

2023 -- H 5101

LC000564

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

AUTHORIZING THE TOWN OF NORTH PROVIDENCE TO ISSUE NOT TO EXCEED \$125,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND EQUIPPING OF AND/OR ADDITIONS TO SCHOOLS AND SCHOOL FACILITIES IN THE TOWN, INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION OF THREE ELEMENTARY SCHOOLS, THE RENOVATION OF TWO MIDDLE SCHOOLS AND THE CONSTRUCTION OF NEW ADMINISTRATIVE OFFICES, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 79.8% FOR EXPENDITURES ELIGIBLE FOR REIMBURSEMENT

Introduced By: Representatives Corvese, O'Brien, and Hull

Date Introduced: January 12, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The town of North Providence is hereby empowered, in addition to authority  
2 previously granted, to issue bonds in an amount not exceeding one hundred twenty-five million  
3 dollars (\$125,000,000) from time to time under its corporate name and seal or a facsimile of such  
4 seal. The bonds of each issue may be issued in the form of zero-coupon bonds, capital appreciation  
5 bonds, serial bonds or term bonds or a combination thereof and shall be payable either by maturity  
6 of principal in the case of serial bonds or by mandatory sinking fund installments in the case of  
7 term bonds, in 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 the bonds are issued. All such bonds  
9 of a particular issue may be issued in the form of zero-coupon bonds, capital appreciation bonds,  
10 serial bonds or term bonds or a combination thereof and may bear interest at a fixed rate or rates or  
11 at a variable or auction rate or rates. The bonds may be sold by a negotiated sale or by competitive  
12 bid and may be issued pursuant to a resolution or an indenture of trust. Annual installments of  
13 principal may be provided for by maturity of principal in the case of serial bonds or by mandatory  
14 serial redemption in the case of term bonds. The amount of principal appreciation each year on any

1 bonds, after the date of original issuance, shall not be considered to be principal indebtedness for  
2 the purposes of any constitutional or statutory debt limit or any other limitation. The appreciation  
3 of principal after the date of original issue shall be considered interest. Only the original principal  
4 amount shall be counted in determining the principal amount so issued and any interest component  
5 or premium shall be disregarded.

6 SECTION 2. The town may be eligible for school housing aid reimbursement on debt  
7 service pursuant to chapter 7 of title 16, or for a grant, loan or other "financial assistance" as defined  
8 in § 45-38.2-1(6), from the school building authority capital fund under chapter 38.2 of chapter 45.  
9 Bonds, notes or other evidences of indebtedness shall not be issued under this act unless the town  
10 has received a letter from the Rhode Island department of education ("RIDE") confirming that the  
11 anticipated school housing aid reimbursement rate under chapter 7 of title 16, as amended from  
12 time to time, or financial assistance from the school building authority capital fund, or pursuant to  
13 any other law hereafter enacted providing for funds to municipalities for school housing purposes,  
14 is not less than seventy-nine and eight tenths percent (79.8%) for those expenditures which are  
15 eligible for state aid. This act shall constitute an enabling act of the general assembly that is required  
16 pursuant to § 16-7-44. Any bonds, notes or other evidence of indebtedness issued under this act for  
17 school projects shall not be eligible for state housing aid reimbursement pursuant to § 16-7-44  
18 unless the school projects described herein have been approved by the Rhode Island department of  
19 education.

20 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town  
21 director of finance and the mayor and shall be issued and sold in such amounts as the town council  
22 may authorize. The manner of sale, denominations, maturities, interest rates and other terms,  
23 conditions and details of any bonds or notes issued under this act may be fixed by the proceedings  
24 of the town council authorizing the issue or by separate resolution of the town council or, to the  
25 extent provisions for these matters are not so made, they may be fixed by the officers authorized to  
26 sign the bonds or notes. Notwithstanding anything contained in this act to the contrary, the town  
27 may enter into financing agreements with the Rhode Island health and educational building  
28 corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and, with respect to notes  
29 or bonds issued in connection with such financing agreements, if any, the town may elect to have  
30 the provisions of chapter 38.1 of title 45 apply to the issuance of the bonds or notes issued hereunder  
31 to the extent the provisions of chapter 38.1 of title 45 are inconsistent herewith. In addition, the  
32 town may enter into financing agreements with the Rhode Island infrastructure bank pursuant to  
33 the provisions of chapter 12.2 of title 46 and, with respect to bonds or notes issued in connection  
34 with such financing agreements, if any, the town may elect to have the provisions of chapter 12.2

