

2023 -- S 1076

LC003092

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN \$222,460,000 OF BOND AND NOTES OF WHICH (1) UP TO \$167,460,000 IS FOR SCHOOL PURPOSES, INCLUDING BUT NOT LIMITED TO THE CONSTRUCTION OF A NEW MIDDLE SCHOOL, AND (2) UP TO \$55,000,000 IS FOR A NEW PUBLIC SAFETY COMPLEX

Introduced By: Senators Valverde, and DiMario

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 Kingstown is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding two hundred twenty-two million
3 four hundred sixty thousand dollars (\$222,460,000) from time to time under its corporate name and
4 seal or a facsimile of such seal. The bonds of each issue may be issued in the form of serial bonds
5 or term bonds or a combination thereof and shall be payable either by maturity of principal in the
6 case of serial bonds or by mandatory serial redemption in the case of term bonds, in annual
7 installments of principal, the first installment to be not later than five (5) years and the last
8 installment not later than thirty (30) years after the date of the bonds.

9 SECTION 2. This act shall constitute an enabling act of the general assembly that is
10 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
11 this act for school projects shall not be eligible for state housing aid reimbursement pursuant to §
12 16-7-44 unless the school projects described herein shall have been approved by the Rhode Island
13 department of education.

14 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
15 treasurer and the president of the town council and shall be issued and sold in such amounts as the
16 town council may authorize by resolution. The manner of sale, denominations, maturities, interest
17 rates and other terms, conditions and details of any bonds or notes issued under this act may be

1 fixed by the resolution of the town council authorizing the issue or by separate resolution of the
2 town council or, to the extent provisions for these matters are not so made, they may be fixed by
3 the officers authorized to sign the bonds or notes. Notwithstanding anything contained in this act
4 to the contrary, the town may enter into financing agreements with the Rhode Island health and
5 educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and,
6 with respect to bonds or notes issued in connection with such financing agreements, if any, the
7 town acting by said officers may elect to have the provisions of chapter 38.1 of title 45 apply to the
8 issuance of bonds or notes issued hereunder to the extent the provisions of said chapter are
9 inconsistent herewith. In addition, the town may enter into financing agreements with the Rhode
10 Island infrastructure bank pursuant to the provision of chapter 12.2 of title 46 and, with respect to
11 bonds or notes issued in connection with such financing agreements, if any, the town acting by said
12 officers may elect to have the provisions of chapter 12.2 of title 46 apply to the issuance of bonds
13 or notes issued hereunder to the extent the provisions of said chapter are inconsistent herewith.

14 SECTION 4. The proceeds derived from the sale of the bonds shall be delivered to the
15 treasurer, and such proceeds exclusive of premiums and accrued interest shall be expended for:
16 (1)(i) In an amount not to exceed one hundred sixty-seven million four hundred sixty thousand
17 dollars (\$167,460,000) for school purposes, including, but not limited to, the construction of a new
18 middle school and all costs incidental thereto, including, but not limited to, furniture and
19 equipment, demolition and environmental remediation of existing structures, and site
20 improvements; and (ii) In an amount not to exceed fifty-five million dollars (\$55,000,000) for a
21 new public safety complex and all costs incidental thereto, including, but not limited to, furniture
22 and equipment, demolition and environmental remediation of existing structures, and site
23 improvements (collectively, the "projects"); (2) In payment of the principal of or interest on
24 temporary notes issued under Section 5 of this act; or (3) In repayment of advances under Section
25 6 of this act. No purchaser of any bonds or notes under this act shall be in any way responsible for
26 the proper application of the proceeds derived from the sale thereof. The projects shall be carried
27 out and all contracts made therefor on behalf of the town by the town council or as may be otherwise
28 directed by the town council. The proceeds of bonds or notes issued under this act, any applicable
29 federal or state assistance and the other monies referred to in Sections 8 and 11 of this act shall be
30 deemed appropriated for the purposes of this act without further action than that required by this
31 act. The bond issue, and any issue of notes, authorized by this act may be consolidated for the
32 purposes of issuance and sale with any other bond and/or note issue of the town heretofore or
33 hereafter authorized; provided that, notwithstanding any such consolidation, the proceeds from the
34 sale of the bonds and notes authorized by this act shall be expended for the purposes set forth above.

