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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED \$98,500,000
GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE DESIGN,
CONSTRUCTION, REPAIR, REHABILITATION, REPLACEMENT AND IMPROVEMENT
OF INFRASTRUCTURE AND MUNICIPAL FACILITIES IN THE CITY'S
NEIGHBORHOODS, INCLUDING, BUT NOT LIMITED TO, LAND ACQUISITION,
DEMOLITION, LANDFILL REMEDIATION, STREETS, SIDEWALKS, PUBLIC PARKS,
BRIDGES, SEWERS, DRAINAGE, CITY BUILDINGS, AND RECREATION, BEACH AND
HARBOR FACILITIES

Introduced By: Representatives Carson, and Abney

Date Introduced: March 20, 2024

Referred To: House Municipal Government & Housing

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Newport is hereby authorized, in addition to authority previously
2 granted, to issue bonds (the “bonds”) up to an amount not exceeding ninety-eight million five
3 hundred thousand dollars (\$98,500,000) from time to time under its corporate name and seal or a
4 facsimile of such seal. The bonds of each issue may be issued in the form of serial bonds or term
5 bonds or a combination thereof and shall be payable either by maturity of principal in the case of
6 serial bonds or by mandatory sinking fund installments in the case of term bonds, in annual
7 installments of principal, the first installment to be not later than five (5) years and the last
8 installment not later than thirty (30) years after the date of the bonds. All such bonds of a particular
9 issue may be issued in the form of zero coupon bonds, capital appreciation bonds, serial bonds or
10 term bonds or a combination thereof. The amount of principal appreciation each year on any bonds,
11 after the date of original issuance, shall not be considered to be principal indebtedness for the
12 purposes of any constitutional or statutory debt limit or any other limitation. The appreciation of
13 principal after the date of original issue shall be considered interest. Only the original principal
14 amount shall be counted in determining the principal amount so issued and any interest component
15 shall be disregarded.

1 SECTION 2. The city shall be eligible for school housing aid reimbursement on debt
2 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
3 proceeds of bonds issued by the State of Rhode Island (the “state”), from the Rhode Island
4 Department of Education (“RIDE”) or from the Rhode Island School Building Authority to the
5 extent that bonds are issued for projects which are schools and school facilities.

6 SECTION 3. The bonds shall be signed by the city director of finance and by the manual
7 or facsimile signature of the mayor and be issued and sold in such amounts as the city council may
8 determine by resolution. The manner of sale, denominations, maturities, interest rates and other
9 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
10 proceedings of the city council authorizing the issue or by separate resolution of the city council
11 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
12 authorized to sign the bonds or notes. Notwithstanding anything contained in this act to the contrary
13 for projects which are school facilities, the city may enter into financing agreements with the Rhode
14 Island Health and Educational Building Corporation pursuant to chapter 7 of title 16 and chapter
15 38.1 of title 45 and, with respect to bonds or notes issued in connection with such financing
16 agreements, if any, the city may elect to have the provisions of chapter 38.1 of title 45 apply to the
17 issuance of the bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title
18 45 are inconsistent herewith. In addition, the city may enter into financing agreements with the
19 Rhode Island infrastructure bank pursuant to the provisions of chapter 12.2 of title 46 and, with
20 respect to bonds or notes issued in connection with such financing agreements, if any, the city may
21 elect to have the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes
22 issued hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith.
23 Such election may be fixed by the proceedings of the city council authorizing such issuance of by
24 separate resolution of the city council, or, to the extent provisions for these matters are not so made,
25 they may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from
26 the sale of the bonds shall be delivered to the city director of finance, and such proceeds, exclusive
27 of premiums and accrued interest, shall be expended: (1) To finance all costs relating to the design,
28 construction, repair, rehabilitation, replacement and improvement of infrastructure and municipal
29 facilities in the city's neighborhoods, including, but not limited to, land acquisition, demolition,
30 landfill remediation, streets, sidewalks, public parks, bridges, sewers, drainage, city buildings, and
31 recreation, beach and harbor facilities (the “projects”); (2) In payment of the principal of or interest
32 on temporary notes issued under section 4; (3) In repayment of advances under section 5; (4) In
33 payment of related costs of issuance of any bonds or notes; and/or (5) In payment of capitalized
34 interest during construction of the projects. No purchaser of any bonds or notes under this act shall

