

2012 -- S 2923

=====  
LC02543  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

—————  
A N A C T

AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE IMPROVEMENT,  
REPLACEMENT, CONSTRUCTION, RENOVATION, REPAIR, RECONSTRUCTION  
AND/OR RESTORATION OF ROADWAYS, SIDEWALKS AND STORM DRAINS IN THE  
TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE THAN \$17,000,000 BONDS  
AND NOTES THEREFOR

Introduced By: Senators Sheehan, Sosnowski, and Gallo

Date Introduced: May 03, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The Town of Narragansett is hereby empowered, in addition to authority  
2 previously granted, to issue bonds to an amount not exceeding seventeen million dollars  
3 (\$17,000,000) from time to time under its corporate name and seal or a facsimile of such seal.  
4 The bonds of each issue may be issued in the form of serial bonds or term bonds or a combination  
5 thereof and shall be payable either by maturity of principal in the case of serial bonds or by  
6 mandatory serial redemption in the case of term bonds, in annual installments of principal, the  
7 first installment to be not later than five years and the last installment not later than thirty years  
8 after the date of the bonds. For each issue the amounts payable annually for principal and interest  
9 combined either shall be as nearly equal from year to year as is practicable in the opinion of the  
10 officers authorized to issue the bonds, or shall be arranged in accordance with a schedule  
11 providing for a more rapid amortization of principal.

12           SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town  
13 treasurer and the president of the Town Council and shall be issued and sold in such amounts as  
14 the Town Council may authorize by resolution. The manner of sale, denominations, maturities,  
15 interest rates and other terms, conditions and details of any bonds or notes issued under this act  
16 may be fixed by the resolution of the Town Council authorizing the issue or by separate  
17 resolution of the Town Council or, to the extent provisions for these matters are not so made, they

1 may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the  
2 sale of the bonds shall be delivered to the town treasurer, and such proceeds exclusive of  
3 premiums and accrued interest shall be expended for: (a) the improvement, replacement,  
4 construction, renovation, repair, reconstruction and/or restoration of roadways, sidewalks and  
5 storm drains in the Town of Narragansett and all costs incidental thereto; (b) in payment of the  
6 principal of or interest on temporary notes issued under Section 3 of this act; or (c) in repayment  
7 of advances under Section 4 of this act. No purchaser of any bonds or notes under this act shall be  
8 in any way responsible for the proper application of the proceeds derived from the sale thereof.  
9 The projects shall be carried out and all contracts made therefor on behalf of the Town by the  
10 Town Council or as may be otherwise directed by the Town Council. The proceeds of bonds or  
11 notes issued under this act, any applicable federal or state assistance and the other monies referred  
12 to in Section 6 of this act shall be deemed appropriated for the purposes of this act without further  
13 action than that required by this act. The bond issue authorized by this act may be consolidated  
14 for the purposes of issuance and sale with any other bond issue of the town heretofore or hereafter  
15 authorized, provided that, notwithstanding any such consolidation, the proceeds from the sale of  
16 the bonds authorized by this act shall be expended for the purposes set forth above.

17 SECTION 3. The Town Council may by resolution authorize the issue from time to time  
18 of interest bearing or discounted notes in anticipation of the authorization or issue of bonds or in  
19 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of  
20 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be  
21 issued under this act and the amount of original notes issued in anticipation of federal or state aid  
22 may not exceed the amount of available federal or state aid as estimated by the treasurer.  
23 Temporary notes issued hereunder shall be signed by the treasurer and by the president of the  
24 Town Council and shall be payable within five years from their respective dates, but the principal  
25 of and interest on notes issued for a shorter period may be renewed or paid from time to time by  
26 the issue of other notes hereunder, provided the period from the date of an original note to the  
27 maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed  
28 five years.

29 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu  
30 of any authorization or issue of notes hereunder, the treasurer, with the approval of the Town  
31 Council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the  
32 treasury of the Town to the purposes specified in section 2, such advances to be repaid without  
33 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of  
34 applicable federal or state assistance or from other available funds.

1           SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable  
2 federal or state assistance, pending their expenditure may be deposited or invested by the  
3 treasurer, in demand deposits, time deposits or savings deposits in banks which are members of  
4 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United  
5 States of America or by any agency or instrumentality thereof or as may be provided in any other  
6 applicable law of the State of Rhode Island.

