

2021 -- S 0374

=====
LC001964
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$85,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS, PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

Introduced By: Senators Sosnowski, Algieri, and Valverde

Date Introduced: February 25, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of South Kingstown is hereby empowered, in addition to authority
2 previously granted, to issue bonds, notes and other evidences of indebtedness (hereinafter "bonds")
3 up to an amount not exceeding eighty-five million dollars (\$85,000,000) from time to time under
4 its corporate name and seal or a facsimile of such seal. The bonds of each issue may be issued in
5 the form of serial bonds or term bonds or a combination thereof and shall be payable either by
6 maturity of principal in the case of serial bonds or by sinking fund installments in the case of term
7 bonds, in annual installments of principal, the first installment to be not later than five (5) years and
8 the last installment not later than thirty (30) years after the date of the bonds. All such bonds of a
9 particular issue may be issued in the form of zero coupon bonds, capital appreciation bonds, serial
10 bonds or term bonds or a combination thereof. The amount of principal appreciation each year on
11 any bonds, after the date of original issuance, shall not be considered to be principal indebtedness
12 for the purposes of any constitutional or statutory debt limit or any other limitation. The
13 appreciation of principal after the date of original issue shall be considered interest. Only the
14 original principal amount shall be counted in determining the principal amount so issued and any

1 interest component shall be disregarded.

2 SECTION 2. The town may be eligible for school housing aid reimbursement on debt
3 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
4 proceeds of bonds issued by the state of Rhode Island (the “state”), from the Rhode Island
5 department of education (“RIDE”) or from the Rhode Island school building authority. The amount
6 of borrowing authorized pursuant to this act shall be reduced by the amount of certain grants
7 actually received by the town from state bond proceeds, from RIDE or from the Rhode Island
8 school building authority.

9 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
10 director of finance and the president of the town council and shall be issued and sold in such
11 amounts as the town council may authorize by resolution. The manner of sale, denominations,
12 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
13 this act may be fixed by the resolutions of the town council authorizing the issue or by separate
14 resolution of the town council or, to the extent provisions for these matters are not so made, they
15 may be fixed by the officers authorized to sign the bonds or notes. Notwithstanding anything
16 contained in this act to the contrary, the town may enter into financing agreements with the Rhode
17 Island health and educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1
18 of title 45 and, with respect to bonds or notes issued in connection with such financing agreements,
19 if any, the town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of
20 the bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are
21 inconsistent herewith. In addition, the town may enter into financing agreements with the Rhode
22 Island Infrastructure Bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to
23 bonds or notes issued in connection with such financing agreements, if any, the town may elect to
24 have the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued
25 hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such
26 election may be fixed by the proceedings of the town council authorizing such issuance or by
27 separate resolution of the town council, or, to the extent provisions for these matters are not so
28 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived
29 from the sale of the bonds shall be delivered to the town director of finance, and such proceeds
30 exclusive of premiums and accrued interest shall be expended: (1) To finance the construction,
31 renovation, improvement, alteration, repair, landscaping, furnishing and equipping of schools and
32 school facilities throughout the town, and all attendant expenses including, but not limited to,
33 engineering and architectural costs; (2) In payment of the principal of or interest on temporary notes
34 issued under section 4; (3) In repayment of advances under section 5; (4) In payment of related

1 costs of issuance of any bonds or notes; and/or (5) In payment of capitalized interest during
2 construction of the project (the “project”). No purchaser of any bonds or notes under this act shall
3 be in any way responsible for the proper application of the proceeds derived from the sale thereof.
4 The project shall be carried out and all contracts made therefor on behalf of the town by the town
5 council with due regard to any recommendation of the school building committee. The town
6 council and the school building committee and their agents are authorized to enter, without delay
7 and at reasonable times, any public school buildings and other public school property for the
8 purpose of accomplishing the project and to do all acts and deeds necessary or convenient in
9 connection with the project. The proceeds of bonds or notes issued under this act, any applicable
10 federal or state assistance and the other monies referred to in sections 7 and 10 shall be deemed
11 appropriated for the purposes of this act without further action than that required by this act. The
12 bonds authorized by this act may be consolidated for the purpose of issuance and sale with any
13 other bonds of the town heretofore or hereafter authorized; provided that, notwithstanding any such
14 consolidation, the proceeds from the sale of the bonds authorized by this act shall be expended for
15 the purposes set forth above.

