

2023 -- H 6404

LC002993

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

AUTHORIZING THE TOWN OF BARRINGTON TO FINANCE THE CONSTRUCTION, IMPROVEMENT, RENOVATION, ALTERATION, FURNISHING AND EQUIPPING OF PUBLIC SCHOOLS AND SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, ATHLETIC FIELDS, PLAYGROUNDS, LANDSCAPING, PARKING AND COSTS OF FINANCING AND TO ISSUE NOT MORE THAN \$250,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 35 PERCENT AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

Introduced By: Representatives Knight, and Boylan

Date Introduced: May 12, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Barrington is hereby empowered, in addition to authority
2 previously granted, to issue bonds (hereinafter "bonds") up to a principal amount not exceeding
3 two hundred fifty million dollars (\$250,000,000) or such lesser amount as is approved by the voters
4 of the town pursuant to Sections 14 and 15 hereof, from time to time under its corporate name and
5 seal or a facsimile of such seal provided; however, that, bonds shall not be issued unless the
6 conditions of Section 2 hereof as to the level of state aid are met. The bonds of each issue may be
7 issued in the form of serial bonds or term bonds or a combination thereof and shall be payable
8 either by maturity of principal in the case of serial bonds or by sinking fund installments in the case
9 of term bonds, in annual installments of principal, the first installment to be not later than five (5)
10 years and the last installment not later than thirty (30) years after the date of the bonds. All such
11 bonds of a particular issue may be issued in the form of zero-coupon bonds, capital appreciation
12 bonds, serial bonds or term bonds or a combination thereof. The amount of principal appreciation
13 each year on any bonds, after the date of original issuance, shall not be considered to be principal

1 indebtedness for the purposes of any constitutional or statutory debt limit or any other limitation.
2 The appreciation of principal after the date of original issue shall be considered interest. Only the
3 original principal amount shall be counted in determining the principal amount so issued and any
4 interest component shall be disregarded.

5 SECTION 2. The town may be eligible for school housing aid reimbursement on debt
6 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
7 proceeds of bonds issued by the State of Rhode Island (the "state"), from the Rhode Island
8 department of education ("RIDE") or from the Rhode Island school building authority. The
9 principal amount of borrowing authorized pursuant to this act shall be reduced by the amount of
10 certain grants actually received by the town from state bond proceeds, from RIDE or from the
11 Rhode Island school building authority; provided however, that, the amount of borrowing
12 authorized shall not be reduced by the amount of any grant received by the town for any portion of
13 the project financed by capital reserve funds. Bonds and notes shall not be issued under this act
14 unless the town has received a letter from RIDE confirming that the then current school housing
15 aid reimbursement rate under chapter 7 of title 16, as amended from time to time, or financial
16 assistance from the school building authority capital fund, or pursuant to any other law hereafter
17 enacted providing for funds to municipalities for school housing purposes, is not less than thirty-
18 five percent (35%) of debt service for those expenditures which are eligible for state aid.

19 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
20 finance director and the president of the town council and shall be issued and sold in such principal
21 amounts as the town council may authorize by resolution. The manner of sale, denominations,
22 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
23 this act may be fixed by the proceedings of the town council authorizing the issue or by separate
24 resolution of the town council or, to the extent provisions for these matters are not so made, they
25 may be fixed by the officers authorized to sign the bonds. Notwithstanding anything contained in
26 this act to the contrary, the town may enter into financing agreements with the Rhode Island health
27 and educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45
28 of the general laws and, with respect to notes or bonds issued in connection with such financing
29 agreements, if any, the town may elect to have the provisions of chapter 38.1 of title 45 of the
30 general laws apply to the issuance of the bonds or notes issued hereunder to the extent the
31 provisions of title 45, chapter 38.1 of the general laws 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 town finance director, and such proceeds exclusive of premiums and accrued interest, shall be
7 expended: (1) To finance the construction, improvement, renovation, alteration, furnishing
8 and equipping of public schools and school facilities in the town, or such specific schools and
9 school facilities as are determined pursuant to Sections 14 and 15, and all expenses incident
10 thereto including, but not limited to, costs of design, athletic fields, playgrounds, landscaping,
11 parking and costs of financing; (2) In payment of the principal of or interest on temporary notes
12 issued under Section 4; (3) In repayment of advances under Section 4; (4) In payment of related
13 costs of issuance of any bonds or notes; and/or (5) To finance capitalized interest during
14 construction of the project (the "project"). No purchaser of any bonds or notes under this act shall
15 be in any way responsible for the proper application of the proceeds derived from the sale thereof.
16 The project shall be carried out and all contracts made therefor on behalf of the town by the town
17 council, or the town council may delegate such authority to the town school committee. The
18 proceeds of bonds or notes issued under this act, any applicable federal or state assistance and the
19 other monies referred to in Sections 7 and 10 shall be deemed appropriated for the purposes of this
20 act without further action than that required by this act. The bonds authorized by this act may be
21 consolidated for the purpose of issuance and sale with any other bonds of the town heretofore or
22 hereafter authorized, provided that, notwithstanding any such consolidation, the proceeds from the
23 sale of the bonds authorized by this act shall be expended for the purposes set forth above.