7           SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder  
8 shall be applied to the payment of the first interest due thereon. Any premiums arising from the  
9 sale of bonds or notes hereunder and any earnings or net profit realized from the deposit or  
10 investment of funds hereunder shall, in the discretion of the treasurer, be applied to the cost of  
11 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided,  
12 to the payment of the cost of the projects or to the cost of additional improvements coming within  
13 the description of the projects in Section 2 of this act, to the payment of the principal of or interest  
14 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,  
15 issuing and marketing bonds or notes hereunder may also, in the discretion of the treasurer, be  
16 met from bond or note proceeds exclusive of accrued interest or from other monies available  
17 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the  
18 projects and said additional improvements and the cost of preparing, issuing and marketing bonds  
19 or notes hereunder shall be applied to the payment of the principal of or interest on bonds or notes  
20 issued hereunder. In exercising any discretion under this section, the treasurer shall be governed  
21 by any instructions adopted by resolution of the Town Council. The treasurer is authorized to take  
22 any action deemed by him or her necessary: (1) to assure that interest on the bonds or notes issued  
23 hereunder remains excludable from gross income of the recipients thereof for federal income tax  
24 purposes, including, without limitation, paying to the federal government any rebate of earnings  
25 derived from the deposit or investment of the proceeds of such bonds or notes that may be  
26 required therefor; (2) to qualify the bonds under Sections 54AA, 1400U-1, 1400U-2, or 6431 of  
27 the Internal Revenue Code of 1986, as amended, as Build America Bonds and/or Recovery Zone  
28 Economic Development Bonds or other similar federal programs; and (3) to comply with the  
29 requirements of federal law, including without being limited to regulations and other  
30 requirements of the Securities and Exchange Commission and the Municipal Securities  
31 Rulemaking Board, imposed directly on the Town or on the underwriters of such bonds and  
32 notes.

33           SECTION 7. All bonds or notes issued under this act and the debts evidenced thereby  
34 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully

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

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

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

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

30 SECTION 11. The question of the approval of this act shall be submitted to the electors  
31 of the town at an election on a date to be determined by the Town Council which occurs at least  
32 sixty days after the passage of this act. The question shall be submitted in substantially the  
33 following form: "Shall an act, passed at the 2012 session of the General Assembly, entitled " AN  
34 ACT AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE

1 IMPROVEMENT, REPLACEMENT, CONSTRUCTION, RENOVATION, REPAIR,  
2 RECONSTRUCTION AND/OR RESTORATION OF ROADWAYS, SIDEWALKS AND  
3 STORM DRAINS IN THE TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE  
4 THAN \$17,000,000 BONDS AND NOTES THEREFOR" be approved?" and the warning for the  
5 election shall contain the question to be submitted. The Town Board of Canvassers may combine  
6 any two or more voting districts for the election and when so combined shall be treated as a  
7 voting district. If so combined, the Town Board of Canvassers shall advertise the combination of  
8 districts in a newspaper of general circulation in the Town. From the time the election is warned  
9 and until it is held, it shall be the duty of the Town Clerk to keep a copy of the act available at his  
10 or her office for public inspection, but the validity of the election shall not be affected by this  
11 requirement.

12 SECTION 12. This section and Section 11 shall take effect upon passage. The remainder  
13 of this act shall take effect upon the approval of this act by a majority of those voting on the  
14 question at the election prescribed by Section 11.

=====  
LC02543  
=====

EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE IMPROVEMENT,  
REPLACEMENT, CONSTRUCTION, RENOVATION, REPAIR, RECONSTRUCTION  
AND/OR RESTORATION OF ROADWAYS, SIDEWALKS AND STORM DRAINS IN THE  
TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE THAN \$17,000,000 BONDS  
AND NOTES THEREFOR

\*\*\*

1           This act would authorize the town of Narragansett to issue bonds in an amount not to  
2 exceed \$17,000,000 for roadways, sidewalks and storm drains, subject to the approval of the  
3 town's voters.

4           This act would take effect upon approval by the town's voters.

=====  
LC02543  
=====