1 be in any way responsible for the proper application of the proceeds derived from the sale thereof.
2 The proceeds of bonds or notes issued under this act, any applicable federal or state assistance and
3 the other monies referred to in sections 7 and 10 shall be deemed appropriated for the purposes of
4 this act without further action than that required by this act. The bonds authorized by this act may
5 be consolidated for the purpose of issuance and sale with any other bonds of the city heretofore or
6 hereafter authorized; provided that, notwithstanding any such consolidation, the proceeds from the
7 sale of the bonds authorized by this act shall be expended for the purposes set forth above.

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

1 authority to issue bonds or notes in anticipation of bonds under this act shall continue; provided
2 that, (1) The city council passes a resolution evidencing the city's intent to pay off the notes without
3 extinguishing the authority to issue bonds or notes; and (2) That the period from the date of an
4 original note to the maturity date of any other note shall not exceed five (5) years.

5 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
6 of any authorization or issue of notes hereunder, the city director of finance, with the approval of
7 the city council may, to the extent that bonds or notes may be issued hereunder, apply funds in the
8 general treasury of the city to the purposes specified in section 3, such advances to be repaid without
9 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
10 federal or state assistance or from other available funds.

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

18 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
19 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
20 bonds or notes hereunder and, to the extent permitted by applicable federal laws, any net earnings
21 or profits realized from the deposit or investment of funds hereunder shall, in the discretion of the
22 city director of finance, be applied to the cost of preparing, issuing, and marketing bonds or notes
23 hereunder to the extent not otherwise provided, to the payment of the cost of the projects, to the
24 payment of the principal of or interest on bonds or notes issued hereunder, to the revenues of the
25 city and dealt with as part of the revenues of the city from property taxes to the extent permitted by
26 federal law, or to any one or more of the foregoing. The cost of preparing, issuing, and marketing
27 bonds or notes hereunder may also, in the discretion of the city director of finance, be met from
28 bond or note proceeds exclusive of premium and accrued interest or from other monies available
29 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the projects
30 and the cost of preparing, issuing and marketing bonds or notes hereunder shall be applied to the
31 payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted
32 by applicable federal laws, any earnings or net profit realized from the deposit or investment of
33 funds hereunder may, upon receipt, be added to and dealt with as part of the revenues of the city
34 from property taxes. In exercising any discretion under this section, the city director of finance shall

1 be governed by any instructions adopted by resolution of the city council.

2 SECTION 8. All bonds and notes issued under this act and the debt evidenced thereby shall
3 be obligatory on the city in the same manner and to the same extent as other debts lawfully
4 contracted by it and shall be excepted from the operation of § 45-12-2 and any provision of the city
5 charter. No such obligation shall at any time be included in the debt of the city for the purpose of
6 ascertaining its borrowing capacity. The city shall annually appropriate a sum sufficient to pay the
7 principal and interest coming due within the year on bonds and notes issued hereunder to the extent
8 that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
9 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
10 notwithstanding any provisions of law to the contrary, all taxable property in the city shall be
11 subject to ad valorem taxation by the city without limitation as to rate or amount.

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

16 SECTION 10. The city, acting by resolution of its city council is authorized to apply for,
17 contract for and expend any federal or state advances or other grants of assistance which may be
18 available for the purposes of this act, and any such expenditures may be in addition to other monies
19 provided in this act. To the extent of any inconsistency between any law of this state and any
20 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
21 where applicable, whether contracted for prior to or after the effective date of this act, may be
22 repaid as a cost of the projects under section 3.