1 SECTION 5. The town council may by resolution authorize the issue from time to time of
2 interest bearing or discounted notes in anticipation of the authorization or issue of bonds or in
3 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
4 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
5 under this act and the amount of original notes issued in anticipation of federal or state aid may not
6 exceed the amount of available federal or state aid as estimated by the treasurer. Temporary notes
7 issued hereunder shall be signed by the treasurer and by 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 note
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 maturity
13 of the notes by the issuance of additional temporary notes; provided that, no such refunding shall
14 result in any amount of temporary notes outstanding at any one time in excess of two hundred
15 percent (200%) of the amount of bonds that may be issued under this act; and provided further that,
16 if the issuance of any such refunding notes results in excess of the amount of bonds that may be
17 issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
18 established with the paying agent which is the paying agent for the notes being refunded. Pending
19 their use to pay the notes being refunded, monies in the fund shall be invested for the benefit of the
20 town by the paying agent at the direction of the treasurer in any investment permitted under Section
21 8. The monies in the fund and any investments held as a part of the fund shall be held in trust and
22 shall be applied by the paying agent solely to the payment or prepayment of the principal and
23 interest on the notes being refunded. Upon payment of all principal and interest on the notes being
24 refunded, any excess monies in the fund shall be distributed by the paying agent to the town. The
25 town may pay the principal of and interest on the notes in full or in part from other than the issuance
26 of refunding notes prior to the issuance of bonds pursuant to Section 1 hereof. In such case the
27 town's authority to issue bonds or notes in anticipation of bonds under this act shall continue;
28 provided that: (1) The town council passes a resolution evidencing the town's intent to pay off the
29 notes without extinguishing the authority to issue bonds or notes; and (2) That the period from the
30 date of the original note to the maturity of any other note shall not exceed five (5) years.

31 SECTION 6. Pending any authorization or issue of bonds hereunder or pending or in lieu
32 of any authorization or issue of notes hereunder, the treasurer, with the approval of the town
33 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the treasury
34 of the town to the purposes specified in Section 5, such advances to be repaid without interest from

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

3 SECTION 7. 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 treasurer, in
5 demand deposits, time deposits or savings deposits in banks which are members of the Federal
6 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
7 America or by any agency or instrumentality thereof or as may be provided in any other applicable
8 law of the State of Rhode Island or resolution of the town council or pursuant to an investment
9 policy of the town.

10 SECTION 8. 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 and any earnings or net profit realized from the deposit or investment of
13 funds hereunder shall, in the discretion of the treasurer, be applied: (1) To the cost of preparing,
14 issuing and marketing bonds or notes hereunder to the extent not otherwise provided; (2) To the
15 cost of capitalized interest on temporary notes issued under Section 5 of this act not otherwise
16 provided; (3) To the payment of the cost of the projects for which such bonds were issued or to the
17 cost of additional improvements coming within the description of the projects in Section 4 of this
18 act for which such bonds were issued; and/or (4) To the payment of the principal of or interest on
19 bonds or notes issued hereunder; or to any one or more of the foregoing. The cost of preparing,
20 issuing and marketing bonds or notes hereunder may also, in the discretion of the treasurer, be met
21 from bond or note proceeds exclusive of accrued interest or from other monies available therefor.
22 Any balance of bond or note proceeds remaining after payment of the cost of the projects and said
23 additional improvements and the cost of preparing, issuing and marketing bonds or notes hereunder
24 shall be applied to the payment of the principal of or interest on bonds or notes issued hereunder.
25 To the extent permitted by applicable federal laws, any earnings or net profit realized from the
26 deposit or investment of fund hereunder may, upon receipt, be added to and dealt with as part of
27 the revenues of the town from property taxes. In exercising any discretion under this section, the
28 treasurer shall be governed by any instructions adopted by resolution of the town council. The
29 treasurer is authorized to take any action deemed by him or her necessary: (1) To assure that interest
30 on the bonds or notes issued hereunder remains excludable from gross income of the recipients
31 thereof for federal income tax purposes, including, without limitation, paying to the federal
32 government any rebate of earnings derived from the deposit or investment of the proceeds of such
33 bonds or notes that may be required therefor; (2) To comply with the requirements of federal law,
34 including without being limited to regulations and other requirements of the Securities and

