

2026 -- S 3355

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

AUTHORIZING THE CITY OF CRANSTON TO ISSUE NOT TO EXCEED \$25,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE PURCHASE AND/OR ACQUISITION OF LAND AND
BUILDINGS, CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION,
REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL
FACILITIES THROUGHOUT THE CITY

Introduced By: Senators Patalano, Gallo, Vargas, and LaMountain

Date Introduced: June 05, 2026

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Cranston is hereby authorized, in addition to authority previously
2 granted, to issue bonds and other evidences of indebtedness (hereinafter “bonds”) up to an amount
3 not exceeding twenty-five million dollars (\$25,000,000) from time to time under its corporate name
4 and seal or a facsimile of such seal; provided, however, that bonds shall not be issued unless the
5 conditions of section 2 hereof as to the level of state aid are met. The bonds of each issue may be
6 issued in the form of serial bonds or term bonds or a combination thereof and shall be payable
7 either by maturity of principal in the case of serial bonds or by mandatory sinking fund installments
8 in the case of term bonds, in annual installments of principal, the first installment to be not later
9 than five (5) years and the last installment not later than thirty (30) years after the date of the bonds.
10 All such bonds of a particular issue may be issued in the form of zero coupon bonds, capital
11 appreciation bonds, serial bonds or term bonds or a combination thereof. 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, charter or statutory debt limit or
14 any other limitation. The appreciation of principal after the date of original issue shall be considered
15 interest. Only the original principal amount shall be counted in determining the principal amount
16 so issued and any interest component shall be disregarded.

1 SECTION 2. The city may be eligible for school housing aid reimbursement on debt
2 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
3 proceeds of bonds issued by the State of Rhode Island (the “state”), from the Rhode Island
4 department of education (“RIDE”) or from the Rhode Island school building authority.

5 SECTION 3. The bonds shall be signed by the director of finance and by the manual or
6 facsimile signature of the mayor and be issued and sold in such amounts as the city council may
7 determine by resolution or order. The manner of sale, denominations, maturities, interest rates and
8 other terms, conditions and details of any bonds or notes issued under this act may be fixed by the
9 proceedings of the city council authorizing the issue or by separate resolution or order of the city
10 council or, to the extent provisions for these matters are not so made, they may be fixed by the
11 officers authorized to sign the bonds or notes. Notwithstanding anything contained in this act to
12 the contrary, the city may enter into financing agreements with the Rhode Island Health and
13 Educational Building Corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and,
14 with respect to bonds or notes issued in connection with such financing agreements, if any, the city
15 may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of the bonds or
16 notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are inconsistent
17 herewith. In addition, the city may enter into financing agreements with the Rhode Island
18 infrastructure bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to bonds
19 or notes issued in connection with such financing agreements, if any, the city may elect to have the
20 provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued hereunder
21 to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such election may
22 be fixed by the proceedings of the city council authorizing such issuance or by separate resolution
23 or order of the city council, or, to the extent provisions for these matters are not so made, they may
24 be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the sale
25 of the bonds shall be delivered to the director of finance, and such proceeds, exclusive of premiums
26 and accrued interest, shall be expended: (1) For the purchase and/or acquisition of land and
27 buildings, construction, renovation, improvement, alteration, repair, landscaping, furnishing and
28 equipping of schools and school facilities throughout the city of Cranston and all costs related
29 thereto (the “projects”); (2) In payment of the principal of or interest on temporary notes issued
30 under section 4; (3) In repayment of advances under section 5; (4) In payment of related costs of
31 issuance of any bonds or notes; and/or (5) In payment of capitalized interest during construction of
32 the projects. No purchaser of any bonds or notes under this act shall be in any way responsible for
33 the proper application of the proceeds derived from the sale thereof. The proceeds of bonds or
34 notes issued under this act, any applicable federal or state assistance and the other monies referred

1 to in sections 7 and 10 shall be deemed appropriated for the purposes of this act without further
2 action than that required by this act. The bonds authorized by this act may be consolidated for the
3 purpose of issuance and sale with any other bonds of the city heretofore or hereafter authorized;
4 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds
5 authorized by this act shall be expended for the purposes set forth above.

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

1 extinguishing the authority to issue bonds or notes; and (2) That the period from the date of an
2 original note to the maturity date of any other note shall not exceed five (5) years.

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

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

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

34 SECTION 8. All bonds and notes issued under this act and the debt evidenced hereby shall

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

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

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

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

29 SECTION 12. The director of finance and the mayor, on behalf of the city are hereby
30 authorized to execute such instruments, documents or other papers as either of them deem necessary
31 or desirable to carry out the intent of this act and are also authorized to take all actions and execute
32 all documents necessary to comply with federal tax and securities laws, which documents or
33 agreements may have a term coextensive with the maturity of the bonds authorized hereby,
34 including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute

1 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes
2 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

3 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
4 and notes under this act may be extinguished by resolution or order of the city council, without
5 further action by the general assembly, seven (7) years after the effective date of this act.

6 SECTION 14. The question of the approval of this act shall be submitted to the electors of
7 the city at the general election to be held on November 3, 2026 or, if so determined by the city
8 council, at a special city-wide election, other than a primary, held on a date to be determined by
9 resolution or order of the city council. The question shall be submitted in substantially the following
10 form: "Shall an act passed at the 2026 session of the general assembly entitled 'AN ACT
11 AUTHORIZING THE CITY OF CRANSTON TO ISSUE NOT TO EXCEED \$25,000,000
12 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS
13 TO FINANCE THE PURCHASE AND/OR ACQUISITION OF LAND AND BUILDINGS,
14 CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR,
15 LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL
16 FACILITIES THROUGHOUT THE CITY' be approved?" and the warning for the election shall
17 contain the question to be submitted. From the time the election is warned and until it is held, it
18 shall be the duty of the city clerk to keep a copy of the act available at the clerk's office for public
19 inspection, but the validity of the election shall not be affected by this requirement. To the extent
20 of any inconsistency between this act and the city charter or any law of special applicability to the
21 city, this act shall prevail.

22 SECTION 15. This act shall constitute an enabling act of the general assembly that is
23 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
24 this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44
25 unless the school projects described herein have been approved by RIDE.

26 SECTION 16. This section and sections 14 and 15 shall take effect upon passage. The
27 remainder of this act shall take effect upon the approval of this act by a majority of those voting on
28 the question at the election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF CRANSTON TO ISSUE NOT TO EXCEED \$25,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE PURCHASE AND/OR ACQUISITION OF LAND AND
BUILDINGS, CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION,
REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL
FACILITIES THROUGHOUT THE CITY

1 This act would authorize the city of Cranston to issue not more than \$25,000,000 general
2 obligation bonds, notes and other evidences of indebtedness to finance the purchase and/or
3 acquisition of land and buildings, construction, renovation, improvement, alteration, repair,
4 landscaping, furnishing and equipping of schools and school facilities throughout the city of
5 Cranston and all costs related thereto.

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

11 Sections 14, 15 and 16 would take effect upon passage. The remainder of the act would
12 take effect upon approval of the question provided for in section 14.

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