

2016 -- S 2963

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

AUTHORIZING THE TOWN OF NORTH PROVIDENCE TO ISSUE BONDS AND NOTES
IN AN AMOUNT NOT EXCEEDING \$75,000,000 TO FINANCE THE CONSTRUCTION,
RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND
EQUIPPING OF AND/OR ADDITIONS TO SCHOOLS AND SCHOOL FACILITIES IN THE
TOWN INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION OF TWO NEW
ELEMENTARY SCHOOLS AND HEALTH AND SAFETY IMPROVEMENTS TO
ELEMENTARY SCHOOLS, MIDDLE SCHOOLS AND THE HIGH SCHOOL

Introduced By: Senators Archambault, Ciccone, Nesselbush, E O'Neill, and Ruggerio

Date Introduced: May 10, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of North Providence is hereby empowered, in addition to
2 authority previously granted, to issue bonds in an amount not exceeding seventy-five million
3 dollars (\$75,000,000) from time to time under its corporate name and seal. The bonds of each
4 issue may be issued in the form of zero coupon bonds, capital appreciation bonds, serial bonds or
5 term bonds or a combination thereof and shall be payable either by maturity of principal in the
6 case of serial bonds or by mandatory serial redemption in the case of term bonds, in installments
7 of principal, the first installment to be not later than five (5) years and the last installment not
8 later than thirty (30) years after the date the bonds are issued. All such bonds of a particular issue
9 may be issued in the form of zero coupon bonds, capital appreciation bonds, serial bonds or term
10 bonds or a combination thereof, and may bear interest at a fixed rate or rates or at a variable or
11 auction rate or rates. The bonds may be sold by a negotiated sale or by competitive bid and may
12 be issued pursuant to a resolution or an indenture of trust. Annual installments of principal may
13 be provided for by maturity of principal in the case of serial bonds or by mandatory serial
14 redemption in the case of term bonds. The amount of principal appreciation each year on any
15 bonds, after the date of original issuance, shall not be considered to be principal indebtedness for
16 the purposes of any constitutional or statutory debt limit or any other limitation. The appreciation

1 of principal after the date of original issue shall be considered interest. Only the original principal
2 amount shall be counted in determining the principal amount so issued and any interest
3 component or premium shall be disregarded.

4 SECTION 2. The bonds shall be signed by the town director of finance, the mayor and
5 the president of the town council and shall be issued and sold in such amounts as the town council
6 may authorize. The manner of sale, denominations, maturities, interest rates and other terms,
7 conditions and details of any bonds or notes issued under this act may be fixed by the proceedings
8 of the town council authorizing the issue or by separate resolution of the town council or, to the
9 extent provisions for these matters are not so made, they may be fixed by the officers authorized
10 to sign the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to
11 the director of finance, and such proceeds exclusive of premiums and accrued interest shall be
12 expended: (1) For the construction, renovation, rehabilitation, repair, improvements, furnishing
13 and equipping of and/or additions to schools and school facilities in the town including, but not
14 limited to, the construction of two (2) new elementary schools and health and safety
15 improvements to elementary schools, middle schools and the high school; (2) For payment of the
16 principal or interest on temporary notes issued under section 3; (3) In payment of capitalized
17 interest on bonds or notes; (4) In repayment of advances under section 4; or (5) In payment of
18 related costs of issuance of any bonds or notes. No purchaser of any bonds or notes under this act
19 shall be in any way responsible for the proper application of the proceeds derived from the sales
20 thereof. The project shall be carried out and all contracts made therefor on behalf of the town by
21 the town council. The proceeds of bonds or notes issued under this act, any applicable federal or
22 state assistance and other monies referred to in sections 6 and 9, shall be deemed appropriated for
23 the purposes of this act without further action than that required by this act. The bond issue
24 authorized by this act may be consolidated for the purposes of issuance and sale with any other
25 bond issue of the town heretofore or hereafter authorized, provided that, notwithstanding any
26 such consolidation, the proceeds from the sale of the bonds authorized by this act shall be
27 expended for the purposes set forth above. The director of finance, the mayor and the president of
28 the town council, on behalf of the town, are hereby authorized to execute such instruments,
29 documents or other papers as either of them deem necessary or desirable to carry out the intent of
30 this act and are also authorized to take all actions and execute all documents or agreements
31 necessary to comply with federal tax and securities laws, which documents or agreements may
32 have a term coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-
33 12 of the Securities and Exchange Commission and to execute and deliver a continuing disclosure
34 agreement or certificate in connection with the bonds or notes.

