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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE TOWN OF JOHNSTON TO ISSUE NOT TO EXCEED \$40,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE CONSTRUCTION, ADDITIONS, RENOVATION,
IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND EQUIPPING OF
STORMWATER MANAGEMENT AND SEWER FACILITIES THROUGHOUT THE TOWN

Introduced By: Senator Frank A. Ciccone

Date Introduced: May 02, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Johnston is hereby empowered, in addition to authority
2 previously granted, to issue bonds in an amount not exceeding forty million dollars (\$40,000,000)
3 from time to time under its corporate name and seal. The bonds of each issue may be issued in the
4 form of zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a combination
5 thereof and shall be payable either by maturity of principal in the case of serial bonds or by
6 mandatory serial redemption in the case of term bonds, in installments of principal, the first
7 installment to be not later than five (5) years and the last installment not later than thirty (30) years
8 after the date the bonds are issued.

9 SECTION 2. The bonds shall be signed by the mayor and the director of finance and shall
10 be issued and sold in such amounts as the town council may authorize. The manner of sale,
11 denominations, maturities, interest rates and other terms, conditions and details of any bonds or
12 notes issued under this act may be fixed by the officers authorized to sign the bonds or notes.
13 Notwithstanding anything contained in this act to the contrary, the town may enter into financing
14 agreements with the Rhode Island infrastructure bank pursuant to the provisions of chapter 12.2 of
15 title 46 and, with respect to bonds or notes issued in connection with such financing agreements, if
16 any, the town may elect to have the provisions of chapter 12.2 of title 46 apply to the issuance of
17 the bonds or notes issued hereunder to the extent the provisions of chapter 12.2 of title 46 are

1 inconsistent herewith. Such election may be fixed by the officers authorized to sign the bonds or
2 notes. The proceeds derived from the sale of the bonds shall be delivered to the director of finance,
3 and such proceeds exclusive of premiums and accrued interest shall be expended: (1) For the
4 construction, additions, renovation, improvement, alteration, repair furnishing and equipping of
5 stormwater management and sewer facilities in the town and all costs related thereto, including,
6 but not limited to, the costs of land acquisition; (2) For payment of the principal or interest on
7 temporary notes issued under Section 3; (3) For payment of capitalized interest on bonds or notes;
8 (4) For repayment of advances under Section 4; or (5) For payment of related costs of issuance of
9 any bonds or notes. No purchaser of any bonds or notes under this act shall be in any way
10 responsible for the proper application of the proceeds derived from the sales thereof. The project
11 shall be carried out and all contracts made therefor on behalf of the town by the mayor. The
12 proceeds of bonds or notes issued under this act, any applicable federal or state assistance and other
13 monies referred to in Sections 6 and 9 shall be deemed appropriated for the purposes of this act
14 without further action than that required by this act. The bond issue authorized by this act may be
15 consolidated for the purposes of issuance and sale with any other bond issue of the town heretofore
16 or hereafter authorized; provided that, notwithstanding any such consolidation, the proceeds from
17 the sale of the bonds authorized by this act shall be expended for the purposes set forth above.

18 SECTION 3. The town council may by resolution or ordinance authorize the issue from
19 time to time of interest bearing or discounted notes in anticipation of the issue of bonds or in
20 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
21 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
22 under this act (without any reduction for any grant received), and the amount of original notes
23 issued in anticipation of federal or state aid may not exceed the amount of available federal or state
24 aid as estimated by the director of finance. Temporary notes issued hereunder shall be signed by
25 the manual or facsimile signatures of the director of finance and the mayor and shall be payable
26 within five (5) years from their respective dates, but the principal of and interest on notes issued
27 for a shorter period may be renewed or paid from time to time by the issuance of other notes
28 thereunder; provided the period from the date of an original note to the maturity or any note issued
29 to renew or pay the same debt or the interest thereon shall not exceed five (5) years. Any temporary
30 notes in anticipation of bonds issued under this section may be refunded prior to the maturity of the
31 notes by the issuance of additional temporary notes; provided that, no such refunding shall result
32 in any amount of such temporary notes outstanding at any one time in excess of two hundred
33 percent (200%) of the amount of bonds which may be issued under this act; and provided, further,
34 that if the issuance of any such refunding notes results in any amount of such temporary notes

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

16 SECTION 4. Pending any authorization or issuance of bonds hereunder or pending or in
17 lieu of any authorization or issuance of notes hereunder, the director of finance, may, to the extent
18 that bonds or notes may be issued hereunder, apply funds in the treasury of the town to the purposes
19 specified in Section 1, such advances to be repaid without interest from the proceeds of bonds or
20 notes subsequently issued or from the proceeds of applicable federal or state assistance or from
21 other available funds.

