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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

AUTHORIZING THE TOWN OF TIVERTON TO ISSUE
BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED
\$7,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTING,
BUILDING, FURNISHING AND EQUIPPING OF A PUBLIC LIBRARY

Introduced By: Senators Felag, and DiPalma

Date Introduced: April 28, 2011

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1 The Town of Tiverton is hereby empowered, in addition to authority
2 previously granted, to issue its general obligation bonds and notes to an amount not exceeding
3 seven million dollars (\$7,000,000) at one time or from time to time under its corporate name and
4 seal or a facsimile of such seal to finance the acquisition, constructing, building, furnishing and
5 equipping of a library and related costs as more fully set forth in section two. The bonds of each
6 issue may be issued in the form of serial bonds or term bonds or a combination thereof and shall
7 be payable either by maturity of principal in the case of serial bonds or by mandatory serial
8 redemption in the case of term bonds, in annual installments of principal, the first installment to
9 be not later than five (5) years and the last installment not later than thirty (30) years after the date
10 of the bonds. All such bonds of a particular issue may be issued in the form a zero coupon bonds,
11 capital appreciation bonds, serial bonds or term bonds or combination thereof. Annual
12 installments of principal may be provided for by maturity of principal in the case of serial bonds
13 or by mandatory serial redemption in the case of term bonds. The amount of principal
14 appreciation each year on any bonds, after the date of original issuance, shall not be considered to
15 be principal indebtedness for the purposes of any constitutional or statutory debt limit or any
16 other limitation. The appreciation of principal after the date of original issue shall be considered
17 interest. Only the original principal amount shall be counted in determining the principal amount

1 so issued and any interest component shall be disregarded.

2 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
3 treasurer and the president of the town council and shall be issued and sold in such amounts as the
4 town council may authorize by majority vote of all its members. The amount of the bond issue,
5 manner of sale, denominations, maturities, interest rate or rates, award and other terms, conditions
6 and details of any bonds or notes issued under this act may be fixed by the proceedings of the
7 town council authorizing their issue or by separate resolution of the town council or, to the extent
8 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
9 the bonds. The town council may provide that any bonds issued under this act and any other
10 authorized issue of bonds of the town may be consolidated and issued at the same time as a single
11 bond issue, provided that the last installment of the portion of any such consolidated issue that is
12 allocable to the bonds issued under this act shall not be later than the times specified by the
13 applicable provisions hereof. The bonds may be made callable with or without premium. The
14 proceeds derived from the sale of the bonds shall be delivered to the town treasurer, and such
15 proceeds, exclusive of premiums and accrued interest, shall be expended for costs of the
16 acquisition, constructing, building, furnishing and equipping of a public library (hereinafter
17 referred to as the project) if approved by the voters in accordance with section twelve hereof,
18 including all other costs incidental and related to the foregoing project and its financing pursuant
19 to this act including, but not limited to, the payment of the principal of or interest on temporary
20 notes issued under section three, the repayment of advances made under section four, and/or to
21 finance capitalized interest on the project. No purchaser of any bonds or notes under this act shall
22 be in any way responsible for the proper application of the proceeds derived from the sale thereof.
23 The project shall be carried out and all contracts made therefor on behalf of the town by the town
24 council, or as may be authorized by the town council. The proceeds of bonds or notes issued
25 under this act, any applicable federal or state assistance and any other monies referred to in
26 sections five, six, or nine shall be deemed appropriated for the purposes of this act without further
27 action than that required by this act. The bond issue authorized by this act may be consolidated
28 for the purposes of issuance and sale with any other bond issue of the town heretofore or hereafter
29 authorized, provided that, notwithstanding any such consolidation, the proceeds from the sale of
30 the bonds authorized by this act shall be expended for the purposes set forth above. The town
31 treasurer and president of the town council, on behalf of the town, are hereby authorized to
32 execute such instruments, documents, or other papers as either of them deem necessary or
33 desirable to carry out the intent of this act and are also authorized to take all actions and execute
34 all documents or agreements necessary to comply with federal tax and securities laws, which

1 documents or agreements may have a term coextensive with the maturity of the bonds authorized
2 hereby, including Rule 15c2-12 of the Securities and Exchange Commission and to execute and
3 deliver a continuing disclosure agreement or certificate in connection with the bonds or notes.

