

2016 -- S 2810

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LC005505
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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 \$5,000,000

Introduced By: Senators Gee, Algieri, Pagliarini, Morgan, and Kettle

Date Introduced: March 23, 2016

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 five million dollars (\$5,000,000),
3 or such lesser amount as is approved by the electors of the town pursuant to sections 12 and 13
4 hereof, from time to time under its corporate name and seal. The bonds of each issue may be
5 issued in the form of serial bonds or term bonds or a combination thereof and shall be payable
6 either by maturity of principal in the case of serial bonds or by mandatory sinking fund
7 installments in the case of term bonds, in annual installments of principal, the first installment to
8 be not later than five (5) years and the last installment not later than thirty (30) years after the date
9 of the bonds. All such bonds of a particular issue may be issued in the form of zero coupon
10 bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof. Annual
11 installments of principal may be provided for by maturity of principal in the case of serial bonds
12 or by mandatory sinking fund installments in the case of term bonds. The amount of principal
13 appreciation each year on any bonds, after the date of original issuance, shall not be considered to
14 be principal indebtedness for the purposes of any constitutional or statutory debt limit or any
15 other limitation. The appreciation of principal after the date of original issue shall be considered
16 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 director of finance and the president of the town council and shall be issued and sold in such
4 amounts as the town council may authorize by resolution. The manner of sale, denominations,
5 maturities, interest rates and other terms, conditions and details of any bonds or notes issued
6 under this act may be fixed by proceedings of the town council authorizing the issue or by
7 separate resolution of the town council or, to the extent provisions for these matters are not so
8 made, they may be fixed by the officers authorized to sign the bonds or notes. Interest coupons (if
9 any) shall bear the manual or facsimile signature of the town director of finance. The proceeds
10 derived from the sale of the bonds shall be delivered to the town director of finance, and such
11 proceeds, exclusive of premium and accrued interest, shall be expended as follows: (1) to finance
12 the construction, renovation, rehabilitation, repair, improvement and landscaping of roads,
13 sidewalks and drainage facilities in the town, and all costs incidental or related thereto including,
14 but not limited to, engineering costs ("the projects"), (2) in payment of the principal of or interest
15 on temporary notes issued under section three, (3) in repayment of advances under section four,
16 (4) in payment of the costs associated with the issuance of bonds or notes hereunder and/or (5) in
17 payment of capitalized interest during construction of the project. No purchaser of any bonds or
18 notes under this act shall be in any way responsible for the proper application of the proceeds
19 derived from the sale thereof. The projects shall be carried out and all contracts made therefor on
20 behalf of the town by the town council. The proceeds of bonds or notes issued under this act, any
21 applicable federal or state assistance and the other moneys referred to in sections 6 and 9 shall be
22 deemed appropriated for the purposes of this act without further action than that required by this
23 act. The bond issue authorized by this act may be consolidated for the purposes of issuance and
24 sale with any other bond issue of the town heretofore or hereafter authorized, provided that,
25 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by
26 this act shall be expended for the purposes set forth above. The town director of finance and
27 president of the town council, on behalf of the town, are hereby authorized to execute such
28 instruments, documents or other papers as either of them deem necessary or desirable to carry out
29 the intent of this act and are also authorized to take all actions and execute all instruments,
30 documents or agreements necessary to comply with federal tax and securities laws, which
31 instruments, documents or agreements may have a term coextensive with the maturity of the
32 bonds authorized hereby, including Rule 15c2-12 of the Securities and Exchange Commission
33 and to execute and deliver a continuing disclosure agreement or certificate in connection with the
34 bonds or notes.

1 SECTION 3. The town council may by resolution authorize the issuance from time to
2 time of interest bearing or discounted notes in anticipation of the issuance of bonds or in
3 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
4 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
5 issued under this act and the amount of original notes issued in anticipation of federal or state aid
6 may not exceed the amount of available federal or state aid as estimated by the town director of
7 finance. Temporary notes issued hereunder shall be signed by the manual or facsimile signatures
8 of the town director of finance and the president of the town council and shall be payable within
9 five (5) years from their respective dates, but the principal of and interest on notes issued for a
10 shorter period may be renewed or paid from time to time by the issuance of other notes
11 hereunder, provided the period from the date of an original note to the maturity of any note issued
12 to renew or pay the same debt or interest thereon shall not exceed five (5) years. Any temporary
13 notes in anticipation of bonds issued under this section may be refunded prior to the maturity of
14 the notes by the issuance of additional temporary notes, provided that no such refunding shall
15 result in any amount of such temporary notes outstanding at any one time in excess of two
16 hundred percent (200%) of the amount of bonds which may be issued under this act, and provided
17 further that if the issuance of any such refunding notes results in any amount of such temporary
18 notes outstanding at any one time in excess of the amount of bonds which may be issued under
19 this act, the proceeds of such refunding notes shall be deposited in a separate fund established
20 with the bank which is paying agent for the notes being refunded. Pending their use to pay the
21 notes being refunded, moneys in the fund shall be invested for the benefit of the town by the
22 paying agent at the direction of the town director of finance in any investment permitted under
23 section 5. The moneys in the fund and any investments held as part of the fund shall be held in
24 trust and shall be applied by the paying agent solely to the payment or prepayment of the
25 principal of and interest on the notes being refunded. Upon payment of all principal of and
26 interest on the notes, any excess moneys in the fund shall be distributed to the town. The town
27 may pay the principal of and interest on notes in full from other than the issuance of refunding
28 notes prior to the issuance of bonds pursuant to section 1 hereof. In such case, the town's
29 authority to issue bonds or notes in anticipation of bonds under this act shall continue provided
30 that (1) the town council passes a resolution evidencing the town's intent to pay off the notes
31 without extinguishing the authority to issue bonds or notes and (2) that the period from the date of
32 an original note to the maturity date of any other note shall not exceed five (5) years.