1 of title 46 apply to the issuance of the bonds or notes issued hereunder to the extent the provisions  
2 of chapter 12.2 of title 46 are inconsistent herewith. Such election may be fixed by the proceedings  
3 of the town council authorizing such issuance or by separate resolution of the town council, or, to  
4 the extent provisions for these matters are not so made, they may be fixed by the officers authorized  
5 to sign the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to  
6 the director of finance, and such proceeds exclusive of premiums and accrued interest shall be  
7 expended (1) For the construction, renovation, rehabilitation, repair, improvements, furnishing and  
8 equipping of and/or additions to schools and school facilities in the town, including, but not limited  
9 to, the construction of three (3) elementary schools, the renovation of two (2) middle schools and  
10 the construction of new administrative offices; (2) For payment of the principal or interest on  
11 temporary notes issued under section 4; (3) In payment of capitalized interest on bonds or notes;  
12 (4) In repayment of advances under section 5; or (5) In payment of related costs of issuance of any  
13 bonds or notes. No purchaser of any bonds or notes under this act shall be in any way responsible  
14 for the proper application of the proceeds derived from the sales thereof. The project shall be carried  
15 out and all contracts made therefor on behalf of the town by the town council. The proceeds of  
16 bonds or notes issued under this act, any applicable federal or state assistance and other monies  
17 referred to in section 7 and 10, shall be deemed appropriated for the purposes of this act without  
18 further action than that required by this act. The bond issue authorized by this act may be  
19 consolidated for the purposes of issuance and sale with any other bond issue of the town heretofore  
20 or hereafter authorized; provided that, notwithstanding any such consolidation, the proceeds from  
21 the sale of the bonds authorized by this act shall be expended for the purposes set forth above.

22 SECTION 4. The town council may by resolution authorize the issue from time to time of  
23 interest bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the  
24 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in  
25 anticipation of bonds may not exceed the amount of bonds which may be issued under this act and  
26 the amount of original notes issued in anticipation of federal or state aid may not exceed the amount  
27 of available federal or state aid as estimated by the director of finance. Temporary notes issued  
28 hereunder shall be signed by the manual or facsimile signatures of the director of finance and the  
29 mayor and shall be payable within five (5) years from their respective dates, but the principal of  
30 and interest on notes issued for a shorter period may be renewed or paid from time to time by the  
31 issue of other notes thereunder; provided, the period from the date of an original note to the maturity  
32 or any note issued to renew or pay the same debt or the interest thereon shall not exceed five (5)  
33 years. Any temporary notes in anticipation of bonds issued under this section may be refunded prior  
34 to the maturity of the notes by the issuance of additional temporary notes; provided, that no such

1 refunding shall result in any amount of such temporary notes outstanding at any one time in excess  
2 of two hundred percent (200%) of the amount of bonds which may be issued under this act; and  
3 provided, further, that if the issuance of any such refunding notes results in any amount of such  
4 temporary notes outstanding at any one time in excess of the amount of bonds which may be issued  
5 under this act, the proceeds of such refunding notes shall be deposited in a separate fund established  
6 with the bank which is paying agent for the notes being refunded. Pending their use to pay the notes  
7 being refunded, monies in the fund shall be invested for the benefit of the town by the paying agent  
8 at the direction of the director of finance in any investment permitted under section 6. The monies  
9 in the fund and any investments held as a part of the fund shall be held in trust and shall be applied  
10 by the paying agent solely to the payment or prepayment of the principal of and interest on the  
11 notes being refunded. Upon payment of all principal of and interest on the notes, any excess monies  
12 in the fund shall be distributed to the town. The town may pay the principal of and interest on notes  
13 in full, from other than the issuance of refunding notes prior to the issuance of bonds pursuant to  
14 section 1 hereof. In such case, the town's authority to issue bonds or notes in anticipation of bonds  
15 under this act shall continue; provided, that (1) The town council passes a resolution evidencing  
16 the town's intent to pay off the notes without extinguishing the authority to issue bonds or notes;  
17 and (2) That the period from the date of an original note to the maturity date of any other note shall  
18 not exceed five (5) years.

