

2014 -- S 3026

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

AUTHORIZING THE TOWN OF EAST GREENWICH TO FINANCE THE CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR, IMPROVEMENT AND LANDSCAPING OF ROADS, SIDEWALKS AND DRAINAGE FACILITIES IN THE TOWN, AND ALL COSTS INCIDENTAL OR RELATED THERETO INCLUDING, BUT NOT LIMITED TO, ENGINEERING COSTS AND APPROVING THE ISSUANCE OF BONDS AND NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$2,000,000

Introduced By: Senator Dawson T.Hodgson

Date Introduced: May 22, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

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

15 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
16 director of finance and the president of the town council and shall be issued and sold in such

1 amounts as the town council may authorize by resolution. The manner of sale, denominations,
2 maturities, interest rates and other terms, conditions and details of any bonds or notes issued
3 under this act may be fixed by proceedings of the town council authorizing the issue or by
4 separate resolution of the town council or, to the extent provisions for these matters are not so
5 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds
6 derived from the sale of the bonds shall be delivered to the director of finance, and such proceeds,
7 exclusive of premium and accrued interest, shall be expended as follows: (1) to finance the
8 construction, renovation, rehabilitation, repair, improvement and landscaping of roads, sidewalks
9 and drainage facilities in the town, and all costs incidental or related thereto including, but not
10 limited to, engineering costs ("the project"); (2) in payment of the principal of or interest on
11 temporary notes issued under section three; (3) in repayment of advances under section four; (4)
12 in payment of the costs associated with the issuance of bonds or notes hereunder; and/or (5) in
13 payment of capitalized interest during construction of the project. No purchaser of any bonds or
14 notes under this act shall be in any way responsible for the proper application of the proceeds
15 derived from the sale thereof. The project shall be carried out and contracts made therefore by the
16 town council on behalf of the town. The proceeds of bonds or notes issued under this act, in the
17 applicable federal or state assistance and the other monies referred to in sections six and nine
18 shall be deemed appropriated for the purposes of this act without further action than that required
19 by this act. This bond issue authorized by this act shall be consolidated for the purposes of
20 issuance and sale with any other bond issue of the town heretofore and hereafter authorized,
21 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds
22 authorized by this act shall be expended for the purposes set forth above. The town finance
23 director and the president of the town council, on behalf of the town, are hereby authorized to
24 execute such instruments, documents or other papers as either of them deem necessary or
25 desirable to carry out the intent of this act and are also authorized to take all actions and execute
26 such instruments, documents or agreements necessary to comply with federal tax and securities
27 laws, which documents or agreements may have a term coextensive with the maturity of the
28 bonds authorized hereby.

29 SECTION 3. The town council may by resolution authorize the issuance from time to
30 time of interest bearing or discounted notes in anticipation of bonds or in anticipation of the
31 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in
32 anticipation of bonds may not exceed the amount of bonds which may be issued under this act
33 and the amount of original notes issued in anticipation of federal or state aid may not exceed the
34 amount of available federal or state aid as estimated by the director of finance. Temporary notes

1 issued hereunder shall be signed by the manual or facsimile signatures of the director of finance
2 and the president of the town council and shall be payable within five (5) years from their
3 respective dates, but the principal of and interest on notes issued for a shorter period may be
4 renewed or paid from time to time by the issue of other notes hereunder, provided the period from
5 the date of an original note to the maturity of any note issued to renew or pay the same debt or
6 interest thereon shall not exceed five (5) years. The town may pay the principal of and interest on
7 notes in full from other than the issuance of refunding notes prior to the issuance of bonds
8 pursuant to section 1 hereof. In such case, the town's authority to issue bonds or notes in
9 anticipation of bonds under this act shall continue provided that: (1) the town council passes a
10 resolution evidencing to town's intent to pay off the notes; and (2) that the period from the date of
11 an original note to the maturity date of any other note shall not exceed five (5) years. Any
12 temporary notes in anticipation of bonds issued under this section may be refunded prior to the
13 maturity of the notes by the issuance of additional temporary notes, provided that no such
14 refunding shall result in any amount of such temporary notes outstanding at any one time in
15 excess of two hundred percent (200%) of the amount of bonds which may be issued under this
16 act, and provided further that if the issuance of any such refunding notes results in any amount of
17 such temporary notes outstanding at any one time in excess of the amount of bonds which may be
18 issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
19 established with the bank which is paying agent for the notes being refunded. Pending their use to
20 pay the notes being refunded, monies in the fund shall be invested for the benefit of the town by
21 the paying agent at the direction of the director of finance in any investment permitted under
22 section five. The monies in the fund and any investments held as part of the fund shall be held in
23 trust and shall be applied by the paying agent solely to the payment or prepayment of the
24 principal of and interest on the notes being refunded. Upon payment of all principal of and
25 interest on the notes, any excess monies in the fund shall be distributed to the town.