33 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
34 of any authorization or issue of notes hereunder, the town director of finance, with the approval of

1 the town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in
2 the treasury of the town to the purposes specified in section 2, such advances to be repaid without
3 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
4 applicable federal or state assistance or from other available funds.

5 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable
6 federal or state assistance, pending their expenditure, may be deposited or invested by the town
7 director of finance in demand deposits, time deposits, or savings deposits in banks which are
8 members of the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by
9 the United States of America or by any agency or instrumentality thereof or as may be provided
10 in any other applicable law of the State of Rhode Island or resolution of the town council or
11 pursuant to an investment policy of the town.

12 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
13 shall be applied to the payment of the first interest due thereon. Any premium arising from the
14 sale of bonds or notes hereunder shall, in the discretion of the town director of finance, be applied
15 to the cost of preparing, issuing and marketing bonds or notes hereunder to the extent not
16 otherwise provided, to the payment of project costs, to the payment of the principal of or interest
17 on bonds or notes issued hereunder or to any one (1) or more of the foregoing. The cost of
18 preparing, issuing and marketing bonds or notes hereunder may also, in the discretion of the town
19 director of finance, be met from bond or note proceeds exclusive of premium and accrued interest
20 or from other moneys available therefor. Any balance of bond or note proceeds remaining after
21 payment of the cost of the projects and the cost of preparing, issuing and marketing bonds or
22 notes hereunder shall be applied to the payment of the principal of or interest on bonds or notes
23 issued hereunder. To the extent permitted by applicable federal laws, any earnings or net profit
24 realized from the deposit or investment of funds hereunder may, upon receipt, be added to and
25 dealt with as part of the revenues of the town from property taxes. In exercising any discretion
26 under this section, the town director of finance shall be governed by any instructions adopted by
27 resolution of the town council.

28 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby
29 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
30 contracted by it and shall be excepted from the operation of section 45-12-2 of the general laws
31 and any provision of the town charter. No such obligation shall at any time be included in the
32 debt of the town for the purpose of ascertaining its borrowing capacity. The town shall annually
33 appropriate a sum sufficient to pay the principal and interest coming due within the year on bonds
34 and notes issued hereunder to the extent that moneys therefor are not otherwise provided. If such

1 sum is not appropriated, it shall nevertheless be added to the annual tax levy. In order to provide
2 such sum in each year and notwithstanding any provision of law to the contrary, all taxable
3 property in the town shall be subject to ad valorem taxation by the town without limitation as to
4 rate or amount.

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

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

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

24 SECTION 11. All or any portion of the authorized but unissued authority to issue bonds
25 and notes under this act may be extinguished by ordinance of the town council, without further
26 action by the general assembly.

27 SECTION 12. It shall be a condition precedent to holding of the referendum described in
28 section 13 hereof and the issuance of bonds and notes hereunder that the town council adopt one
29 or more resolutions which provide for the exact amount of bonds and notes to be issued.

30 SECTION 13. At a general or local election to be held on a date that shall be designated
31 by the town council, there shall be submitted to electors of the town a question or questions in
32 substantially the following form, providing for the maximum amount to be issued (not to exceed
33 \$5,000,000 in the aggregate):

34 "SHALL THE TOWN OF EAST GREENWICH ISSUE GENERAL OBLIGATION

1 BONDS AND/OR NOTES IN AN AMOUNT NOT TO EXCEED \$[] FOR THE PURPOSE
2 OF FINANCING THE CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR,
3 IMPROVEMENT AND LANDSCAPING OF ROADS, SIDEWALKS AND DRAINAGE
4 FACILITIES IN THE TOWN AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT
5 LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS?" and the warning for the
6 election shall contain the question to be submitted. From the time the election is warned and until
7 it is held, it shall be the duty of the town clerk to keep a copy of this act available for public
8 inspection, but the validity of the election shall not be affected by this requirement. To the extent
9 of any inconsistency between this act and the town charter, this act shall prevail.

10 SECTION 14. Sections 12, 13 and 14 shall take effect upon the passage of this act. The
11 remainder of this act shall take effect upon the approval of this act by a majority of those voting
12 on the question at the election prescribed by section 13.

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EXPLANATION

OF

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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 \$5,000,000

1 This act would authorize the town of East Greenwich to issue not more than five million
2 dollar (\$5,000,000) bonds and notes to finance the construction, renovation, rehabilitation, repair,
3 improvement, and landscaping of roads, sidewalks and drainage facilities in the town.

4 Sections 12 and 13 provide that the town council adopt a resolution or resolutions
5 providing for the exact amount of bonds and notes to be issued. Sections 12, 13, and 14 of this act
6 would take effect upon passage. The remainder of the act would take effect upon approval by the
7 electors of the town of the question or questions provided for in section 13.

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