24 SECTION 4. The town council may by resolution authorize the issuance from time to time
25 of interest bearing or discounted notes in anticipation of the issuance of bonds or in anticipation of
26 the receipt of federal or state aid for the purposes of this act. The principal amount of original notes
27 issued in anticipation of bonds may not exceed the principal 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 finance director. Temporary
30 notes issued hereunder shall be signed by the manual or facsimile signatures of the town finance
31 director and the president of the town council and shall be payable within five (5) years from their
32 respective dates, but the principal of and interest on notes issued for a shorter period may be
33 renewed or paid from time to time by the issuance of other notes hereunder; provided the period
34 from the date of an original note to the maturity of any note issued to renew or pay the same debt

1 or interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds
2 issued under this section may be refunded prior to the maturity of the notes by the issuance of
3 additional temporary notes, provided that no such refunding shall result in any principal amount of
4 such temporary notes outstanding at any one time in excess of two hundred percent (200%) of the
5 principal amount of bonds which may be issued under this act; and provided, further that, if the
6 issuance of any such refunding notes results in any amount of such temporary notes outstanding at
7 any one time in excess of the principal amount of bonds which may be issued under this act, the
8 proceeds of such refunding notes shall be deposited in a separate fund established with the bank
9 which is paying agent for the notes being refunded. Pending their use to pay the notes being
10 refunded, monies in the fund shall be invested for the benefit of the town by the paying agent at the
11 direction of the town finance director in any investment permitted under Section 6. The monies in
12 the fund and any investments held as part of the fund shall be held in trust and shall be applied by
13 the paying agent solely to the payment or prepayment of the principal of and interest on the notes
14 being refunded. Upon payment of all principal of and interest on the notes, any excess monies in
15 the fund shall be distributed to the town. The town may pay the principal of and interest on notes
16 in full from other than the issuance of refunding notes prior to the issuance of bonds pursuant to
17 Section 1 hereof. In such case, the town's authority to issue bonds or notes in anticipation of bonds
18 under this act shall continue provided that: (1) The town council passes a resolution evidencing the
19 town's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and
20 (2) That the period from the date of an original note to the maturity date of any other note shall not
21 exceed five (5) years.

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

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

1 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
2 be applied to the payment of the first interest due thereon. Any premium arising from the sale of
3 bonds or notes hereunder shall, in the discretion of the town finance director, be applied to the cost
4 of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided,
5 to the payment of the project costs, to the payment of the principal of or interest on bonds or notes
6 issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
7 marketing bonds or notes hereunder may also, in the discretion of the town finance director, be met
8 from bond or note proceeds exclusive of premium and accrued interest or from other monies
9 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
10 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder, shall be
11 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
12 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
13 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues
14 of the town from property taxes. In exercising any discretion under this section, the town finance
15 director shall be 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 provisions 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, and coupons, if
27 any, if properly executed by officers of the town in office on the date of execution, shall be valid
28 and binding according to their terms notwithstanding that before the delivery thereof and payment
29 therefor any 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
31 for, contract for and expend any federal or state advances or other grants or assistance which may
32 be available for the purposes of this act, and any such expenditures may be in addition to the 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. The town finance director and the president of the town council, on behalf
12 of the town, are hereby authorized to execute such instruments, documents or other papers as either
13 of them deem necessary or desirable to carry out the intent of this act and are also authorized to
14 take all actions and execute all instruments, documents or agreements necessary to comply with
15 federal tax and securities laws, which instruments, documents or agreements may have a term
16 coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the
17 Securities and Exchange Commission (the "Rule") and to execute and deliver a continuing
18 disclosure agreement or certificate in connection with the bonds or notes in the form as shall be
19 deemed advisable by such officers in order to comply with the Rule.