26 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
27 of any authorization or issue of notes hereunder, the director of finance, with the approval of the
28 town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
29 treasury of the town to the purposes specified in section two, such advances to be repaid without
30 interest from the proceeds of the bonds or notes subsequently issued from the proceeds of
31 applicable federal or state assistance or from other available funds.

32 SECTION 5. Any proceeds or bonds or notes issued hereunder or of any applicable
33 federal or state assistance, pending their expenditure, may be deposited or invested by the director
34 of finance in demand deposits, time deposits, or savings deposits in banks which are members of

1 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United
2 States of America or by any agency or instrumentality thereof or as may be provided in any other
3 applicable law of the State of Rhode Island or resolution of the town council or pursuant to an
4 investment policy of the town.

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

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

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

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

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

16 SECTION 11. The town director of finance and the president of the town council, on
17 behalf of the town, are hereby authorized to execute such instruments, documents or other papers
18 as either of them deem necessary or desirable to carry out the intent of this act and are also
19 authorized to take all actions and execute all instruments, documents or agreements necessary to
20 comply with federal tax and securities laws, which instruments, documents or agreements may
21 have a term coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-
22 12 of the Securities and Exchange Commission (the "Rule") and to execute and deliver a
23 continuing disclosure agreement or certificate in connection with the bonds or notes in the form
24 as shall be deemed advisable by such officers in order to comply with the Rule.

25 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds
26 and notes under this act may be extinguished by ordinance of the town council after seven (7)
27 years have passed from the approval of this act provided for in section 13, without further action
28 by the general assembly.

29 SECTION 13. At a general or local election to be held on a date designated by the town
30 council, there shall be submitted to electors of the town a question in substantially the following
31 form: "Shall an act passed at the 2014 session of the general assembly entitled 'AN ACT
32 AUTHORIZING THE TOWN OF EAST GREENWICH TO FINANCE THE
33 CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR, IMPROVEMENT AND
34 LANDSCAPING OF ROADS, SIDEWALKS AND DRAINAGE FACILITIES IN THE TOWN,

1 AND ALL COSTS INCIDENTAL OR RELATED THERETO INCLUDING, BUT NOT
2 LIMITED TO, ENGINEERING COSTS AND APPROVING THE ISSUANCE OF BONDS
3 AND NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$2,000,000' be approved?"
4 and the warning for the election shall contain the question to be submitted. From the time the
5 election is warned and until it is held, it shall be the duty of the town clerk to keep a copy of this
6 act available at the clerk's office for public inspection, but the validity of the election shall not be
7 affected by this requirement. To the extent of any inconsistency between this act and the town
8 charter, this act shall prevail.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

AUTHORIZING THE TOWN OF EAST GREENWICH TO FINANCE THE
CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR, IMPROVEMENT AND
LANDSCAPING OF ROADS, SIDEWALKS AND DRAINAGE FACILITIES IN THE TOWN,
AND ALL COSTS INCIDENTAL OR RELATED THERETO INCLUDING, BUT NOT
LIMITED TO, ENGINEERING COSTS AND APPROVING THE ISSUANCE OF BONDS
AND NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$2,000,000

1 This act would authorize the Town of East Greenwich to issue not more than \$2,000,000
2 bonds and notes to finance the construction, renovation, rehabilitation, repair, improvement and
3 landscaping of roads, sidewalks and drainage facilities in the town.

4 Sections 13 and 14 would take effect upon passage. The remainder of the act would take
5 effect upon approval of the question provided for in Section 13.

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