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

31 SECTION 12. The city director of finance and the mayor, on behalf of the city are hereby
32 authorized to execute such instruments, documents or other papers as either of them deem necessary
33 or desirable to carry out the intent of this act and are also authorized to take all actions and execute
34 all documents necessary to comply with federal tax and securities laws, which documents or

1 agreements may have a term coextensive with the maturity of the bonds authorized hereby,
2 including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute
3 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes
4 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

5 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
6 and notes under this act may be extinguished by resolution of the city council, without further action
7 by the general assembly, seven (7) years after the effective date of this act.

8 SECTION 14. The question of the approval of this act shall be submitted to the electors of
9 the city at the general election to be held on November 5, 2024 or, if so determined by the city
10 council, at a special city-wide election, other than a primary, held on a date to be determined by
11 resolution of the city council. The question shall be submitted in substantially the following form:
12 "Shall an act passed at the 2024 session of the general assembly entitled 'AN ACT AUTHORIZING
13 THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED \$98,500,000 GENERAL
14 OBLIGATION BONDS AND NOTES TO FINANCE THE DESIGN, CONSTRUCTION,
15 REPAIR, REHABILITATION, REPLACEMENT AND IMPROVEMENT OF
16 INFRASTRUCTURE AND MUNICIPAL FACILITIES IN THE CITY'S NEIGHBORHOODS,
17 INCLUDING, BUT NOT LIMITED TO, LAND ACQUISITION, DEMOLITION, LANDFILL
18 REMEDIATION, STREETS, SIDEWALKS, PUBLIC PARKS, BRIDGES, SEWERS,
19 DRAINAGE, CITY BUILDINGS, AND RECREATION, BEACH AND HARBOR FACILITIES'
20 be approved?" and the warning for the election shall contain the question to be submitted. From the
21 time the election is warned and until it is held, it shall be the duty of the city clerk to keep a copy
22 of the act available at the clerk's office for public inspection, but the validity of the election shall
23 not be affected by this requirement. To the extent of any inconsistency between this act and the city
24 charter or any law of special applicability to the city, this act shall prevail.

25 SECTION 15. This act shall constitute an enabling act of the general assembly that is
26 required pursuant to § 16-7-44. Any bonds issued under this act for school projects shall not be
27 eligible for state aid reimbursement pursuant to § 16-7-44 unless the school projects have been
28 approved by RIDE.

29 SECTION 16. Sections 14 and 15 shall take effect upon passage. The remainder of this act
30 shall take effect upon the approval of this act by a majority of those voting on the question at the
31 election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED \$98,500,000
GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE DESIGN,
CONSTRUCTION, REPAIR, REHABILITATION, REPLACEMENT AND IMPROVEMENT
OF INFRASTRUCTURE AND MUNICIPAL FACILITIES IN THE CITY'S
NEIGHBORHOODS, INCLUDING, BUT NOT LIMITED TO, LAND ACQUISITION,
DEMOLITION, LANDFILL REMEDIATION, STREETS, SIDEWALKS, PUBLIC PARKS,
BRIDGES, SEWERS, DRAINAGE, CITY BUILDINGS, AND RECREATION, BEACH AND
HARBOR FACILITIES

1 This act would authorize the city of Newport to issue not more than \$98,500,000 general
2 obligation bonds and notes to finance all costs relating to the design, construction, repair,
3 rehabilitation, replacement and improvement of infrastructure and municipal facilities in the city's
4 neighborhoods, including, but not limited to, land acquisition, demolition, landfill remediation,
5 streets, sidewalks, public parks, bridges, sewers, drainage, city buildings, and recreation, beach and
6 harbor facilities.

7 This act would constitute an enabling act of the general assembly that is required pursuant
8 to § 16-7-44. Any bonds issued under this act for school projects shall not be eligible for state aid
9 reimbursement pursuant to § 16-7-44 unless the school projects have been approved by the Rhode
10 Island Department of Education ("RIDE").

11 Sections 14 and 15 would take effect upon passage. The remainder of the act would take
12 effect upon approval of the question provided for in section 14.

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