16 SECTION 4. The town council may by resolution authorize the issuance from time to time
17 of interest bearing or discounted notes in anticipation of the issuance of bonds or in anticipation of
18 the receipt of federal or state aid for the purposes of this act. The amount of original notes issued
19 in anticipation of bonds may not exceed the amount of bonds which may be issued under this act
20 and the amount of original notes issued in anticipation of federal or state aid may not exceed the
21 amount of available federal or state aid as estimated by the director of finance. Temporary notes
22 issued hereunder shall be signed by the manual or facsimile signatures of the town director of
23 finance and the president of the town council and shall be payable within five (5) years from their
24 respective dates, but the principal of and interest on notes issued for a shorter period may be
25 renewed or paid from time to time by the issuance of other notes hereunder; provided the period
26 from the date of an original note to the maturity of any note issued to renew or pay the same debt
27 or interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds
28 issued under this section may be refunded prior to the maturity of the notes by the issuance of
29 additional temporary notes; provided that no such refunding shall result in any amount of such
30 temporary notes outstanding at any one time in excess of two hundred percent (200%) of the amount
31 of bonds which may be issued under this act; and provided further, that if the issuance of any such
32 refunding notes results in any amount of such temporary notes outstanding at any one time in excess
33 of the amount of bonds which may be issued under this act, the proceeds of such refunding notes
34 shall be deposited in trust in a separate fund established for the notes being refunded. Pending their

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

13 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
14 of any authorization or issue of notes hereunder, the town director of finance, with the approval of
15 the town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in
16 the treasury of the town to the purposes specified in section 3, such advances to be repaid without
17 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
18 federal or state assistance or from other available funds.

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

26 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
27 be applied to the payment of the first interest due thereon. Any premium arising from the sale of
28 bonds or notes hereunder shall, in the discretion of the town director of finance, be applied to the
29 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
30 provided, to the payment of the project costs, to the payment of the principal of or interest on bonds
31 or notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing
32 and marketing bonds or notes hereunder may also, in the discretion of the town director of finance,
33 be met from bond or note proceeds exclusive of accrued interest or from other monies available
34 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the projects

1 and the cost of preparing, issuing and marketing bonds or notes hereunder, shall be applied to the
2 payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted
3 by applicable federal laws, any earnings or net profit realized from the deposit or investment of
4 funds hereunder may, upon receipt, be added to and dealt with as part of the revenues of the town
5 from property taxes. In exercising any discretion under this section, the town director of finance
6 shall be governed by any instructions adopted by resolution of the town council.

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

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

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

28 SECTION 11. Bonds and notes may be issued under this act without obtaining the approval
29 of any governmental agency or the taking of any proceedings or the happening of any conditions
30 except as specifically required by this act for such issue. In carrying out any project financed in
31 whole or in part under this act, including where applicable the condemnation of any land or interest
32 in land, and in the levy and collection of assessments or other charges permitted by law on account
33 of any such project, all action shall be taken which is necessary to meet constitutional requirements
34 whether or not such action is otherwise required by statute, but the validity of bonds and notes

1 issued hereunder shall in no way depend upon the validity or occurrence of such action.

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

11 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
12 and notes under this act may be extinguished by ordinance of the town council after seven (7) years
13 shall have passed from the approval of this act provided for in section 14, without further action by
14 the general assembly.

15 SECTION 14. The question of the approval of this act shall be submitted to the electors of
16 the town, at a local election, other than a primary, held on a date to be determined by resolution of
17 the town council. The question shall be submitted in substantially the following form: "Shall an
18 act passed at the 2021 session of the general assembly entitled 'AN ACT AUTHORIZING THE
19 TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$85,000,000 GENERAL
20 OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO
21 FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION,
22 REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL
23 FACILITIES THROUGHOUT THE TOWN, AND ALL ATTENDANT EXPENSES
24 INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS,
25 PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF
26 CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE
27 ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL
28 BUILDING AUTHORITY' be approved?" and the warning for the election shall contain the
29 question to be submitted. From the time the election is warned and until it is held, it shall be the
30 duty of the town clerk to keep a copy of this act available at the clerk's office for public inspection,
31 but the validity of the election shall not be affected by this requirement. To the extent of any
32 inconsistency between this act and the town charter, this act shall prevail.

33 SECTION 15. This section and section 14 shall take effect upon the passage of this act.
34 The remainder of this act shall take effect upon the approval of this act by a majority of those voting

1 on the question at the election prescribed by section 14.

=====
LC001964
=====

EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$85,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS, PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

1 This act authorizes the town of South Kingstown to issue not more than \$85,000,000 bonds
2 and notes to finance the construction, renovation, improvement, alteration, repair, landscaping,
3 furnishing and equipping of schools and school facilities throughout the town, and all attendant
4 expenses including, but not limited to, engineering and architectural costs.

5 Sections 14 and 15 of this act shall take effect upon passage. The remainder of the act
6 would take effect upon approval by the electors of the town of the question provided for in section
7 14. The amount of borrowing authorized pursuant to this act shall be reduced by the amount of
8 certain grants actually received by the town from State bond proceeds, from RIDE or from the
9 Rhode Island School Building Authority.

=====
LC001964
=====