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

1 provided that (1) the town council passes a resolution evidencing the town's intent to pay off the
2 notes without extinguishing the authority to issue bonds or notes and (2) that the period from the
3 date of an original note to the maturity date of any other note shall not exceed five (5) years.

4 SECTION 4. Pending any issue of bonds or notes hereunder, the town treasurer, with the
5 approval of the town council, may, to the extent that bonds or notes may be issued hereunder,
6 apply funds in the treasury of the town for the purposes specified in section two, such advances to
7 be repaid without interest from the proceeds of bonds or notes subsequently issued or from the
8 proceeds of applicable federal or state assistance or from other available funds.

9 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable
10 federal or state assistance, pending their expenditure, may be deposited or invested by the town
11 treasurer in demand deposits, time deposits or savings deposits in banks which are members of
12 the federal deposit insurance corporation, in obligations issued or guaranteed by the United States
13 of America or the State of Rhode Island, or by an agency, instrumentality or political subdivision
14 of either of them, or as may be provided in any other applicable law of the State of Rhode Island
15 or resolution of the town council or pursuant to an investment policy of the town.

16 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
17 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
18 sale of bonds or notes hereunder shall, in the discretion of the town treasurer, be applied to the
19 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
20 provided, to the payment of the cost of the project, to the payment of the principal of or interest
21 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
22 issuing and marketing bonds or notes hereunder may also, in the discretion of the town treasurer,
23 be met from bond or note proceeds exclusive of premiums and accrued interest or from other
24 monies available therefor. Any balance of bond or note proceeds remaining after payment of the
25 cost of the project and the cost of preparing, issuing and marketing bonds or notes hereunder may
26 be applied to the payment of the principal of or interest on bonds or notes issued hereunder. To
27 the extent permitted by applicable federal laws, any earnings or net profit realized from the
28 deposit or investment of funds hereunder shall upon receipt be added to and used for the same
29 purposes as the proceeds of bonds or notes issued hereunder or be added to and dealt with as a
30 part of the revenues of the town from property taxes. In exercising any discretion under this
31 section, the town treasurer shall be governed by any instructions adopted by resolution of the
32 town council. The town treasurer is authorized to take any action deemed by him or her necessary
33 to assure that interest on the bonds or notes issued hereunder remains excludable from gross
34 income of the recipients thereof for federal income tax purposes, including, without limitation,

1 paying to the federal government any rebate of earnings derived from the deposit or investment of
2 the proceeds of such bonds or notes that may be required therefor.

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

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

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

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

34 SECTION 11. After completion of the acquisition, constructing, building, furnishing and

1 equipping of a public library, all or any portion of the authorized but unissued authority to issue
2 bonds and notes under this act may be extinguished by ordinance of the town council, without
3 further action by the general assembly.

4 SECTION 12. The question of the approval of this act shall be submitted to the electors
5 of the Town of Tiverton at the special election to be held on November 8, 2011, or at such later
6 date as may be determined by resolution of the Town Council to be held no later than November
7 6, 2012. The question shall be submitted in substantially the following form:

8 “Shall an act, passed at the 2011 session of the General Assembly, entitled ‘An Act
9 Authorizing the Town of Tiverton to Issue Bonds and Notes in an Amount Not to Exceed
10 \$7,000,000 to finance the acquisition, constructing, building, furnishing and equipping of a public
11 library’ be approved?”

12 The warning for the election shall contain the question to be submitted. From the time the
13 election is warned and until it is held, it shall be the duty of the town clerk to keep a copy of this
14 act available at his or her office for public inspection, but the validity of the vote taken at the
15 election shall not be affected by this requirement. To the extent of any inconsistency between this
16 act and the town charter, this act shall prevail.

17 SECTION 13. This section and section twelve shall take effect upon the passage of this
18 act. The remainder of this act shall take effect upon the approval of the question listed in section
19 twelve hereof by a majority of those voting on the question at the election prescribed by the
20 foregoing section.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF TIVERTON TO ISSUE
BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED
\$7,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTING,
BUILDING, FURNISHING AND EQUIPPING OF A PUBLIC LIBRARY

1 This act authorizes the town of Tiverton to issue not more than \$7,000,000 bonds and
2 notes to finance the acquisition, constructing, building, furnishing and equipping of a public
3 library.

4 Sections 12 and 13 of this act shall take effect upon passage. The remainder of the act
5 would take effect upon approval by the electors of the town of the question provided for in
6 Section 12.

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