

2023 -- H 6453

LC003087

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

AUTHORIZING THE TOWN OF LINCOLN TO ISSUE NOT TO EXCEED \$14,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF A NEW
TOWN-WIDE CENTRALIZED RESCUE STATION AND THE FURNISHING AND
EQUIPPING THEREOF AND ALL COSTS RELATED THERETO

Introduced By: Representatives Ackerman, Shallcross Smith, and Costantino

Date Introduced: May 26, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Lincoln is hereby empowered, in addition to authority previously
2 granted, to issue general obligation bonds, notes and other evidences of indebtedness in an amount
3 not exceeding fourteen million dollars (\$14,000,000) from time to time under its corporate name
4 and seal. The bonds of each issue may be issued in the form of zero-coupon bonds, capital
5 appreciation bonds, serial bonds or term bonds or a combination thereof and shall be payable either
6 by maturity of principal in the case of serial bonds or by mandatory serial redemption in the case
7 of term bonds, in installments of principal, the first installment to be not later than five (5) years
8 and the last installment not later than thirty (30) years after the date the bonds are issued. All such
9 bonds of a particular issue may be issued in the form of zero-coupon bonds, capital appreciation
10 bonds, serial bonds or term bonds or a combination thereof, and may bear interest at a fixed rate or
11 rates or at a variable or auction rate or rates. The bonds may be sold by a negotiated sale or by
12 competitive bid and may be issued pursuant to a resolution or an indenture of trust. Annual
13 installments of principal may be provided for by maturity of principal in the case of serial bonds or
14 by mandatory serial redemption in the case of term bonds. The amount of principal appreciation
15 each year on any bonds, after the date of original issuance, shall not be considered to be principal
16 indebtedness for the purposes of any constitutional or statutory debt limit or any other limitation.
17 The appreciation of principal after the date of original issue shall be considered interest. Only the

1 original principal amount shall be counted in determining the principal amount so issued and any
2 interest component or premium shall be disregarded.

3 SECTION 2. The bonds shall be signed by the town director of finance, the town
4 administrator and the president of the town council and shall be issued and sold in such amounts as
5 the town council may authorize. The manner of sale, denominations, maturities, interest rates and
6 other terms, conditions and details of any bonds or notes issued under this act may be fixed by the
7 proceedings of the town council authorizing the issue or by separate resolution of the town council
8 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
9 authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds shall be
10 delivered to the director of finance, and such proceeds shall be expended: (1) For the development
11 and construction of a new town-wide centralized rescue station and the furnishing and equipping
12 thereof and all costs related thereto; (2) For payment of the principal or interest on temporary notes
13 issued under section 3; (3) In payment of capitalized interest on bonds or notes; (4) In repayment
14 of advances under section four; or (5) In payment of related costs of issuance of any bonds or notes.
15 No purchaser of any bonds or notes under this act shall be in any way responsible for the proper
16 application of the proceeds derived from the sales thereof. The project shall be carried out and all
17 contracts made therefor on behalf of the town by the town administrator, subject to approval of the
18 town council. The proceeds of bonds or notes issued under this act, any applicable federal or state
19 assistance and other monies referred to in section 6 and 9, shall be deemed appropriated for the
20 purposes of this act without further action than that required by this act. The bond issue authorized
21 by this act may be consolidated for the purposes of issuance and sale with any other bond issue of
22 the town heretofore or hereafter authorized; provided that, notwithstanding any such consolidation,
23 the proceeds from the sale of the bonds authorized by this act shall be expended for the purposes
24 set forth above. The director of finance, the town administrator and the president of the town
25 council, on behalf of the town, are hereby authorized to execute such instruments, documents or
26 other papers as either of them deem necessary or desirable to carry out the intent of this act and are
27 also authorized to take all actions and execute all documents or agreements necessary to comply
28 with federal tax and securities laws, which documents or agreements may have a term coextensive
29 with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the Securities and
30 Exchange Commission and to execute and deliver a continuing disclosure agreement or certificate
31 in connection with the bonds or notes.

32 SECTION 3. The town council may by resolution authorize the issue from time to time of
33 interest bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the
34 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in

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

29 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
30 of any authorization or issue of notes hereunder, the director of finance, with the approval of the
31 town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
32 treasury of the town to the purposes specified in section 2, such advances to be repaid without
33 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
34 federal or state assistance or from other available funds.

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

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

24 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby
25 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
26 contracted by it and shall be excepted from the operation of section 45-12-2 of the general laws.
27 No such obligation shall at any time be included in the debt of the town for the purpose of
28 ascertaining its borrowing capacity. The town shall annually appropriate a sum sufficient to pay
29 the principal and interest coming due within the year on bonds and notes issued hereunder to the
30 extent that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
31 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
32 notwithstanding any provision of law to the contrary, all taxable property in the town shall be
33 subject to ad valorem taxation by the town without limitation as to rate or amount.

34 SECTION 8. Any bonds or notes issued under the provisions of this act, if properly

1 executed by officers of the town in office on the date of execution, shall be valid and binding
2 according to their terms notwithstanding that before the delivery thereof and payment therefor any
3 or all of such officers shall for any reason have ceased to hold office.

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

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

19 SECTION 11. All or any portion of the authority to issue bonds and notes under this act
20 may be extinguished by resolution of the town council, without further action by the general
21 assembly.

22 SECTION 12. The director of finance, the town administrator, and the president of the
23 town council, on behalf of the town, are hereby authorized to execute such documents or other
24 papers as either of them deem necessary or desirable to carry out the intent of this act and are also
25 authorized to take all actions and execute all documents or agreements necessary to comply with
26 federal tax and securities laws, which documents or agreements may have a term coextensive with
27 the maturity of the bonds authorized hereby, including Rule 15c2-12 of the Securities and Exchange
28 Commission (the "Rule") and to execute and deliver a continuing disclosure agreement or
29 certificate in connection with the bonds or notes in the form as shall be deemed advisable by such
30 officers in order to comply with the Rule.

31 SECTION 13. The question of the approval of this act shall be submitted to the electors
32 of the town at the special election to be held on November 7, 2023 or a special election (other than
33 a primary), on a date as shall be designated by the town council. The question shall be submitted
34 in substantially the following form: "Shall an Act, passed at the 2023 session of the General

1 Assembly, entitled, 'AN ACT AUTHORIZING THE TOWN OF LINCOLN TO ISSUE NOT TO
2 EXCEED \$14,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES
3 OF INDEBTEDNESS TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF A
4 NEW TOWN-WIDE CENTRALIZED RESCUE STATION AND THE FURNISHING AND
5 EQUIPPING THEREOF AND ALL COSTS RELATED THERETO,' be approved?" and the
6 warning for the election shall contain the question to be submitted. From the time the election is
7 warned and until it is held, it shall be the duty of the town clerk to keep a copy of the act available
8 at his/her office for public inspection, but the validity of the election shall not be affected by this
9 requirement.

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

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF LINCOLN TO ISSUE NOT TO EXCEED \$14,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF A NEW
TOWN-WIDE CENTRALIZED RESCUE STATION AND THE FURNISHING AND
EQUIPPING THEREOF AND ALL COSTS RELATED THERETO

1 This act would authorize the town of Lincoln to issue general obligation bonds, notes and
2 other evidences of indebtedness in an amount not exceeding \$14,000,000 to finance the
3 development and construction of a new town-wide centralized rescue station and the furnishing and
4 equipping thereof and all costs related thereto.

5 Sections 13 and 14 would take effect upon passage. The remainder of the act would take
6 effect upon approval of the question provided for in section 13.

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