

2024 -- S 3117

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE IMPROVEMENTS, FURNISHING, AND EQUIPMENT REPLACEMENTS AT THE SWITCH ROAD CAMPUS INCLUDING, BUT NOT LIMITED TO, COSTS OF DEMOLITION, DESIGN, HEALTH AND SAFETY PROJECTS, ROOFING, PLAYGROUNDS, LANDSCAPING, PAVING AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN \$15,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 61% AT THE TIME OF ISSUANCE, WHICH RATE OR RATIO MAY INCREASE TO 65% AT PROJECT COMPLETION

Introduced By: Senator Victoria Gu

Date Introduced: May 30, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The regional school district incorporated pursuant to Chapter 55 of the Public
2 Laws of 1958, as amended, known as the Chariho Regional School District, is hereby empowered,
3 in addition to authority previously granted, to issue general obligation bonds to an amount not
4 exceeding fifteen million dollars (\$15,000,000) from time to time under its corporate name and
5 seal; provided, however, that bonds and notes shall not be issued unless the conditions of section 4
6 hereof as to the level of state housing aid are met. The bonds of each issue may be issued in the
7 form of serial bonds or term bonds, zero coupon bonds, capital appreciation bonds, or compound
8 interest bonds or a combination thereof and shall be payable either by maturity of principal in the
9 case of serial bonds or by mandatory sinking fund installments in the case of term bonds, in annual
10 installments of principal, the first installment to be not later than five (5) years and the last
11 installment not later than thirty (30) years after the date of the bonds. The amount of principal
12 appreciation each year on any bonds, after the date of original issuance, shall not be considered to
13 be principal indebtedness for the purposes of any constitutional or statutory debt limit or any other
14 limitation. The appreciation of principal after the date of original issue shall be considered interest.
15 Only the original principal amount shall be counted in determining the principal amount so issued

1 and any interest component shall be disregarded.

2 SECTION 2. The bonds shall be signed by the district treasurer and the chairperson of the
3 regional school district committee and shall be issued and sold in such amounts as the regional
4 school district committee may authorize. The manner of sale, denominations, maturities, interest
5 rates and other terms, conditions and details of any bonds or notes issued under this act may be
6 fixed by the proceedings of the regional school district committee authorizing the issue or by
7 separate resolution of the regional school district committee or, to the extent provisions for these
8 matters are not so made, they may be fixed by the officers authorized to sign the bonds or notes.
9 The proceeds derived from the sale of the bonds shall be delivered to the treasurer of the regional
10 school district committee, and such proceeds, exclusive of premiums and accrued interest, shall be
11 expended: (1) To finance improvements, furnishing, and equipment replacements at the Switch
12 Road Campus including, but not limited to, costs of demolition, design, health and safety projects,
13 roofing, playgrounds, landscaping, paving and all expenses incidental thereto (the "projects"); or
14 (2) In payment of the principal or interest on temporary notes issued under section 3; or (3) In
15 repayment of advances under section 4; (4) In payments of costs of issuance associated with the
16 issuance of bonds or notes hereunder; and/or (5) To finance capitalized interest for the projects. No
17 purchaser of any bonds or notes under this act shall be in any way responsible for the proper
18 application of the proceeds derived from the sale thereof. The proceeds of bonds or notes issued
19 under this act, any applicable federal or state assistance and the other monies referred to in sections
20 4 and 6, shall be deemed appropriated for the purpose of this act without further action than that
21 required by this act. This bond issue authorized by this act may be consolidated for the purpose of
22 issuance and sale with any other bond issue of the regional school district heretofore or hereafter
23 authorized; provided that, notwithstanding any such consolidation, the proceeds from the sale of
24 the bonds authorized by this act shall be expended for the purposes set forth above. The district
25 treasurer and the chairperson of the regional school district committee, on behalf of the regional
26 school district, are hereby authorized to execute such instruments, documents or other papers as
27 either of them deem necessary or desirable to carry out the intent of this act and are also authorized
28 to take all actions and execute all documents or agreements necessary to comply with federal tax
29 and securities laws, which documents or agreements may have a term coextensive with the maturity
30 of the bonds authorized hereby, including Rule 15c2-12 of the Securities and Exchange
31 Commission and to execute and deliver a continuing disclosure agreement or certificate in
32 connection with the bonds or notes.

