

2025 -- S 1126

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

AUTHORIZING THE TOWN OF WEST WARWICK TO ISSUE NOT TO EXCEED
\$71,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE
ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND
EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN AND
ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION,
ENGINEERING, ARCHITECTURAL AND LANDSCAPING COSTS

Introduced By: Senator John P. Burke

Date Introduced: June 03, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

- 1 SECTION 1. The town of West Warwick is hereby empowered, in addition to authority
2 previously granted, to issue bonds (hereinafter "bonds") up to an amount not exceeding seventy-
3 one million dollars (\$71,000,000) from time to time under its corporate name and seal or a facsimile
4 of such seal. The bonds of each issue may be issued in the form of serial bonds or term bonds or a
5 combination thereof and shall be payable either by maturity of principal in the case of serial bonds
6 or by sinking fund installments in the case of term bonds, in annual installments of principal, the
7 first installment to be not later than five (5) years and the last installment not later than thirty (30)
8 years after the date of the bonds. All such bonds of a particular issue may be issued in the form of
9 zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof.
10 The amount of principal appreciation each year on any bonds, after the date of original issuance,
11 shall not be considered to be principal indebtedness for the purposes of any constitutional or
12 statutory debt limit or any other limitation. The appreciation of principal after the date of original
13 issue shall be considered interest. Only the original principal amount shall be counted in
14 determining the principal amount so issued and any interest component shall be disregarded.
- 15 SECTION 2. The town may be eligible for school housing aid reimbursement on debt
16 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from

1 proceeds of bonds issued by the State of Rhode Island (the "state"), from the Rhode Island
2 department of education ("RIDE") or from the Rhode Island school building authority.

3 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
4 director of finance and the president of the town council and shall be issued and sold in such
5 amounts as the town council may authorize by resolution. The manner of sale, denominations,
6 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
7 this act may be fixed by the resolutions of the town council authorizing the issue or by separate
8 resolution of the town council or, to the extent provisions for these matters are not so made, they
9 may be fixed by the officers authorized to sign the bonds or notes. Notwithstanding anything
10 contained in this act to the contrary, the town may enter into financing agreements with the Rhode
11 Island health and educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1
12 of title 45 and, with respect to bonds or notes issued in connection with such financing agreements,
13 if any, the town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of
14 the bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are
15 inconsistent herewith. In addition, the town may enter into financing agreements with the Rhode
16 Island infrastructure bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to
17 bonds or notes issued in connection with such financing agreements, if any, the town may elect to
18 have the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued
19 hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such
20 election may be fixed by the proceedings of the town council authorizing such issuance of by
21 separate resolution of the town council, or, to the extent provisions for these matters are not so
22 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived
23 from the sale of the bonds shall be delivered to the town director of finance, and such proceeds
24 exclusive of premiums and accrued interest shall be expended: (1) To finance the acquisition,
25 construction, improvement, renovation, furnishing and equipping of schools and school facilities
26 throughout the town and all attendant expenses including, but not limited to, demolition,
27 engineering, architectural and landscaping costs; (2) In payment of the principal of or interest on
28 temporary notes issued under section 4; (3) In repayment of advances under section 5; (4) In
29 payment of related costs of issuance of any bonds or notes; and/or (5) In payment of capitalized
30 interest during construction of the projects (the "projects"). No purchaser of any bonds or notes
31 under this act shall be in any way responsible for the proper application of the proceeds derived
32 from the sale thereof. The projects shall be carried out and all contracts made therefor on behalf of
33 the town by the town council, or the town council may delegate such authority to the town school
34 committee or school building committee. The town council and its agents are authorized to enter,

1 without delay and at reasonable times, any public school buildings and other public school property
2 for the purpose of accomplishing the projects and to do all acts and deeds necessary or convenient
3 in connection with the projects. The proceeds of bonds or notes issued under this act, any applicable
4 federal or state assistance and the other monies referred to in sections 7 and 10 shall be deemed
5 appropriated for the purposes of this act without further action than that required by this act. The
6 bonds authorized by this act may be consolidated for the purpose of issuance and sale with any
7 other bonds of the town heretofore or hereafter authorized; provided that, notwithstanding any such
8 consolidation, the proceeds from the sale of the bonds authorized by this act shall be expended for
9 the purposes set forth above.

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

1 principal of and interest on notes in full from other than the issuance of refunding notes prior to the
2 issuance of bonds pursuant to section 1 hereof. In such case, the town's authority to issue bonds or
3 notes in anticipation of bonds under this act shall continue; provided that: (1) The town council
4 passes a resolution evidencing the town's intent to pay off the notes without extinguishing the
5 authority to issue bonds or notes; and (2) That the period from the date of an original note to the
6 maturity date of any other note shall not exceed five (5) years.

