT MORE THAN \$11,310,000 BONDS AND/OR NOTES THEREFOR

Introduced By: Representative Daniel P. Gordon

Date Introduced: February 16, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Little Compton is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding eleven million three hundred ten
3 thousand dollars (\$11,310,000) from time to time under its corporate name and seal. The bonds of
4 each issue may be issued in the form of serial bonds or term bonds or a combination thereof and
5 shall be payable either by maturity of principal in the case of serial bonds or by mandatory serial
6 redemption in the case of term bonds, in annual installments of principal, the first installment to
7 be not later than five (5) years and the last installment not later than thirty (30) years after the date
8 of the bonds. All such bonds of a particular issue may be issued in the form of zero coupon
9 bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof. Annual
10 installments of principal may be provided for by maturity of principal in the case of serial bonds
11 or by mandatory serial redemption in the case of term bonds. The amount of principal
12 appreciation each year on any bonds, after the date of original issuance, shall not be considered to
13 be principal indebtedness for the purposes of any constitutional or statutory debt limit or any
14 other limitation. The appreciation of principal after the date of original issue shall be considered
15 interest. Only the original principal amount shall be counted in determining the principal amount
16 so issued and any interest component shall be disregarded.

1 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
2 treasurer and the president of the town council and shall be issued and sold in such amounts as the
3 town council may authorize by resolution. The manner of sale, denominations, maturities, interest
4 rates and other terms, conditions and details of any bonds or notes issued under this act may be
5 fixed by proceedings of the town council authorizing the issue or by separate resolution of the
6 town council or, to the extent provisions for these matters are not so made, they may be fixed by
7 the officers authorized to sign the bonds or notes. Notwithstanding anything contained in this act
8 to the contrary, the town may enter into financing agreements with the Rhode Island Health and
9 Educational Building Corporation pursuant to title 16 chapter 7 and title 45 chapter 38.1 of the
10 general laws and, with respect to notes or bonds issued in connection with such financing
11 agreements, if any, the town may elect to have the provisions of title 45, chapter 38.1 of the
12 general laws apply to the issuance of the bonds or notes issued hereunder to the extent the
13 provisions of title 45, chapter 38.1 of the general laws are inconsistent herewith. Such election
14 may be fixed by the proceedings of the town council authorizing such issuance of by separate
15 resolution of the town council, or, to the extent provisions for these matters are not so made, they
16 may be fixed by the officers authorized to sign the bonds or notes. Interest coupons (if any) shall
17 bear the manual or facsimile signature of the town treasurer. The proceeds derived from the sale
18 of the bonds shall be delivered to the town treasurer, and such proceeds, exclusive of premium
19 and accrued interest, shall be expended: (a) To finance health, safety and fire code-related
20 emergency repairs, alterations, renovations, improvements, landscaping and equipping and
21 furnishing of, the Wilbur & McMahon schools and all attendant expenses including, but not
22 limited to, engineering and architectural costs (all of which shall be hereinafter referred to as the
23 “projects”); (b) In payment of the principal of or interest on temporary notes issued under section
24 3; (c) In repayment of advances under section 4; (d) In payment of related costs of issuance of
25 any bonds or notes; and/or (e) To finance capitalized interest on the projects. No purchaser of any
26 bonds or notes under this act shall be in any way responsible for the proper application of the
27 proceeds derived from the sale thereof. The projects shall be carried out and all contracts made
28 therefor on behalf of the town by the town council, or the town council may delegate such
29 authority to the town school committee. The proceeds of bonds or notes issued under this act, any
30 applicable federal or state assistance and the other moneys referred to in sections 6 and 9 shall be
31 deemed appropriated for the purposes of this act without further action than that required by this
32 act. The bond issue authorized by this act may be consolidated for the purposes of issuance and
33 sale with any other bond issue of the town heretofore or hereafter authorized, provided that,
34 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by

1 this act shall be expended for the purposes set forth above. The town treasurer and president of
2 the town council, on behalf of the town, are hereby authorized to execute such instruments,
3 documents or other papers as either of them deem necessary or desirable to carry out the intent of
4 this act and are also authorized to take all actions and execute all instruments, documents or
5 agreements necessary to comply with federal tax and securities laws, which instruments,
6 documents or agreements may have a term coextensive with the maturity of the bonds authorized
7 hereby, including Rule 15c2-12 of the Securities and Exchange Commission and to execute and
8 deliver a continuing disclosure agreement or certificate in connection with the bonds or notes.

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

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

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 town treasurer, with the approval of the town
9 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
10 treasury of the town to the purposes specified in section 2, such advances to be repaid without
11 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
12 applicable federal or state assistance or from other available funds.

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

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

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

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

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

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

31 SECTION 11. All or any portion of the authorized but unissued authority to issue bonds
32 and notes under this act may be extinguished by ordinance of the town council, without further
33 action by the general assembly.

34 SECTION 12. The question of the approval of this act shall be submitted to the electors

1 of the Town at a local election to be held on a date that shall be designated by the town council.

2 The question shall be submitted in substantially the following form:

3 “Shall an act, passed at the 2012 session of the general assembly entitled ‘AN ACT
4 AUTHORIZING THE TOWN OF LITTLE COMPTON TO FINANCE HEALTH, SAFETY
5 AND FIRE CODE-RELATED EMERGENCY REPAIRS, ALTERATIONS, RENOVATIONS,
6 IMPROVEMENTS, LANDSCAPING AND EQUIPPING AND FURNISHING OF, THE
7 WILBUR & MCMAHON SCHOOLS AND ALL ATTENDANT EXPENSES INCLUDING,
8 BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS AND TO ISSUE
9 NOT MORE THAN \$11,310,000 BONDS AND/OR NOTES THEREFOR’ be approved?” and

10 the warning for the election shall contain the question to be submitted. Notwithstanding anything
11 contained in Rhode Island General Laws section 17-19-7 to the contrary, the Little Compton
12 Board of Canvassers may certify the question to the Secretary of State not later than thirty (30)
13 days prior to the date set for any special town election. From the time the election is warned and
14 until it is held, it shall be the duty of the town clerk to keep a copy of this act available for public
15 inspection, but the validity of the election shall not be affected by this requirement. To the extent
16 of any inconsistency between this act and the town charter, this act shall prevail.

17 SECTION 1. Sections 12 and 13 shall take effect upon the passage of this act. The
18 remainder of this act shall take effect upon the approval of this act by a majority of those voting
19 on the question at the election prescribed by section 12.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF LITTLE COMPTON TO FINANCE HEALTH, SAFETY AND FIRE CODE-RELATED EMERGENCY REPAIRS, ALTERATIONS, RENOVATIONS, IMPROVEMENTS, LANDSCAPING AND EQUIPPING AND FURNISHING OF THE WILBUR & MCMAHON SCHOOLS AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS AND TO ISSUE NOT MORE THAN \$11,310,000 BONDS AND/OR NOTES THEREFOR

1 This act authorizes the town of Little Compton to issue not more than \$11,310,000 bonds
2 and notes to finance health, safety and fire code-related emergency repairs, alterations,
3 renovations, improvements, landscaping and equipping and furnishing of, the Wilbur &
4 McMahan schools and all attendant expenses including, but not limited to, engineering and
5 architectural costs.

6 Sections 12 and 13 of this act would take effect upon passage. The remainder of this act
7 would take effect upon approval by the electors of the town of the question or questions provided
8 for in section 12.

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