

2021 -- S 0113

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

AUTHORIZING THE EXETER-WEST GREENWICH REGIONAL SCHOOL DISTRICT TO ISSUE NOT TO EXCEED \$17,840,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE RENOVATION, REHABILITATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE DISTRICT, INCLUDING, BUT NOT LIMITED TO, AUDITORIUM AND CLASSROOM IMPROVEMENTS, INFORMATION TECHNOLOGY, ROOFS, FLOORS, HEATING, VENTILATION, AIR CONDITIONING, ELECTRICAL SYSTEMS, PLAYGROUNDS, ATHLETIC FACILITIES, PARKING AND SAFETY IMPROVEMENTS, PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

Introduced By: Senators Morgan, Rogers, and Raptakis

Date Introduced: January 26, 2021

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1           SECTION 1. The regional school district incorporated pursuant to Chapter 80 of the Public  
2 Laws of 1965, as amended, known as the Exeter-West Greenwich Regional School District, is  
3 hereby empowered, in addition to authority previously granted, to issue general obligation bonds  
4 and notes to an amount not exceeding seventeen million eight hundred forty thousand dollars  
5 (\$17,840,000) from time to time under its corporate name and seal. The bonds of each issue may  
6 be issued in the form of serial bonds or term bonds, zero coupon bonds, capital appreciation bonds,  
7 or compound interest bonds or a combination thereof and shall be payable either by maturity of  
8 principal in the case of serial bonds or by mandatory sinking fund installments in the case of term  
9 bonds, in annual installments of principal, the first installment to be not later than five (5) years and  
10 the last installment not later than thirty (30) years after the date of the bonds. The amount of  
11 principal appreciation each year on any bonds, after the date of original issuance, shall not be  
12 considered to be principal indebtedness for the purposes of any constitutional or statutory debt limit  
13 or any other limitation. The appreciation of principal after the date of original issue shall be

1 considered interest. Only the original principal amount shall be counted in determining the principal  
2 amount so issued and any interest component shall be disregarded.

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

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

34           SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu

1 of any authorization or issue of notes hereunder, the district treasurer, with the approval of the  
2 regional school district committee, may, to the extent that bonds or notes may be issued hereunder,  
3 apply funds in the treasury of the regional school district committee to the purposes specified in  
4 section 2, such advances to be repaid without interest from the proceeds of bonds or notes  
5 subsequently issued or from the proceeds of applicable federal or state assistance or from other  
6 available funds.

7 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable federal  
8 or state assistance, pending their expenditure, may be deposited or invested by the district treasurer  
9 in demand deposits, time deposits or savings deposits in banks which are members of the Federal  
10 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of  
11 America or by any agency or instrumentality thereof ("government obligations") or as may be  
12 provided in any other applicable law of the state of Rhode Island or resolution of the regional school  
13 district committee or pursuant to an investment policy of the regional school district committee.

14 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall  
15 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of  
16 bonds or notes hereunder shall, in the discretion of the district treasurer, be applied to the cost of  
17 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided, to  
18 the payment of the cost of the projects, to the payment of the principal of or interest on bonds or  
19 notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and  
20 marketing bonds or notes issued hereunder may also, in the discretion of the district treasurer, be  
21 met from bond or note proceeds exclusive of accrued interest or from other monies available  
22 therefor. If, upon completion of any of the projects there shall be any balance of bond or note  
23 proceeds remaining not required for the payment of the costs of such project, such funds shall be  
24 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the  
25 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or  
26 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues  
27 of the regional school district from the member towns. In exercising any discretion under this  
28 section, the district treasurer shall be governed by any instructions adopted by resolution of the  
29 regional school district committee.

