

2014 -- S 2268

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR THE CONSTRUCTION AND RECONSTRUCTION OF STREETS, SIDEWALKS AND BRIDGES IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$3,500,000 BONDS AND NOTES TO EVIDENCE LOANS THEREFOR FROM THE MUNICIPAL ROAD AND BRIDGE REVOLVING FUND ADMINISTERED BY THE RHODE ISLAND CLEAN WATER FINANCE AGENCY

Introduced By: Senators Doyle, Conley, Crowley, and Nesselbush

Date Introduced: February 04, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Pawtucket is hereby authorized, in addition to authority
2 previously granted, to issue bonds up to an amount not exceeding three million five hundred
3 thousand dollars (\$3,500,000) from time to time under its corporate name and seal or a facsimile
4 of such seal to evidence loans from the municipal road and bridge revolving fund administered by
5 the Rhode Island Clean Water Finance Agency in accordance with chapter 24-18 of the general
6 laws. The bonds of each issue may be issued in the form of serial bonds or term bonds or a
7 combination thereof and shall be payable either by maturity of principal in the case of serial
8 bonds or by mandatory sinking fund installments in the case of term bonds, in annual installments
9 of principal, the first installment to be not later than three (3) years and the last installment not
10 later than thirty (30) years after the date of the bonds.

11 SECTION 2. The bonds shall be signed by the city treasurer and by the manual or
12 facsimile signature of the mayor and be issued and sold in such amounts as the city council may
13 determine by resolution. The denominations, maturities, interest rates and other terms, conditions
14 and details of any bonds or notes issued under this act may be fixed by the proceedings of the city
15 council authorizing the issue or by separate resolution of the city council or, to the extent
16 provisions for these matters are not so made, they may be fixed by the officers authorized to sign

1 the bonds or notes. The city may enter into agreements with the Rhode Island Clean Water
2 Finance Agency in accordance with chapter 24-18 of the general laws, coextensive with the term
3 of the bonds, notes or other evidences of indebtedness. The proceeds derived from the sale of the
4 bonds, exclusive of premiums and accrued interest shall be expended: (a) for the construction and
5 reconstruction of streets, sidewalks and bridges in the city of Pawtucket (the "project"); (b) in the
6 payment of the principal of or interest on temporary notes issued under section 3; (c) in
7 repayment of advances under section 4; (d) in payment of related costs of issuance of any bonds
8 or notes and/or (e) in payment of capitalized interest during construction of the project. No
9 purchaser of any bonds or notes under this act shall be in any way responsible for the proper
10 application of the proceeds derived from the sale thereof. The proceeds of bonds or notes issued
11 under this act, any applicable federal or state assistance and the other monies referred to in
12 sections 6 and 9 shall be deemed appropriated for the purposes of this act without further action
13 than that required by this act.

14 SECTION 3. This city council may by resolution authorize the issuance from time to
15 time of interest bearing or discounted notes in anticipation of the issue of bonds under section 2
16 or in anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
17 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
18 issued under this act and the amount of original notes issued in anticipation of federal or state aid
19 may not exceed the amount of available federal or state aid as estimated by the city treasurer.
20 Temporary notes issued hereunder shall be signed by the manual or facsimile signatures of the
21 city treasurer and the mayor and shall be payable within five (5) years from their respective dates,
22 but the principal of and interest on notes issued for a shorter period may be renewed or paid from
23 time to time by the issue of other notes hereunder, provided the period from the date of an
24 original note to the maturity of any note issued to renew or pay the same debt or the interest
25 thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds issued under
26 this section may be refunded prior to the maturity of the notes by the issuance of additional
27 temporary notes, provided that no such refunding shall result in any amount of such temporary
28 notes outstanding at any one time in excess of two hundred percent (200%) of the amount of
29 bonds which may be issued under this act, and provided further that if the issuance of any such
30 refunding notes results in any amount of such temporary notes outstanding at any one time in
31 excess of the amount of bonds which may be issued under this act, the proceeds of such refunding
32 notes shall be deposited in a separate fund established with the bank which is paying agent for the
33 notes being refunded. Pending their use to pay the notes being refunded, moneys in the fund shall
34 be invested for the benefit of the city by the paying agent at the discretion of the city treasurer in

1 any investment permitted under section 5. The moneys in the fund and any investments held as a
2 part of the fund shall be held in trust and shall be applied by the paying agent solely to the
3 payment or prepayment of the principal of and interest on the notes being refunded. Upon
4 payment of all principal of and interest on the notes, any excess moneys in the fund shall be
5 distributed to the city. The city may pay the principal of and interest on notes in full from other
6 than the issuance of refunding notes prior to the issuance of bonds pursuant to section 1 hereof. In
7 such case, the city's authority to issue bonds or notes in anticipation of bonds under this act shall
8 continue provided that 1) the city council passes a resolution evidencing the city's intent to pay
9 off the notes without extinguishing the authority to issue bonds or notes and 2) that the period
10 from the date of an original note to the maturity date of any other note shall not exceed five (5)
11 years. Section 5-106 of the city charter shall not apply to the issue of notes on anticipation of
12 bonds.