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

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

32 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall  
33 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of  
34 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of

1 funds hereunder shall, in the discretion of the director of finance, be applied to the cost of preparing,  
2 issuing, and marketing bonds or notes hereunder, to the extent not otherwise provided, to the  
3 payment of the cost of the project or additional projects, to fund a revolving fund for capital school  
4 projects, to the payment of the principal of or interest on bonds or notes issued hereunder, to the  
5 revenues of the town and dealt with as part of the revenues of the town from property taxes to the  
6 extent permitted by federal law or to any one or more of the foregoing. The cost of preparing,  
7 issuing and marketing bonds or notes hereunder may, in the discretion of the director of finance,  
8 be met from bond or note proceeds exclusive of accrued interest or from other monies available  
9 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the projects  
10 and the cost of preparing, issuing and marketing bonds or notes hereunder shall be applied to the  
11 payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted  
12 by applicable federal laws, any earnings or net profit realized from the deposit or investment of  
13 funds hereunder may, upon receipt, be added to and dealt with as part of the revenues of the town  
14 from property taxes. In exercising any discretion under this section, the director of finance shall be  
15 governed by any instructions adopted by resolution of the town council.

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

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

30 SECTION 10. The town, acting by resolution of its town council is authorized to apply for,  
31 contract for and expend any federal or state advances or other grants or assistance which may be  
32 available for the purposes of this act, and any such expenditures may be in addition to other monies  
33 provided in this act. To the extent of any inconsistency between any law of this state and any  
34 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest

1 where applicable, whether contracted for prior to or after the effective date of this act, may be  
2 repaid as project costs under section 3.

3 SECTION 11. Bonds and notes may be issued under this act without obtaining the approval  
4 of any governmental agency or the taking of any proceedings or the happening of any conditions  
5 except as specifically required by this act for such issue. In carrying out any project financed in  
6 whole or in part under this act, including where applicable the condemnation of any land or interest  
7 in land, and in the levy and collection of assessments or other charges permitted by law on account  
8 of any such project, all action shall be taken which is necessary to meet constitutional requirements  
9 whether or not such action is otherwise required by statute; but the validity of bonds and notes  
10 issued hereunder shall in no way depend upon the validity or occurrence of such action.

11 SECTION 12. All or any portion of the authority to issue bonds and notes under this act  
12 may be extinguished by resolution of the town council, without further action by the general  
13 assembly seven (7) years after the effective date of this act.

14 SECTION 13. The director of finance and the mayor, on behalf of the town, are hereby  
15 authorized to execute such documents or other papers as either of them deem necessary or desirable  
16 to carry out the intent of this act and are also authorized to take all actions and execute all documents  
17 or agreements necessary to comply with federal tax and securities laws, which documents or  
18 agreements may have a term coextensive with the maturity of the bonds authorized hereby,  
19 including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute  
20 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes  
21 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

22 SECTION 14. The electors of the town have previously approved the issuance of bonds  
23 and notes in the amount and for the purposes described in this act, at the election held on November  
24 8, 2022. Accordingly, this act shall take effect upon the passage.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF NORTH PROVIDENCE TO ISSUE NOT TO EXCEED \$125,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND EQUIPPING OF AND/OR ADDITIONS TO SCHOOLS AND SCHOOL FACILITIES IN THE TOWN, INCLUDING, BUT NOT LIMITED TO, THE CONSTRUCTION OF THREE ELEMENTARY SCHOOLS, THE RENOVATION OF TWO MIDDLE SCHOOLS AND THE CONSTRUCTION OF NEW ADMINISTRATIVE OFFICES, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 79.8% FOR EXPENDITURES ELIGIBLE FOR REIMBURSEMENT

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1           This act authorizes the Town of North Providence to issue bonds and notes in an amount  
2 not exceeding one hundred and twenty-five million dollars (\$125,000,000) to finance the  
3 construction, renovation, rehabilitation, repair, improvements, furnishing and equipping of and/or  
4 additions to schools and school facilities in the town, including but not limited to, the construction  
5 of three (3) elementary schools, the renovation of two (2) middle schools and the construction of  
6 new administrative offices

7           As the electors of the town have approved the issuance of bonds and notes in the amount  
8 and for the purposes described in this act, at the election held on November 8, 2022, this act shall  
9 take effect upon passage.

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