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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

**AUTHORIZING THE TOWN OF PORTSMOUTH TO ISSUE NOT TO EXCEED \$41,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE CONSTRUCTION, ADDITIONS, RENOVATION,
IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND EQUIPPING OF SCHOOLS
AND SCHOOL FACILITIES THROUGHOUT THE TOWN**

Introduced By: Representatives Cortvriend, McGaw, and Donovan

Date Introduced: April 29, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Portsmouth is hereby empowered, in addition to authority
2 previously granted, to issue bonds in an amount not exceeding forty-one million dollars
3 (\$41,000,000) from time to time under its corporate name and seal; provided, however, that bonds
4 shall not be issued unless the conditions of section 2 hereof as to the level of state aid are met. The
5 bonds of each issue may be issued in the form of zero coupon bonds, capital appreciation bonds,
6 serial bonds or term bonds or a combination thereof and shall be payable either by maturity of
7 principal in the case of serial bonds or by mandatory serial redemption in the case of term bonds,
8 in installments of principal, the first installment to be not later than five (5) years and the last
9 installment not later than thirty (30) years after the date the bonds are issued.

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

15 SECTION 3. The bonds shall be signed by the president of the town council, the town
16 administrator and the director of finance and shall be issued and sold in such amounts as the town
17 council may authorize. The manner of sale, denominations, maturities, interest rates and other

1 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
2 proceedings of the town council authorizing the issue or by separate resolution of the town council
3 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
4 authorized to sign the bonds or notes. Notwithstanding anything contained in this act to the
5 contrary, the town may enter into financing agreements with the Rhode Island health and
6 educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and,
7 with respect to bonds or notes issued in connection with such financing agreements, if any, the
8 town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of the bonds
9 or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are inconsistent
10 herewith. In addition, the town may enter into financing agreements with the Rhode Island
11 infrastructure bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to bonds
12 or notes issued in connection with such financing agreements, if any, the town may elect to have
13 the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued hereunder
14 to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such election may
15 be fixed by the proceedings of the town council authorizing such issuance of by separate resolution
16 of the town council, or, to the extent provisions for these matters are not so made, they may be
17 fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the sale of
18 the bonds shall be delivered to the director of finance, and such proceeds exclusive of accrued
19 interest shall be expended:

20 (1) For the construction, additions, renovation, improvement, alteration, repair furnishing
21 and equipping of schools and school facilities in the Town and all costs related thereto;

22 (2) For payment of the principal or interest on temporary notes issued under section 4;

23 (3) In payment of capitalized interest on bonds or notes;

24 (4) In repayment of advances under section 5; or

25 (5) In payment of related costs of issuance of any bonds or notes. No purchaser of any
26 bonds or notes under this act shall be in any way responsible for the proper application of the
27 proceeds derived from the sales thereof. The project shall be carried out and all contracts made
28 therefore on behalf of the town by the town administrator, subject to approval of the town council.

29 The proceeds of bonds or notes issued under this act, any applicable federal or state assistance and
30 other monies referred to in sections 7 and 10, shall be deemed appropriated for the purposes of this
31 act without further action than that required by this act. The bond issue authorized by this act may
32 be consolidated for the purposes of issuance and sale with any other bond issue of the town
33 heretofore or hereafter authorized; provided that, notwithstanding any such consolidation, the
34 proceeds from the sale of the bonds authorized by this act shall be expended for the purposes set

1 forth above.

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

33 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
34 of any authorization or issue of notes hereunder, the director of finance, with the approval of the

1 town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
2 treasury of the town to the purposes specified in section 2, such advances to be repaid without
3 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
4 federal or state assistance or from other available funds.

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

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

28 SECTION 8. All bonds and notes issued under this act and the debts evidenced thereby
29 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
30 contracted by it and shall be excepted from the operation of § 45-12-2. No such obligation shall at
31 any time be included in the debt of the town for the purpose of ascertaining its borrowing capacity.
32 The town shall annually appropriate a sum sufficient to pay the principal and interest coming due
33 within the year on bonds and notes issued hereunder to the extent that monies therefor are not
34 otherwise provided. If such sum is not appropriated, it shall nevertheless be added to the annual tax

1 levy. In order to provide such sum in each year and notwithstanding any provision of law to the
2 contrary, all taxable property in the town shall be subject to ad valorem taxation by the town without
3 limitation as to rate or amount.

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

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

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

23 SECTION 12. All or any portion of the authority to issue bonds and notes under this act
24 may be extinguished by resolution of the town council, without further action by the general
25 assembly seven (7) years after the effective date of this act.

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

1 SECTION 14. The question of the approval of this act shall be submitted to the electors of
2 the town at the next general election on November 3, 2026 or at a special election (other than a
3 primary), on a date as shall be designated by the town council. The question shall be submitted in
4 substantially the following form: "Shall an Act, passed at the 2026 session of the General
5 Assembly, entitled, 'AN ACT AUTHORIZING THE TOWN OF PORTSMOUTH TO ISSUE
6 NOT TO EXCEED \$41,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER
7 EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, ADDITIONS,
8 RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND
9 EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN' be
10 approved?" and the warning for the election shall contain the question to be submitted. From the
11 time the election is warned and until it is held, it shall be the duty of the town clerk to keep a copy
12 of the act available at the town clerk's office for public inspection, but the validity of the election
13 shall not be affected by this requirement.

14 SECTION 15. This section and the foregoing section shall take effect upon the passage of
15 this act. The remainder of this act shall take effect upon the approval of this act by a majority of
16 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 PORTSMOUTH TO ISSUE NOT TO EXCEED \$41,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE CONSTRUCTION, ADDITIONS, RENOVATION,
IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND EQUIPPING OF SCHOOLS
AND SCHOOL FACILITIES THROUGHOUT THE TOWN

1 This act would authorize the Town of Portsmouth to issue bonds and notes in an amount
2 not exceeding \$41,000,000 to finance the construction, additions, renovation, improvement,
3 alteration, repair, furnishing and equipping of schools and school facilities throughout the town.

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

8 Sections 14 and 15 would take effect upon passage. The remainder of the act takes effect
9 upon approval of the question provided for in Section 14.

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