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

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

26 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
27 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
28 sale of bonds or notes hereunder and, to the extent permitted by applicable federal laws, any net
29 earnings or profits realized from the deposit or investment of funds hereunder shall, in the
30 discretion of the city treasurer, be applied to the cost of preparing, issuing, and marketing bonds
31 or notes hereunder to the extent not otherwise provided, to the payment of the cost of the project,
32 to the payment of the principal of or interest on bonds or notes issued hereunder, to the revenues
33 of the city and dealt with as part of the revenues of the city from property taxes to the extent
34 permitted by federal law, or to any one or more of the foregoing. The cost of preparing, issuing,

1 and marketing bonds or notes hereunder may also, in the discretion of the city treasurer, be met
2 from bond or note proceeds exclusive of premium and accrued interest or from other monies
3 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
4 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
5 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
6 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
7 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the
8 revenues of the city from property taxes. In exercising any discretion under this section, the city
9 treasurer shall be governed by any instructions adopted by resolution of the city council.

10 SECTION 7. All bonds and notes issued under this act and the debt evidenced hereby
11 shall be obligatory on the city in the same manner and to the same extent as other debts lawfully
12 contracted by it and shall be subject to the maximum aggregate indebtedness permitted to be
13 issued by any city or town under § 45-12-2. The city shall annually appropriate a sum sufficient
14 to pay the principal and interest coming due within the year on bonds and notes issued hereunder
15 to the extent that monies therefor are not otherwise provided. If such sum is not appropriated, it
16 shall nevertheless be added to the annual tax levy. In order to provide such sum in each year and
17 notwithstanding any provision of law to the contrary, all taxable property in the city shall be
18 subject to ad valorem taxation by the city without limitation as to rate or amount.

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

23 SECTION 9. The city, acting by resolution of its city council is authorized to apply for,
24 contract for and expend any federal or state advances or other grants of assistance which may be
25 available for the purposes of this act, and any such expenditures may be in addition to other
26 monies provided in this act. To the extent of any inconsistency between any law of this state and
27 any applicable federal law or regulation, the latter shall prevail. Federal and state advances, with
28 interest where applicable, whether contracted for prior to or after the effective date of this act,
29 may be repaid as a cost of the project under section 2.

30 SECTION 10. Bonds and notes may be issued under this act without obtaining the
31 approval of any governmental agency or the taking of any proceedings or the happening of any
32 conditions except as specifically required by this act for such issue. In carrying out any project
33 financed in whole or in part under this act, including where applicable the condemnation of any
34 land or interest in land, and in the levy and collection of assessments or other charges permitted

1 by law on account of any such project, all action shall be taken which is necessary to meet
2 constitutional requirements whether or not such action is otherwise required by statute, but the
3 validity of bonds and notes issued hereunder shall in no way depend upon the validity or
4 occurrence of such action. Without limiting the generality of the foregoing, the validity of bonds
5 and notes issued hereunder shall in no way be affected by §§ 2-308 and 4-1602 of the city charter,
6 and the purposes of this act shall be deemed to constitute a single project under article V of the
7 city charter.

8 SECTION 11. The city treasurer and the mayor, on behalf of the city are hereby
9 authorized to execute such instruments, documents or other papers as either of the foregoing
10 deem necessary or desirable to carry out the intent of this act and are also authorized to take all
11 actions and execute all documents necessary to comply with federal tax and securities laws,
12 which documents or agreements may have a term coextensive with the maturity of the bonds
13 authorized hereby, including Rule 15c2-12 of the Securities and Exchange Commission (the
14 Rule) and to execute and deliver a continuing disclosure agreement or certificate in connection
15 with the bonds or notes in the form as shall be deemed advisable by such officers in order to
16 comply with the Rule.

17 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds
18 and notes under this act may be extinguished by resolution of the city council, without further
19 action by the general assembly, seven (7) years after the effective date of this act.

20 SECTION 13. To the extent of any inconsistency between this act and any private,
21 public, general, or any other law, and the city charter and city ordinances, this act shall prevail.
22 This act shall take effect upon passage in conformity with the reserved powers of the General
23 Assembly pursuant to Article XIII, Section 5 of the Constitution of the State of Rhode Island and
24 Providence Plantations.

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EXPLANATION

OF

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AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR THE CONSTRUCTION AND RECONSTRUCTION OF STREETS, SIDEWALKS AND BRIDGES IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$3,500,000 BONDS AND NOTES TO EVIDENCE LOANS THEREFOR FROM THE MUNICIPAL ROAD AND BRIDGE REVOLVING FUND ADMINISTERED BY THE RHODE ISLAND CLEAN WATER FINANCE AGENCY

1 This act would authorize the city of Pawtucket to issue not more than \$3,500,000 general
2 obligation bonds and notes to evidence loans from the municipal road and bridge revolving loan
3 fund administered by the Rhode Island Clean Water Finance Agency to finance the construction
4 and reconstruction of streets, sidewalks and bridges in the city of Pawtucket.

5 This act would take effect upon passage.

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