

**2023 -- S 1074**

LC003091

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2023**

A N A C T

AUTHORIZING THE TOWN OF NORTH SMITHFIELD TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF A NEW POLICE STATION OR THE RENOVATION, IMPROVEMENT, ALTERATION AND REPAIR OF AN EXISTING BUILDING TO BE USED AS A POLICE STATION, AS DETERMINED BY THE TOWN COUNCIL AND THE FURNISHING AND EQUIPPING THEREOF BY THE ISSUE OF NOT MORE THAN \$18,000,000 OF BONDS AND/OR NOTES THEREFOR

Introduced By: Senators de la Cruz, Paolino, and Murray

Date Introduced: May 25, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The town of North Smithfield is hereby empowered, in addition to authority  
2 previously granted, to issue general obligation bonds and notes to an amount not exceeding eighteen  
3 million dollars (\$18,000,000) from time to time under its corporate name and seal. The bonds of  
4 each issue may be issued in the form of serial bonds or term bonds or a combination thereof and  
5 shall be payable either by maturity of principal in the case of serial bonds or by mandatory serial  
6 redemption in the case of term bonds, in annual installments of principal, in such installments as  
7 are fixed by the proceedings of the town council authorizing the issue or by separate resolution of  
8 the town council. All such bonds of a particular issue may be issued in the form of zero coupon  
9 bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof, and may  
10 bear interest at a fixed rate or rates or at a variable or auction rate or rates, as determined by the  
11 proceedings of the town council authorizing the issue or by separate resolution of the town council.  
12 The bonds may be sold by a negotiated sale or by competitive bid and issued pursuant to a resolution  
13 or an indenture of trust, as is determined by the proceedings of the town council authorizing the  
14 issue or by separate resolution of the town council; provided that, the final maturity of such bonds  
15 shall not exceed thirty (30) years from and after the date the bonds are issued. Annual installments  
16 of principal may be provided for by maturity of principal in the case of serial bonds or by mandatory

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

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

1           SECTION 3. The town council may by resolution authorize the issue from time to time of  
2 interest bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the  
3 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in  
4 anticipation of bonds may not exceed the amount of bonds which may be issued under this act and  
5 the amount of original notes issued in anticipation of federal or state aid may not exceed the amount  
6 of available federal or state aid as estimated by the director of finance. Temporary notes issued  
7 hereunder shall be signed by the director of finance and the president of the town council and shall  
8 be payable within five (5) years from their respective dates, but the principal of and interest on  
9 notes issued for a shorter period may be renewed or paid from time to time by the issue of other  
10 notes hereunder, provided the period from the date of an original note to the maturity of any notes  
11 issued to renew or pay the same debt or the interest thereon shall not exceed five (5) years. Any  
12 temporary notes in anticipation of bonds issued under this section may be refunded prior to the  
13 maturity of the notes by the issuance of additional temporary notes; provided that, no such  
14 refunding shall result in any amount of such temporary notes outstanding at any one time in excess  
15 of two hundred percent (200%) of the amount of bonds which may be issued under this act; and  
16 provided, further that, if the issuance of any such refunding notes results in any amount of such  
17 temporary notes outstanding at any one time in excess of the amount of bonds which may be issued  
18 under this act, the proceeds of such refunding notes shall be deposited in a separate fund established  
19 with the bank which is paying agent for the notes being refunded. Pending their use to pay the notes  
20 being refunded, monies in the fund shall be invested for the benefit of the town by the paying agent  
21 at the direction of the director of finance in any investment permitted under section 5. The monies  
22 in the fund and any investments held as a part of the fund shall be held in trust and shall be applied  
23 by the paying agent solely to the payment or prepayment of the principal of and interest on the  
24 notes being refunded. Upon payment of all principal of and interest on the notes, any excess monies  
25 in the fund shall be distributed to the town. The town may pay the principal of and interest on notes  
26 in full from other than the issuance of refunding notes prior to the issuance of bonds pursuant to  
27 section 1 hereof. In such case, the town's authority to issue bonds or notes in anticipation of bonds  
28 under this act shall continue; provided that: (1) The town council passes a resolution evidencing  
29 the town's intent to payoff the notes; and (2) That the period from the date of an original note to  
30 the maturity date of any other notes shall not exceed five (5) years.

31           SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu  
32 of any authorization or issue of notes hereunder, the director of finance, with the approval of the  
33 town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the  
34 treasury of the town to the purposes specified in section 2, such advances to be repaid without

1 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable  
2 federal or state assistance or from other available funds.

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

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

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

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

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

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

20           SECTION 11. The question of the approval of this act shall be submitted to the electors of  
21 the town at the special election to be held on November 7, 2023 or at a general or special election  
22 (other than a primary election) to be held on a date as shall be designated by the town council. The  
23 question shall be submitted in substantially the following form: "Shall an act, passed at the 2023  
24 session of the general assembly, entitled 'AN ACT AUTHORIZING THE TOWN OF NORTH  
25 SMITHFIELD TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF A NEW  
26 POLICE STATION OR THE RENOVATION, IMPROVEMENT, ALTERATION AND REPAIR  
27 OF AN EXISTING BUILDING TO BE USED AS A POLICE STATION, AS DETERMINED BY  
28 THE TOWN COUNCIL AND THE FURNISHING AND EQUIPPING THEREOF, BY THE  
29 ISSUANCE OF NOT MORE THAN \$18,000,000 OF BONDS AND/OR NOTES THEREFOR'  
30 be approved?" The warning for the election shall contain the question to be submitted. From the  
31 time the election is warned and until it is held, it shall be the duty of the town clerk to keep a copy  
32 of the act available at his or her office for public inspection, but the validity of the election shall  
33 not be affected by this requirement. To the extent of any inconsistency between this act and the  
34 town charter, this act shall prevail.

1           SECTION 12. Sections 11 and 12 shall take effect upon the passage of this act. The  
2 remainder of this act shall take effect upon the approval of this act by a majority of those voting on  
3 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 NORTH SMITHFIELD TO FINANCE THE DEVELOPMENT AND CONSTRUCTION OF A NEW POLICE STATION OR THE RENOVATION, IMPROVEMENT, ALTERATION AND REPAIR OF AN EXISTING BUILDING TO BE USED AS A POLICE STATION, AS DETERMINED BY THE TOWN COUNCIL AND THE FURNISHING AND EQUIPPING THEREOF BY THE ISSUE OF NOT MORE THAN \$18,000,000 OF BONDS AND/OR NOTES THEREFOR

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1           This act would authorize the town of North Smithfield to issue eighteen million dollars  
2 (\$18,000,000) of general obligation bonds and notes in order to finance the development and  
3 construction of a new police station or the renovation, improvement, alteration and repair of an  
4 existing building to be used as a police station, as determined by the town council and the furnishing  
5 and equipping thereof.

6           Sections 11 and 12 would take effect upon passage. The remainder of the act would take  
7 effect upon approval of the act by the electors of the town of North Smithfield.

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