20 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
21 and notes under this act may be extinguished by resolution of the town council after seven (7) years
22 shall have passed from the approval of this act provided for in Section 15, without further action
23 by the general assembly.

24 SECTION 14. It shall be a condition precedent to holding of the referendum described in
25 Section 15 hereof and the issuance of bonds and notes hereunder that the town council adopt one
26 or more resolutions which provide for the exact principal amount of bonds and notes to be presented
27 to the voters, with due regard to any recommendation of the school committee.

28 SECTION 15. At the general election to be held on November 7, 2023, there shall be
29 submitted to voters of the town a question or questions in substantially the following form,
30 providing for the maximum principal amount to be issued (not to exceed \$250,000,000 in the
31 aggregate) and, if the town council so determines, providing for specific schools and school
32 facilities to be improved:

33 "Shall the town of Barrington issue general obligation bonds and/or notes in a principal
34 amount not to exceed \$_____ for the purpose of financing the construction, improvement,

1 renovation, alteration, furnishing and equipping of _____ public schools and school
2 facilities in the town and all expenses incident thereto including, but not limited to, costs of design,
3 athletic fields, playgrounds, landscaping, parking, and costs of financing, subject to approval of
4 state housing aid at a reimbursement rate or state share ratio of not less than 35% at the time of
5 issuance and provided that the authorization shall be reduced by the amount of certain grants
6 received from state bond proceeds, from the Rhode Island department of education or from the
7 Rhode Island school building authority?" and the warning for the election shall contain the question
8 to be submitted. From the time the election is warned and until it is held, it shall be the duty of the
9 town clerk to keep a copy of this act available for public inspection, but the validity of the election
10 shall not be affected by this requirement. To the extent of any inconsistency between this act and
11 the town charter, this act shall prevail.

12 SECTION 16. This act shall constitute an enabling act of the general assembly that is
13 required pursuant to § 16-7-44 of the general laws. Bonds or other evidences of indebtedness issued
14 under this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-
15 7-44 of the general laws unless the school projects have been approved by the Rhode Island
16 department of education.

17 SECTION 17. This Section 17 and Sections 14 and 15 shall take effect upon the passage
18 of this act. The remainder of this act shall take effect upon the approval of this act by a majority of
19 those voting on the question at the election prescribed by Section 15.

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EXPLANATION

OF

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AUTHORIZING THE TOWN OF BARRINGTON TO FINANCE THE CONSTRUCTION, IMPROVEMENT, RENOVATION, ALTERATION, FURNISHING AND EQUIPPING OF PUBLIC SCHOOLS AND SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, ATHLETIC FIELDS, PLAYGROUNDS, LANDSCAPING, PARKING AND COSTS OF FINANCING AND TO ISSUE NOT MORE THAN \$250,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 35 PERCENT AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

1 This act would authorize the town of Barrington to issue not more than \$250,000,000 bonds
2 and notes to finance the construction, improvement, renovation, alteration, furnishing
3 and equipping of public schools and school facilities in the town or such specific schools and school
4 facilities as are determined pursuant to Sections 14 and 15 and all expenses incident thereto,
5 including, but not limited to, costs of design, athletic fields, playgrounds, landscaping, parking, and
6 costs of financing, subject to approval of state housing aid at a reimbursement rate or state share
7 ratio of not less than thirty-five percent (35%) at the time of issuance and provided that the
8 authorization would be reduced by the amount of certain grants received from state bond proceeds,
9 from the Rhode Island department of education or from the Rhode Island school building authority.
10 Bonds issued under this act would not be eligible for state aid reimbursement pursuant to § 16-7-
11 44 of the general laws unless the school projects have been approved by the Rhode Island
12 department of education.

13 Sections 14 and 15 would provide that the town council adopt a resolution or resolutions
14 providing for the exact principal amount of bonds and notes to be presented to the voters and, if the
15 town council so determines, the specific schools and school facilities to be financed. Sections 14,
16 15, and 17 of this act would take effect upon passage. The remainder of the act would take effect
17 upon approval by the voters of the town of the question or questions provided for in Section 15.

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