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

29 SECTION 6. Any accrued interest received upon the sale of bonds or notes issued
30 hereunder shall be applied to the payment of the first interest due thereon. Any premiums arising
31 from the sale of bonds or notes issued hereunder and any earnings or net profit realized from the
32 deposit or investment of funds hereunder shall, in the discretion of the director of finance, be
33 applied to the cost of preparing, issuing, and marketing bonds or notes hereunder to the extent not
34 otherwise provided, to the payment of the cost of the project, to the payment of the principal of or

1 interest on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of
2 preparing, issuing and marketing bonds or notes hereunder may also, in the discretion of the director
3 of finance, be met from bond or note proceeds exclusive of accrued interest or from other monies
4 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
5 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
6 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
7 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
8 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues
9 of the town from property taxes. In exercising any discretion under this section, the director of
10 finance shall be governed by the town's financial policies or any instructions adopted by resolution
11 of the town council.

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

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

26 SECTION 9. The town is authorized to apply for, contract for and expend any federal or
27 state advances or other grants or assistance which may be available for the purposes of this act, and
28 any such expenditures may be in addition to other monies provided in this act. To the extent of any
29 inconsistency between any law of this state and any applicable federal law or regulation, the latter
30 shall prevail. Federal and state advances, with interest where applicable, whether contracted for
31 prior to or after the effective date of this act, may be repaid as project costs under Section 2.

32 SECTION 10. Bonds and notes may be issued under this act without obtaining the approval
33 of any governmental agency or the taking of any proceedings or the happening of any conditions
34 except as specifically required by this act for such issue. In carrying out any project financed in

1 whole or in part under this act, including where applicable the condemnation of any land or interest
2 in land, and in the levy and collection of assessments or other charges permitted by law on account
3 of any such project, all action shall be taken which is necessary to meet constitutional requirements
4 whether or not such action is otherwise required by statute; but the validity of bonds and notes
5 issued hereunder shall in no way depend upon the validity or occurrence of such action.

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

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

17 SECTION 13. The question of the approval of this act shall be submitted to the electors of
18 the town at a special election (other than a primary), on a date as shall be designated by the town
19 council. The question shall be submitted in substantially the following form: "Shall an Act, passed
20 at the 2024 session of the General Assembly, entitled, 'AN ACT AUTHORIZING THE TOWN
21 OF JOHNSTON TO ISSUE NOT TO EXCEED \$40,000,000 GENERAL OBLIGATION BONDS,
22 NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE CONSTRUCTION,
23 ADDITIONS, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, FURNISHING
24 AND EQUIPPING OF STORMWATER MANAGEMENT AND SEWER FACILITIES
25 THROUGHOUT THE TOWN' be approved?" and the warning for the election shall contain the
26 question to be submitted. From the time the election is warned and until it is held, it shall be the
27 duty of the town clerk to keep a copy of the act available at his or her office for public inspection,
28 but the validity of the election shall not be affected by this requirement.

29 SECTION 14. This section and the foregoing section shall take effect upon the passage of
30 this act. The remainder of this act shall take effect upon the approval of this act by a majority of
31 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 JOHNSTON TO ISSUE NOT TO EXCEED \$40,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE CONSTRUCTION, ADDITIONS, RENOVATION,
IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND EQUIPPING OF
STORMWATER MANAGEMENT AND SEWER FACILITIES THROUGHOUT THE TOWN

1 This act authorizes the town of Johnston to issue bonds and notes in an amount not
2 exceeding \$40,000,000 to finance construction, additions, renovation, improvement, alteration,
3 repair, furnishing and equipping of stormwater management and sewer facilities throughout the
4 town.

5 This act shall constitute an enabling act of the general assembly that is required pursuant
6 to § 45-12-19.

7 Sections 13 and 14 of this act would take effect upon passage. The remainder of the act
8 would take effect upon approval of the question provided for in Section 13.

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