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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE TOWN OF NARRAGANSETT TO FUND AFFORDABLE HOUSING
IN THE TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE THAN \$3,000,000
BONDS AND NOTES THEREFOR

Introduced By: Senator Alana DiMario

Date Introduced: May 24, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Narragansett is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding three million dollars (\$3,000,000)
3 from time to time under its corporate name and seal or a facsimile of such seal. The bonds of each
4 issue may be issued in the form of serial bonds or term bonds or a combination thereof and shall be
5 payable either by maturity of principal in the case of serial bonds or by mandatory serial redemption
6 in the case of term bonds, in annual installments of principal, the first installment to be not later
7 than five (5) years and the last installment not later than thirty (30) years after the date of the bonds.
8 For each issue the amounts payable annually for principal and interest combined either shall be as
9 nearly equal from year to year as is practicable in the opinion of the officers authorized to issue the
10 bonds, or shall be arranged in accordance with a schedule providing for a more rapid amortization
11 of principal.

12 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
13 treasurer and the president of the town council and shall be issued and sold in such amounts as the
14 town council may authorize by resolution. The manner of sale, denominations, maturities, interest
15 rates and other terms, conditions and details of any bonds or notes issued under this act may be
16 fixed by the resolution of the town council authorizing the issue or by separate resolution of the
17 town council or, to the extent provisions for these matters are not so made, they may be fixed by
18 the officers authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds

1 shall be delivered to the town treasurer, and such proceeds exclusive of premiums and accrued
2 interest shall be expended for: (1) Affordable housing in the town of Narragansett including, but
3 not limited for, appropriations to the town's affordable housing trust established by town ordinance,
4 as said ordinance may be amended from time to time, programs to implement the town's affordable
5 housing plan as may exist from time to time and adopted pursuant to chapter 53 of title 45, as the
6 same may be amended from time to time, and/or for other affordable housing purposes as
7 determined by the town council (which may include without limitation: (i) Acquisition of land for
8 lease to public agencies and nonprofit organizations for affordable housing; (ii) Grants and other
9 direct financial support to low- and moderate-income home purchasers; (iii) Grants, revolving loans
10 and forgivable loans for rehabilitation, creation of accessory dwelling units and/or for the
11 development, acquisition or preservation of affordable housing; and all costs incidental thereto);
12 (b) In payment of the principal of or interest on temporary notes issued under section 3 of this act;
13 or (c) In repayment of advances under section 4 of this act. No purchaser of any bonds or notes
14 under this act shall be in any way responsible for the proper application of the proceeds derived
15 from the sale thereof. The appropriations to the town's affordable housing trust, the expenditure of
16 funds and/or projects shall be carried out and all contracts made therefor on behalf of the town by
17 the town council or as may be otherwise directed by the town council. The proceeds of bonds or
18 notes issued under this act, any applicable federal or state assistance and the other monies referred
19 to in section 6 of this act shall be deemed appropriated for the purposes of this act without further
20 action than that required by this act. The bond issue authorized by this act may be consolidated for
21 the purposes of issuance and sale with any other bond issue of the town heretofore or hereafter
22 authorized; provided that, notwithstanding any such consolidation, the proceeds from the sale of
23 the bonds authorized by this act shall be expended for the purposes set forth above.

24 SECTION 3. The town council may by resolution authorize the issue from time to time of
25 interest bearing or discounted notes in anticipation of the authorization or issue of bonds or in
26 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
27 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
28 under this act and the amount of original notes issued in anticipation of federal or state aid may not
29 exceed the amount of available federal or state aid as estimated by the treasurer. Temporary notes
30 issued hereunder shall be signed by the treasurer and by the president of the town council and shall
31 be payable within five (5) years from their respective dates, but the principal of and interest on
32 notes issued for a shorter period may be renewed or paid from time to time by the issue of other
33 notes hereunder; provided, the period from the date of an original note to the maturity of any note
34 issued to renew or pay the same debt or the interest thereon shall not exceed five (5) years.

1 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
2 of any authorization or issue of notes hereunder, the treasurer, with the approval of the town
3 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the treasury
4 of the town to the purposes specified in section 2, such advances to be repaid without interest from
5 the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal or
6 state assistance or from other available funds.

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

13 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
14 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
15 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of
16 funds hereunder shall, in the discretion of the treasurer, be applied to the cost of preparing, issuing
17 and marketing bonds or notes hereunder to the extent not otherwise provided, to the payment of the
18 cost of the projects or to the cost of additional improvements coming within the description of the
19 projects in section 2 of this act, to the payment of the principal of or interest on bonds or notes
20 issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
21 marketing bonds or notes hereunder may also, in the discretion of the treasurer, be met from bond
22 or note proceeds exclusive of accrued interest or from other monies available therefor. Any balance
23 of bond or note proceeds remaining after payment of the cost of the projects and said additional
24 improvements and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
25 applied to the payment of the principal of or interest on bonds or notes issued hereunder. In
26 exercising any discretion under this section, the treasurer shall be governed by any instructions
27 adopted by resolution of the town council. The treasurer is authorized to take any action deemed
28 by them necessary: (1) To assure that interest on the bonds or notes issued hereunder remains
29 excludable from gross income of the recipients thereof for federal income tax purposes, including,
30 without limitation, paying to the federal government any rebate of earnings derived from the deposit
31 or investment of the proceeds of such bonds or notes that may be required therefor; (2) To sell the
32 bonds or notes under any financing program with the Rhode Island infrastructure bank; and (3) To
33 comply with the requirements of federal law, including without being limited to, regulations and
34 other requirements of the Securities and Exchange Commission and the Municipal Securities

1 Rulemaking Board, imposed directly on the town or on the purchaser or underwriters of such bonds
2 and notes.

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

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

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

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

33 SECTION 11. The question of the approval of this act shall be submitted to the electors of
34 the town at the general election on November 5, 2024. The question shall be submitted in

1 substantially the following form: "Shall an act, passed at the 2024 session of the General Assembly,
2 entitled 'AN ACT AUTHORIZING THE TOWN OF NARRAGANSETT TO FUND
3 AFFORDABLE HOUSING IN THE TOWN OF NARRAGANSETT AND TO ISSUE NOT
4 MORE THAN \$3,000,000 BONDS AND NOTES THEREFOR' be approved?" and the warning
5 for the election shall contain the question to be submitted. The town board of canvassers may
6 combine any two (2) or more voting districts for the election and when so combined shall be treated
7 as a voting district. If so combined, the town board of canvassers shall advertise the combination
8 of districts in a newspaper of general circulation in the town. From the time the election is warned
9 and until it is held, it shall be the duty of the town clerk to keep a copy of the act available at their
10 office for public inspection, but the validity of the election shall not be affected by this requirement.

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

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EXPLANATION

OF

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AUTHORIZING THE TOWN OF NARRAGANSETT TO FUND AFFORDABLE HOUSING
IN THE TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE THAN \$3,000,000
BONDS AND NOTES THEREFOR

1 This act would authorize the town of Narragansett to issue not more than \$3,000,000 in
2 general obligation bonds and notes to finance affordable housing in the town of Narragansett
3 including, but not limited for, appropriations to the town's affordable housing trust established by
4 town ordinance, as said ordinance has been amended from time to time, programs to implement the
5 town's affordable housing plan as may exist from time to time and adopted pursuant to chapter 53
6 of title 45, as the same may be amended from time to time, and/or for other affordable housing
7 purposes as determined by the town council.

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

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