1 Exchange Commission and the Municipal Securities Rulemaking Board, imposed directly on the
2 town or on the underwriters of such bonds and notes; and/or (3) To comply with the provisions of
3 §§ 16-7-35 through 16-7-47; including making all necessary contracts and agreements to issue said
4 bonds and/or notes through the Rhode Island health and educational building corporation.

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

15 SECTION 10. Any bonds or notes issued under the provisions of this act, if properly
16 executed by officers of the town in office on the date of execution, shall be valid and binding
17 according to their terms notwithstanding that before the delivery thereof and payment therefor any
18 or all of such officers shall for any reason have ceased to hold office.

19 SECTION 11. The town, acting by resolution of its town council is authorized to apply for,
20 contract for and expend any federal or state advances or other grants or assistance which may be
21 available for the purposes of this act, and any such expenditures may be in addition to other monies
22 provided in this act. To the extent of any inconsistency between any law of this state and any
23 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
24 where applicable, whether contracted for prior to or after the effective date of this act, may be
25 repaid as project costs under Section 4.

26 SECTION 12. Bonds and notes may be issued under this act without obtaining the approval
27 of any governmental agency or the taking of any proceedings or the happening of any conditions
28 except as specifically required by this act for such issue. In carrying out any project financed in
29 whole or in part under this act, including where applicable the condemnation of any land or interest
30 in land, and in the levy and collection of assessments or other charges permitted by law on account
31 of any such project, all action shall be taken which is necessary to meet constitutional requirements
32 whether or not such action is otherwise required by statute; but the validity of bonds and notes
33 issued hereunder shall in no way depend upon the validity or occurrence of such action. To the
34 extent of any inconsistency between this act and the town charter, this act shall prevail.

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

4 SECTION 14. The question of the approval of this act shall be submitted to the electors of
5 the town at an election on a date to be determined by the town council which occurs at least sixty
6 (60) days after the passage of this act. The question shall be submitted in substantially the following
7 form: "Shall an act, passed at the 2023 session of the General Assembly, entitled 'AN ACT
8 AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN
9 \$222,460,000 BONDS AND NOTES OF WHICH (1) UP TO \$167,460,000 IS FOR SCHOOL
10 PURPOSES, INCLUDING BUT NOT LIMITED TO THE CONSTRUCTION OF A NEW
11 MIDDLE SCHOOL AND (2) UP TO \$55,000,000 IS FOR A NEW PUBLIC SAFETY
12 COMPLEX' be approved?" and the warning for the election shall contain the question to be
13 submitted. The town board of canvassers may combine any two (2) or more voting districts for the
14 election and when so combined shall be treated as a voting district. If so combined, the town board
15 of canvassers shall advertise the combination of districts in a newspaper of general circulation in
16 the town. From the time the election is warned and until it is held, it shall be the duty of the town
17 clerk to keep a copy of the act available at his or her office for public inspection, but the validity of
18 the election shall not be affected by this requirement.

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

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN \$222,460,000 OF BOND AND NOTES OF WHICH (1) UP TO \$167,460,000 IS FOR SCHOOL PURPOSES, INCLUDING BUT NOT LIMITED TO THE CONSTRUCTION OF A NEW MIDDLE SCHOOL, AND (2) UP TO \$55,000,000 IS FOR A NEW PUBLIC SAFETY COMPLEX

1 This act would authorize the town of North Kingstown to issue bonds in the amount of two
2 hundred twenty-two million four hundred sixty thousand dollars (\$222,460,000) for the
3 construction of a new middle school and a public safety complex, subject to approval by the electors
4 of the town.

5 This Section and Section 14 would take effect upon passage. The remainder of this act
6 would take effect upon the approval of this act by a majority of those voting on the question at the
7 election prescribed by Section 14.

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