7 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
8 of any authorization or issue of notes hereunder, the town director of finance, with the approval of
9 the town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in
10 the treasury of the town to the purposes specified in section 3, such advances to be repaid without
11 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
12 federal or state assistance or from other available funds.

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

20 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
21 be applied to the payment of the first interest due thereon. Any premium arising from the sale of
22 bonds or notes hereunder shall, in the discretion of the town director of finance, be applied to the
23 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
24 provided, to the payment of the projects costs, to the payment of the principal of or interest on
25 bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
26 issuing and marketing bonds or notes hereunder may also, in the discretion of the town director of
27 finance, be met from bond or note proceeds exclusive of accrued interest or from other monies
28 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
29 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder, shall be
30 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
31 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
32 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues
33 of the town from property taxes. In exercising any discretion under this section, the town director
34 of finance shall be governed by any instructions adopted by resolution of the town council.

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

11 SECTION 9. Any bonds or notes issued under the provisions of this act, and coupons, if
12 any, if properly executed by officers of the town in office on the date of execution, shall be valid
13 and binding according to their terms notwithstanding that before the delivery thereof and payment
14 therefor any or all of such officers shall for any reason have ceased to hold office.

15 SECTION 10. The town, acting by resolution of its town council, is authorized to apply
16 for, contract for and expend any federal or state advances or other grants or assistance which may
17 be available for the purposes of this act, and any such expenditures may be in addition to the monies
18 provided in this act. To the extent of any inconsistency between any law of this state and any
19 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
20 where applicable, whether contracted for prior to or after the effective date of this act, may be
21 repaid as projects costs under section 3.

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

30 SECTION 12. The town director of finance and the president of the town council, on behalf
31 of the town, are hereby authorized to execute such instruments, documents or other papers as either
32 of them deem necessary or desirable to carry out the intent of this act and are also authorized to
33 take all actions and execute all instruments, documents or agreements necessary to comply with
34 federal tax and securities laws, which instruments, documents or agreements may have a term

1 coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the
2 Securities and Exchange Commission (the "Rule") and to execute and deliver a continuing
3 disclosure agreement or certificate in connection with the bonds or notes in the form as shall be
4 deemed advisable by such officers in order to comply with the Rule.

5 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
6 and notes under this act may be extinguished by ordinance of the town council after seven (7) years
7 shall have passed from the approval of this act provided for in section 14, without further action by
8 the general assembly.

9 SECTION 14. The question of the approval of this act shall be submitted to the qualified
10 voters of the town at a local election, other than a primary, to be held on a date determined by
11 resolution of the town council. The question shall be submitted in substantially the following form:
12 "Shall an act passed at the January 2025 session of the general assembly entitled 'AN ACT
13 AUTHORIZING THE TOWN OF WEST WARWICK TO ISSUE NOT TO EXCEED
14 \$71,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE
15 ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND
16 EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN AND
17 ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION,
18 ENGINEERING, ARCHITECTURAL AND LANDSCAPING COSTS' be approved?" and the
19 warning for the election shall contain the question to be submitted. From the time the election is
20 warned and until it is held, it shall be the duty of the town clerk to keep a copy of this act available
21 at the clerk's office for public inspection, but the validity of the election shall not be affected by
22 this requirement. To the extent of any inconsistency between this act and the town charter, this act
23 shall prevail.

24 SECTION 15. This section and section 14 shall take effect upon the passage. The
25 remainder of this act shall take effect if a majority of those voting on the question prescribed by
26 section 14 shall vote in favor thereof.

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EXPLANATION
OF
A N A C T

AUTHORIZING THE TOWN OF WEST WARWICK TO ISSUE NOT TO EXCEED
\$71,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE
ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND
EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN AND
ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION,
ENGINEERING, ARCHITECTURAL AND LANDSCAPING COSTS

1 This act would authorize the town of West Warwick to issue not more than seventy-one
2 million dollars (\$71,000,000) in bonds and notes to finance the acquisition, construction,
3 improvement, renovation, furnishing and equipping of schools and school facilities throughout the
4 town and all attendant expenses including, but not limited to, demolition, engineering, architectural
5 and landscaping costs.

6 Section 15 and section 14 would take effect upon the passage. The remainder of this act
7 would take effect if a majority of those voting on the question prescribed by section 14 shall vote
8 in favor thereof.

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