33 SECTION 3. The regional school district committee may by resolution authorize the
34 issuance from time to time of interest bearing or discounted notes in anticipation of the issue of

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

32 SECTION 4. Bonds and notes shall not be issued unless the Chariho Regional School
33 District has received a letter from the Rhode Island Department of Elementary and Secondary
34 Education confirming that the Board of Education has approved the facilities to be financed for

1 school housing aid and that the then-current reimbursement rate pursuant to §§ 16-7-35 through
2 16-7-47, as amended from time to time, or pursuant to any other law hereafter enacted providing
3 for funds to municipalities or regional school districts for school housing aid purposes, is not less
4 than sixty-one percent (61%) of debt service for eligible costs at the time of issuance. Such school
5 housing aid reimbursement rate or state share ratio may be increased through the award of
6 incentives pursuant to §§ 16-7-39, 16-7-40 and 16-105-3 at the completion of each project. Failure
7 of a project to be awarded state housing aid at a reimbursement rate or share ratio higher than 61%
8 shall not affect the authority to issue the bonds under this act.

9 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
10 of any authorization or issue of notes hereunder, the district treasurer, with the approval of the
11 regional school district committee, may, to the extent that bonds or notes may be issued hereunder,
12 apply funds in the treasury of the regional school district committee to the purposes specified in
13 section 2, such advances to be repaid without interest from the proceeds of bonds or notes
14 subsequently issued or from the proceeds of applicable federal or state assistance or from other
15 available funds.

16 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable federal
17 or state assistance, pending their expenditure, may be deposited or invested by the district treasurer
18 in demand deposits, time deposits or savings deposits in banks which are members of the Federal
19 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
20 America or by any agency or instrumentality thereof ("government obligations") or as may be
21 provided in any other applicable law of the State of Rhode Island or resolution of the regional
22 school district committee or pursuant to an investment policy of the regional school district
23 committee. Any bank deposits or investments, other than investments in Government Obligations,
24 must either be directly insured by the Federal Deposit Insurance Corporation or be collateralized
25 by government obligations which have a value equal to or greater than one hundred two percent
26 (102%) of the deposit or investment amount.

27 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
28 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
29 bonds or notes hereunder shall, in the discretion of the district treasurer, be applied to the cost of
30 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided, to
31 the payment of the cost of the projects, to the payment of the principal of or interest on bonds or
32 notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
33 marketing bonds or notes issued hereunder may also, in the discretion of the district treasurer, be
34 met from bond or note proceeds exclusive of accrued interest or from other monies available

1 therefor. If, upon completion of any of the projects there shall be any balance of bond or note
2 proceeds remaining not required for the payment of the costs of such project, such funds shall be
3 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
4 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
5 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues
6 of the regional school district from the member towns. In exercising any discretion under this
7 section, the treasurer shall be governed by any instructions adopted by resolution of the regional
8 school district committee.

9 SECTION 8. All bonds and notes issued under this act and the debts evidenced thereby
10 shall be obligatory on the regional school district committee in the same manner and to the same
11 extent as other debts are obligatory under the laws of this state on incorporated towns of this state
12 and they shall be excepted from the operating of § 45-12-2. Such debt evidenced by said bonds or
13 notes shall not be construed at any time to form a part of the debt of any individual town which is
14 a member of the regional school district for the purpose of ascertaining the borrowing capacity of
15 such town, nor shall said debt contracted by the regional school district in any way apply to the
16 operation of § 45-12-2 as amended, with respect to any member town. The regional school district
17 shall annually appropriate a sum sufficient to pay the principal and interest coming due within the
18 year on bonds and notes issued hereunder until such bonds and notes and the interest thereon are
19 paid in full.

20 SECTION 9. Any bonds or notes issued under the provisions of this act, if properly
21 executed by officers of the regional school district in office on the date of execution, shall be valid
22 and binding according to their terms notwithstanding that before the delivery thereof and payment
23 therefor any or all of such officers shall for any reason have ceased to hold office.