30 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby  
31 shall be obligatory on the regional school district in the same manner and to the same extent as  
32 other debts are obligatory under the laws of this state on incorporated towns of this state and such  
33 debt evidenced by said bonds or notes shall not be construed at any time to form a part of the debt  
34 of any individual town which is a member of the regional school district for the purpose of

1     ascertaining the borrowing capacity of such town, nor shall said debt contracted by the regional  
2     school district in any way apply to the operation of § 45-12-2 of the general laws, as amended, with  
3     respect to any member town. The regional school district shall annually appropriate a sum sufficient  
4     to pay the principal and interest coming due within the year on bonds and notes issued hereunder  
5     until such bonds and notes and the interest thereon are paid in full. If such sum is not appropriated,  
6     it shall nevertheless be added to the amounts due from the member towns of the district. In order  
7     to provide such sum in each year and notwithstanding any provision of law to the contrary, all  
8     taxable property in the member towns shall be subject to ad valorem taxation by the member towns  
9     without limitation as to rate or amount.

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

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

21           SECTION 10. 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 11. All or any portion of the authority to issue bonds and notes under this act  
30     may be extinguished by resolution of the regional school district committee, without further action  
31     by the general assembly, seven (7) years after the effective date of this act.

32           SECTION 12. The question of the approval of this act shall be submitted to the electors of  
33     the towns of Exeter and West Greenwich on a date to be designated by the regional school district  
34     committee which may be a special election or local election. The question shall be submitted in

1 substantially the following form: "Shall an act passed at the 2021 Session of the general assembly  
2 entitled, 'AN ACT AUTHORIZING THE EXETER-WEST GREENWICH REGIONAL SCHOOL  
3 DISTRICT TO ISSUE NOT TO EXCEED \$17,840,000 GENERAL OBLIGATION BONDS AND  
4 NOTES TO FINANCE THE RENOVATION, REHABILITATION, IMPROVEMENT,  
5 FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES  
6 THROUGHOUT THE DISTRICT INCLUDING, BUT NOT LIMITED TO, AUDITORIUM AND  
7 CLASSROOM IMPROVEMENTS, INFORMATION TECHNOLOGY, ROOFS, FLOORS,  
8 HEATING, VENTILATION, AIR CONDITIONING, ELECTRICAL SYSTEMS,  
9 PLAYGROUNDS, ATHLETIC FACILITIES, PARKING AND SAFETY IMPROVEMENTS,  
10 PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF  
11 CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE  
12 ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL  
13 BUILDING AUTHORITY' be approved?" The warning for the election shall contain the question  
14 to be submitted. From the time the election is warned and until it is held, it shall be the duty of the  
15 town clerks of the respective towns of Exeter and West Greenwich to keep a copy of the act  
16 available at their offices for public inspection, but the validity of the election shall not be affected  
17 by this requirement. To the extent of any inconsistency between this act and the home rule charter  
18 of either member town, this act shall prevail.

19 SECTION 13. Sections 12 and 13 shall take effect upon the passage of this act. The  
20 remainder of this act shall take effect upon the approval of this act by a majority in each town of  
21 those voting on the question at the election prescribed by the foregoing section.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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AUTHORIZING THE EXETER-WEST GREENWICH REGIONAL SCHOOL DISTRICT TO ISSUE NOT TO EXCEED \$17,840,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE RENOVATION, REHABILITATION, IMPROVEMENT, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE DISTRICT, INCLUDING, BUT NOT LIMITED TO, AUDITORIUM AND CLASSROOM IMPROVEMENTS, INFORMATION TECHNOLOGY, ROOFS, FLOORS, HEATING, VENTILATION, AIR CONDITIONING, ELECTRICAL SYSTEMS, PLAYGROUNDS, ATHLETIC FACILITIES, PARKING AND SAFETY IMPROVEMENTS, PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

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1           This act would authorize the Exeter-West Greenwich Regional School District to finance  
2 the renovation, rehabilitation, improvement, furnishing and equipping of schools and school  
3 facilities throughout the Regional School District, including, but not limited to, auditorium and  
4 classroom improvements, information technology, roofs, floors, heating, ventilation, air  
5 conditioning, electrical systems, playgrounds, athletic facilities, parking and safety improvements  
6 and all expenses incidental thereto, by the issuance of not more than \$17,840,000 bonds and/or  
7 notes therefor.

8           SECTIONS 12 and 13 would take effect upon passage. The remainder of the act would  
9 take effect upon approval of the act by a majority of the electors in each of the towns of Exeter and  
10 West Greenwich.

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