

2023 -- S 1075

LC003093

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

**AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN
\$25,000,000 BONDS AND NOTES TO FINANCE AN INDOOR RECREATION
CENTER/EMERGENCY SHELTER**

Introduced By: Senators Valverde, and DiMario

Date Introduced: May 25, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of North Kingstown is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding twenty-five million dollars
3 (\$25,000,000) from time to time under its corporate name and seal or a facsimile of such seal. The
4 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 first
7 installment to be not later than five (5) years and the last installment not later than thirty (30) 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 providing
11 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 the
14 town council may authorize by resolution. The manner of sale, denominations, maturities, interest
15 rates and other terms, conditions and details of any bonds or notes issued under this act may be
16 fixed by the resolution of the town council authorizing the issue or by separate resolution of the
17 town council or, to the extent provisions for these matters are not so made, they may be fixed by
18 the officers authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds

1 shall be delivered to the town treasurer, and such proceeds exclusive of premiums and accrued
2 interest shall be expended for: (1) Land acquisition, construction and other improvements and/or
3 related furniture, fixtures and equipment for an indoor recreation center which may also be used as
4 an emergency shelter and other town functions, and all costs incidental thereto; (2) In payment of
5 the principal of or interest on temporary notes issued under Section 3 of this act; or (3) In repayment
6 of advances under Section 4 of this act. No purchaser of any bonds or notes under this act shall be
7 in any way responsible for the proper application of the proceeds derived from the sale thereof. The
8 projects shall be carried out and all contracts made therefor on behalf of the town by the town
9 council or as may be otherwise directed by the town council. The proceeds of bonds or notes issued
10 under this act, any applicable federal or state assistance and the other monies referred to in Section
11 6 of this act shall be deemed appropriated for the purposes of this act without further action than
12 that required by this act. The bond issue authorized by this act may be consolidated for the purposes
13 of issuance and sale with any other bond issue of the town heretofore or hereafter authorized;
14 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds
15 authorized by this act shall be expended for the purposes set forth above.

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

1 town by the paying agent at the direction of the treasurer in any investment permitted under Section
2 5. The monies in the fund and any investments held as a part of the fund shall be held in trust and
3 shall be applied by the paying agent solely to the payment or prepayment of the principal and
4 interest on the notes being refunded. Upon payment of all principal and interest on the notes being
5 refunded, any excess monies in the fund shall be distributed by the paying agent to the town. The
6 town may pay the principal of and interest on the notes in full or in part from other than the issuance
7 of refunding notes prior to the issuance of bonds pursuant to Section 1 hereof. In such case the
8 town's authority to issue bonds or notes in anticipation of bonds under this act shall continue:
9 provided that: (1) The town council passes a resolution evidencing the town's intent to pay off the
10 notes without extinguishing the authority to issue bonds or notes; and (2) That the period from the
11 date of the original note to the maturity of any other note shall not exceed five (5) years.

12 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
13 of any authorization or issue of notes hereunder, the treasurer, with the approval of the town
14 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the treasury
15 of the town to the purposes specified in Section 2, such advances to be repaid without interest from
16 the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal or
17 state assistance or from other available funds.

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

25 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
26 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
27 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of
28 funds hereunder shall, in the discretion of the treasurer, be applied to the cost of preparing, issuing
29 and marketing bonds or notes hereunder to the extent not otherwise provided, to the payment of the
30 cost of the projects or to the cost of additional improvements coming within the description of the
31 projects in Section 2 of this act, to the payment of the principal of or interest on bonds or notes
32 issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
33 marketing bonds or notes hereunder may also, in the discretion of the treasurer, be met from bond
34 or note proceeds exclusive of accrued interest or from other monies available therefor. Any balance

1 of bond or note proceeds remaining after payment of the cost of the projects and said additional
2 improvements and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
3 applied to the payment of the principal of or interest on bonds or notes issued hereunder. In
4 exercising any discretion under this section, the treasurer shall be governed by any instructions
5 adopted by resolution of the town council. The treasurer is authorized to take any action deemed
6 by him or her necessary: (1) To assure that interest on the bonds or notes issued hereunder remains
7 excludable from gross income of the recipients thereof for federal income tax purposes, including,
8 without limitation, paying to the federal government any rebate of earnings derived from the deposit
9 or investment of the proceeds of such bonds or notes that may be required therefor; (2) To comply
10 with the requirements of federal law, including without being limited to regulations and other
11 requirements of the Securities and Exchange Commission and the Municipal Securities
12 Rulemaking Board, imposed directly on the town or on the underwriters of such bonds and notes;
13 and/or (3) If applicable, to comply with the provisions of chapter 12.2 of title 46; including making
14 all necessary contracts and agreements to issue bonds and/or notes through the Rhode Island
15 infrastructure bank.

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

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

30 SECTION 9. The town, acting by resolution of its town council is authorized to apply for,
31 contract for and expend any federal or state advances or other grants or assistance which may be
32 available for the purposes of this act, and any such expenditures may be in addition to other monies
33 provided in this act. To the extent of any inconsistency between any law of this state and any
34 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest

1 where applicable, whether contracted for prior to or after the effective date of this act, may be
2 repaid as project costs under Section 2.

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

12 SECTION 11. The question of the approval of this act shall be submitted to the electors of
13 the town at an election on a date to be determined by the town council which occurs at least sixty
14 (60) days after the passage of this act. The question shall be submitted in substantially the following
15 form: "Shall an act, passed at the 2023 session of the General Assembly, entitled 'AN ACT
16 AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN
17 \$25,000,000 BONDS AND NOTES TO FINANCE AN INDOOR RECREATION CENTER/
18 EMERGENCY SHELTER' be approved?" and the warning for the election shall contain the
19 question to be submitted. The town board of canvassers may combine any two (2) or more voting
20 districts for the election and when so combined shall be treated as a voting district. If so combined,
21 the town board of canvassers shall advertise the combination of districts in a newspaper of general
22 circulation in the town. From the time the election is warned and until it is held, it shall be the duty
23 of the town clerk to keep a copy of the act available at his or her office for public inspection, but
24 the validity of the election shall not be affected by this requirement.

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

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EXPLANATION

OF

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AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN
\$25,000,000 BONDS AND NOTES TO FINANCE AN INDOOR RECREATION
CENTER/EMERGENCY SHELTER

1 This act would authorize the town of North Kingstown to issue bonds in the amount of
2 twenty-five million dollars (\$25,000,000) to finance an indoor recreation center/emergency shelter
3 upon voter approval.

4 Section 11 would take effect upon passage. The remainder of this act would take effect
5 upon the approval of this act by a majority of those voting on the question at the election prescribed
6 in Section 11.

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