24 SECTION 10. The regional school district, acting by resolution of its regional school
25 district committee, is authorized to apply for, contract for and expend any federal or state advances
26 or other grants or assistance which may be available for the purposes of this act, and any such
27 expenditures may be in addition to other monies provided in this act. To the extent of any
28 inconsistency between any law of this state and any applicable federal law or regulation, the latter
29 shall prevail. Federal and state advances, with interest where applicable, whether contracted for
30 prior to or after the effective date of this act, may be repaid as project costs under section 2.

31 SECTION 11. Bonds and notes may be issued under this act without obtaining the approval
32 of any governmental agency or the taking of any proceedings or the happening of any conditions
33 except as specifically required by this act for such issue. In carrying out any project financed in
34 whole or in part under this act, including where applicable the condemnation of any land or interest

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

5 SECTION 12. All or any portion of the authority to issue bonds and notes under this act
6 may be extinguished by resolution of the regional school district committee, without further action
7 by the general assembly, seven (7) years after the effective date of this act.

8 SECTION 13. The question of the approval of this act shall be submitted to the electors of
9 the towns of Charlestown, Richmond and Hopkinton at the general election to be held on November
10 5, 2024 or on another date set by the regional school district committee, which election is subject
11 to the provisions of Title 17 of the general laws. The question shall be submitted in substantially
12 the following form: "Shall an Act passed at the 2024 Session of the general assembly entitled, 'AN
13 ACT AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE
14 IMPROVEMENTS, FURNISHING, AND EQUIPMENT REPLACEMENTS AT THE SWITCH
15 ROAD CAMPUS INCLUDING, BUT NOT LIMITED TO, COSTS OF DEMOLITION, DESIGN,
16 HEALTH AND SAFETY PROJECTS, ROOFING, PLAYGROUNDS, LANDSCAPING,
17 PAVING AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT
18 MORE THAN \$15,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL
19 OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF
20 NOT LESS THAN 61% AT THE TIME OF ISSUANCE, WHICH RATE OR RATIO MAY
21 INCREASE TO 65% AT PROJECT COMPLETION' be approved?" The warning for the election
22 shall contain the question to be submitted. From the time the election is warned and until it is held,
23 it shall be the duty of the town clerks of the respective towns of Charlestown, Richmond and
24 Hopkinton to keep a copy of the act available at their offices for public inspection, but the validity
25 of the election shall not be affected by this requirement. To the extent of any inconsistency between
26 this act and the home rule charter of any member town, this act shall prevail.

27 SECTION 14. This section and section 13 shall take effect upon the passage of this act.
28 The remainder of this act shall take effect upon the approval of this act by a majority of the electors
29 in the regional school district on the question at the election prescribed by the foregoing section.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE IMPROVEMENTS, FURNISHING, AND EQUIPMENT REPLACEMENTS AT THE SWITCH ROAD CAMPUS INCLUDING, BUT NOT LIMITED TO, COSTS OF DEMOLITION, DESIGN, HEALTH AND SAFETY PROJECTS, ROOFING, PLAYGROUNDS, LANDSCAPING, PAVING AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN \$15,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 61% AT THE TIME OF ISSUANCE, WHICH RATE OR RATIO MAY INCREASE TO 65% AT PROJECT COMPLETION

1 This act would authorize the Chariho Regional School District to finance improvements,
2 furnishing, and equipment replacements at the Switch Road Campus including, but not limited to,
3 costs of demolition, design, health and safety projects, roofing, playgrounds, landscaping, paving
4 and all expenses incidental thereto by the issuance of not more than \$15,000,000 bonds and/or notes
5 therefor, subject to approval of State Housing Aid at a reimbursement rate or State Share Ratio of
6 not less than 61% at the time of issuance, which rate or ratio may increase to 65% at project
7 completion.

8 Sections 13 and 14 are effective upon passage. The remainder of the act shall take effect
9 upon approval of the act by a majority of the electors in the regional school district.

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