1 SECTION 3. The town council may by resolution authorize the issue from time to time of
2 interest bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the
3 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in
4 anticipation of bonds may not exceed the amount of bonds which may be issued under this act
5 and the amount of original notes issued in anticipation of federal or state aid may not exceed the
6 amount of available federal or state aid as estimated by the director of finance. Temporary notes
7 issued hereunder shall be signed by the manual or facsimile signatures of the director of finance,
8 the mayor and the president of the town council and shall be payable within five (5) years from
9 their respective dates, but the principal of and interest on notes issued for a shorter period may be
10 renewed or paid from time to time by the issue of other notes thereunder, provided the period
11 from the date of an original note to the maturity or any note issued to renew or pay the same debt
12 or the interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of
13 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
16 amount of bonds which may be issued under this act, and provided further that if the issuance of
17 any such refunding notes results in any amount of such temporary notes outstanding at any one
18 time in excess of the amount of bonds which may be issued under this act, the proceeds of such
19 refunding notes shall be deposited in a separate fund established with the bank which is paying
20 agent for the notes being refunded. Pending their use to pay the notes being refunded, monies in
21 the fund shall be invested for the benefit of the town by the paying agent at the direction of the
22 director of finance in any investment permitted under section 5. The monies in the fund and any
23 investments held as a part of the fund shall be held in trust and shall be applied by the paying
24 agent solely to the payment or prepayment of the principal of and interest on the notes being
25 refunded. Upon payment of all principal of and interest on the notes, any excess monies in the
26 fund shall be distributed to the town. The town may pay the principal of and interest on notes in
27 full from other than the issuance of refunding notes prior to the issuance of bonds pursuant to
28 section 1 hereof. In such case, the town's authority to issue bonds or notes in anticipation of bonds
29 under this act shall continue provided that: (1) The town council passes a resolution evidencing
30 the town's intent to pay off the notes without extinguishing the authority to issue bonds or notes;
31 and (2) That the period from the date of an original note to the maturity date of any other note
32 shall not exceed five (5) years.

33 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
34 of any authorization or issue of notes hereunder, the director of finance, with the approval of the

1 town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
2 treasury of the town to the purposes specified in section 2, such advances to be repaid without
3 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
4 applicable federal or state assistance or from other available funds.

5 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable
6 federal or state assistance, pending their expenditure, may be deposited or invested by the director
7 of finance in demand deposits, time deposits or savings deposits in banks which are members of
8 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United
9 States of America or by any agency or instrumentality thereof or as may be provided in any other
10 applicable law of the state of Rhode Island or resolution of the town council or pursuant to an
11 investment policy of the town.

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

29 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby
30 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
31 contracted by it and shall be excepted from the operation of §45-12-2 of the general laws. No
32 such obligation shall at any time be included in the debt of the town for the purpose of
33 ascertaining its borrowing capacity. The town shall annually appropriate a sum sufficient to pay
34 the principal and interest coming due within the year on bonds and notes issued hereunder to the

1 extent that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
2 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
3 notwithstanding any provision of law to the contrary, all taxable property in the town shall be
4 subject to ad valorem taxation by the town without limitation as to rate or amount.

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

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

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

25 SECTION 11. All or any portion of the authority to issue bonds and notes under this act
26 may be extinguished by resolution of the town council, without further action by the general
27 assembly.

28 SECTION 12. The director of finance and the mayor and the president of the Town
29 Council, on behalf of the town, are hereby authorized to execute such documents or other papers
30 as either of them deem necessary or desirable to carry out the intent of this act and are also
31 authorized to take all actions and execute all documents or agreements necessary to comply with
32 federal tax and securities laws, which documents or agreements may have a term coextensive
33 with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the Securities and
34 Exchange Commission (the Rule) and to execute and deliver a continuing disclosure agreement

1 or certificate in connection with the bonds or notes in the form as shall be deemed advisable by
2 such officers in order to comply with the Rule.

3 SECTION 13. The question of the approval of this act shall be submitted to the electors
4 of the town at the next general or special election (other than a primary), or at an election on a
5 date as shall be designated by the town council. The question shall be submitted in substantially
6 the following form: "Shall an Act, passed at the 2016 session of the General Assembly, entitled,
7 'AN ACT AUTHORIZING THE TOWN OF NORTH PROVIDENCE TO ISSUE GENERAL
8 OBLIGATION BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$75,000,000 FOR
9 THE PURPOSE OF FINANCING THE CONSTRUCTION, RENOVATION,
10 REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND EQUIPPING OF
11 AND/OR ADDITIONS TO SCHOOLS AND SCHOOL FACILITIES IN THE TOWN
12 INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION OF TWO NEW
13 ELEMENTARY SCHOOLS AND HEALTH AND SAFETY IMPROVEMENTS TO
14 ELEMENTARY SCHOOLS, MIDDLE SCHOOLS AND THE HIGH SCHOOL' be approved?"
15 and the warning for the election shall contain the question to be submitted. From the time the
16 election is warned and until it is held, it shall be the duty of the town clerk to keep a copy of the
17 act available at the clerk's office for public inspection, but the validity of the election shall not be
18 affected by this requirement.

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

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF NORTH PROVIDENCE TO ISSUE BONDS AND NOTES
IN AN AMOUNT NOT EXCEEDING \$75,000,000 TO FINANCE THE CONSTRUCTION,
RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND
EQUIPPING OF AND/OR ADDITIONS TO SCHOOLS AND SCHOOL FACILITIES IN THE
TOWN INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION OF TWO NEW
ELEMENTARY SCHOOLS AND HEALTH AND SAFETY IMPROVEMENTS TO
ELEMENTARY SCHOOLS, MIDDLE SCHOOLS AND THE HIGH SCHOOL

- 1 This act would authorize the Town of North Providence to issue bonds and notes in an
- 2 amount not exceeding \$75,000,000 to finance the construction, renovation, rehabilitation, repair,
- 3 improvements, furnishing and equipping of and/or additions to schools and school facilities in the
- 4 town including, but not limited to, the construction of two (2) new elementary schools and health
- 5 and safety improvements to elementary schools, middle schools and the high school.
- 6 Sections 13 and 14 would take effect upon the passage of this act. The remainder of this
- 7 act would take effect upon the approval of this act by a majority of those voting on the question at
- 8 the election prescribed by the foregoing section.

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