

2014 -- S 2744

=====  
LC005004  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

---

A N A C T

AUTHORIZING THE TOWN OF SMITHFIELD TO ISSUE NOT EXCEEDING \$6,400,000  
GENERAL OBLIGATION BONDS OR NOTES FOR THE PURPOSES OF RENOVATING  
AND EXPANDING THE SMITHFIELD POLICE STATION

Introduced By: Senator Stephen R. Archambault

Date Introduced: March 06, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The Town of Smithfield is hereby empowered, in addition to authority  
2 previously granted, to issue its general obligation bonds and notes to an amount not exceeding six  
3 million four hundred thousand dollars (\$6,400,000) at one time or from time to time under its  
4 corporate name and seal or a facsimile of such seal to finance the renovation and expansion of the  
5 Smithfield Police Station and related costs as more fully set forth in section 2. 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 sinking  
8 fund redemption in the case of term bonds, in annual installments of principal, the first  
9 installment to be not later than three (3) years and the last installment not later than thirty (30)  
10 years after the date of the bonds. All such bonds of a particular issue may be issued in the form of  
11 zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or combination  
12 thereof. Annual installments of principal may be provided for by maturity of principal in the case  
13 of serial bonds or by mandatory serial redemption in the case of term bonds. The amount of  
14 principal appreciation each year on any bonds, after the date of original issuance, shall not be  
15 considered to be principal indebtedness for the purposes of any constitutional or statutory debt  
16 limit or any other limitation. The appreciation of principal after the date of original issue shall be  
17 considered interest. Only the original principal amount shall be counted in determining the  
18 principal amount so issued and any interest component shall be disregarded.

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

1 hereby, including Rule 15c2-12 of the Securities and Exchange Commission and to execute and  
2 deliver a continuing disclosure agreement or certificate in connection with the bonds or notes.

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

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

4 SECTION 4. Pending any issue of bonds or notes hereunder, the finance director, with  
5 the 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 2, 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 finance  
11 director in demand deposits, time deposits or savings deposits in banks which are members of the  
12 federal deposit insurance corporation, in obligations issued or guaranteed by the United States of  
13 America or the State of Rhode Island, or by an agency, instrumentality or political subdivision of  
14 either of them, or as may be provided in any other applicable law of the State of Rhode Island, or  
15 resolution of the town council.

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 finance director, 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 finance  
23 director, be met from bond or note proceeds exclusive of premiums and accrued interest or from  
24 other monies available therefor. Any balance of bond or note proceeds remaining after payment  
25 of the cost of the project and the cost of preparing, issuing and marketing bonds or notes  
26 hereunder may be applied to the payment of the principal of or interest on bonds or notes issued  
27 hereunder. To the extent permitted by applicable federal laws, any earnings or net profit realized  
28 from the deposit or investment of funds hereunder shall, upon receipt, be added to and used for  
29 the same purposes as the proceeds of bonds or notes issued hereunder or be added to and dealt  
30 with as part of the revenue of the town from property taxes. In exercising any discretion under  
31 this section, the finance director shall be governed by any instructions adopted by resolution of  
32 the town council. The finance director is authorized to take any action deemed by him or her  
33 necessary to assure that interest on the bonds or notes issued hereunder remains excludable from  
34 gross income of the recipients thereof for federal income tax purposes, including, without

1 limitation, paying to the federal government any rebate of earnings derived from the deposit or  
2 investment of 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 accepted from the operation of § 45-12-2 of the general laws and any  
6 provision of the town charter. No such obligation shall at any time be included in the debt of the  
7 town for the purpose of ascertaining its borrowing capacity. The town shall annually appropriate  
8 a sum sufficient to pay the principal and interest coming due within the year on bonds and notes  
9 issued hereunder to the extent that monies therefor are not otherwise provided. If such sum is not  
10 appropriated, it shall nevertheless be added to the annual tax levy. In order to provide such sum in  
11 each year and notwithstanding any provision of law to the contrary, all taxable property in the  
12 town shall be subject to ad valorem taxation by the town without limitation as to the rate or  
13 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 2.

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 changes permitted  
30 by law on account of any such projects, all action shall be taken which is necessary to meet  
31 constitutional requirements whether or not such section 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 renovation and expansion of the Smithfield Police

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

4 SECTION 12. The question of the approval of the project set forth in section 2 hereof  
5 shall be submitted to the voters of Smithfield at the November 4, 2014 general election. The  
6 question shall be submitted in substantially the following form:

7 "Shall an act, passed at the 2014 session of the general assembly, 'Authorizing the Town  
8 of Smithfield to issue not exceeding \$6,400,000 General Obligation Bonds or Notes for the  
9 Purposes of Renovating and Expanding the Smithfield Police Station' be Approved?"

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

14 SECTION 13. This section and section 12 shall take effect upon the passage of this act.  
15 The remainder of this act shall take effect upon the approval of the question listed in section 12  
16 hereof by a majority of those voting on the question as prescribed by the foregoing section.

=====  
LC005004  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

AUTHORIZING THE TOWN OF SMITHFIELD TO ISSUE NOT EXCEEDING \$6,400,000  
GENERAL OBLIGATION BONDS OR NOTES FOR THE PURPOSES OF RENOVATING  
AND EXPANDING THE SMITHFIELD POLICE STATION

\*\*\*

- 1 ExplanationText
- 2 ExplanationEffectiveText

=====  
LC005004  
=====