

2022 -- S 2928

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

AUTHORIZING THE TOWN OF SCITUATE TO ISSUE GENERAL OBLIGATION BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$750,000 TO FINANCE EQUIPMENT, REPAIRS AND/OR IMPROVEMENTS AT THE SCITUATE PUBLIC SCHOOLS

Introduced By: Senator Gordon E. Rogers

Date Introduced: May 06, 2022

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Scituate is hereby empowered, in addition to authority
2 previously granted, to issue its general obligation bonds and notes in an amount not exceeding
3 seven hundred fifty thousand (\$750,000) dollars at one time or from time to time under its corporate
4 name and seal or a facsimile of such seal to finance equipment, repairs and/or improvements at the
5 Scituate public schools. The bonds of each issue may be issued in the form of serial bonds or term
6 bonds or a combination thereof and shall be payable either by maturity of principal in the case of
7 serial bonds or by mandatory serial redemption in the case of term bonds, in annual installments of
8 principal, the first installment to be not later than two (2) years and the last installment not later
9 than twenty (20) years after the date of the bonds. All such bonds of a particular issue may be
10 issued in the form of serial bonds or term bonds or a combination thereof. Annual installments of
11 principal may be provided for by maturity of principal in the case of serial bonds or by mandatory
12 serial redemption in the case of term bonds.

13 SECTION 2. The bonds and/or notes shall be signed by the manual or facsimile signatures
14 of the town treasurer and the president of the town council. The amount of the bond and/or note
15 issue, manner of sale, denominations, maturities, interest rate or rates, award and other terms,
16 conditions and details of any bonds or notes issued under this act shall be fixed by the officers
17 authorized to sign the bonds. The bonds and/or notes may be made callable with or without
18 premium. The proceeds derived from the sale of the bonds and/or notes shall be delivered to the

1 town treasurer, and such proceeds, exclusive of premiums and accrued interest, shall be expended
2 for costs of financing equipment, repairs and/or improvements at the Scituate public schools (herein
3 referred to as the “project”), including all other costs incidental and related to the foregoing project
4 and its financing pursuant to this act, including, but not limited to, the payment of principal of or
5 interest on temporary notes issued under section 3, the repayment of advances made under section
6 4, and/or to finance capitalized interest on the project. No purchaser of any bonds or notes under
7 this act shall be in any way responsible for the proper application of the proceeds derived from the
8 sale thereof. The project shall be carried out and all contracts made therefor on behalf of the town
9 by the town council, or as may be authorized by the town council. The proceeds of bonds or notes
10 issued under this act, any applicable federal or state assistance and any other monies referred to in
11 sections 5, 6, or 9 shall be deemed appropriated for the purposes of this act without further action
12 than that required by this act. The bond issue authorized by this act may be consolidated for the
13 purposes of issuance and sale with any other bond issue of the town heretofore or hereafter
14 authorized; provided that, notwithstanding any such consolidation, the proceeds from the sale of
15 the bonds authorized by this act shall be expended for the purposes set above. The town treasurer
16 and president of the town council acting singly, on behalf of the town, are hereby authorized to
17 execute such instruments, documents, or other papers as either of them deem necessary or desirable
18 to carry out the intent of this act and are also authorized to take all actions and execute all documents
19 or agreements necessary to comply with federal tax and securities laws, which documents or
20 agreements may have a term coextensive with the maturity of the bonds authorized hereby,
21 including Rule 15c2-12 of the Securities and Exchange Commission, to execute and deliver a
22 continuing disclosure agreement or certificate in connection with the bond and/or notes, and to
23 comply with the provisions of §§ 16-7-35 through 16-7-47 of the Rhode Island General Laws, 1956,
24 as amended; including making all necessary contracts and agreements to issue said bonds and/or
25 notes through the Rhode Island Health and Educational Building Corporation, but nothing herein
26 shall require that the town issue such bonds and/or notes through the Rhode Island Health and
27 Educational Building Corporation.

28 SECTION 3. The town treasurer and the president of the town council may issue from
29 time to time interest bearing or discounted notes in anticipation of the issue of bonds under this act
30 in anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
31 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
32 issued under this act and the amount of original notes issued in anticipation of federal or state aid
33 may not exceed the amount of available federal or state aid as estimated by the town treasurer.
34 Temporary notes issued hereunder shall be signed by the town treasurer and the president of the

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

27 SECTION 4. Pending any issue of bonds or notes hereunder, the town treasurer, with the
28 approval of the town council, may, to the extent that bonds or notes may be issued hereunder, apply
29 funds in the treasury of the town for the purposes specified in section 2, such advances to be repaid
30 without interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
31 applicable federal or state assistance or from other available funds.

32 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable federal
33 or state assistance, pending their expenditure, may be deposited or invested by the town treasurer
34 in demand deposits, time deposits or savings deposits in which are members of the federal deposit

1 insurance corporation, in obligations issued or guaranteed by the United States of America or State
2 of Rhode Island, or by an agency, instrumentality or political subdivision of either of them, or as
3 may be provided in any other applicable law of the State of Rhode Island or resolution of the town
4 council or pursuant to an investment policy of the town.

5 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
6 be applied to the payment of the first interest due thereon. Any premiums arising from the bonds
7 or notes hereunder shall, in the discretion of the town treasurer, be applied to the cost of preparing,
8 issuing and marketing bonds or notes hereunder to the extent not otherwise provided, to the
9 payment of the cost of the project, to the payment of the principal of or interest on bonds or notes
10 issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
11 marketing bonds or notes hereunder may also, in the direction of the town treasurer, be met from
12 bond or note proceeds exclusive of premiums and accrued interest or from other monies available
13 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the project
14 and the cost of preparing, issuing and marketing bonds or notes hereunder may be applied to the
15 payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted
16 by applicable federal laws, any earnings or net profit realized from the deposit or investment of
17 funds hereunder shall upon receipt be added to and used for the same purposes as the proceeds of
18 bonds or notes issued hereunder or be added to and dealt with as a part of revenues of the town
19 from property taxes. In exercising any discretion under this section, the town treasurer shall be
20 governed by any instructions adopted by resolution of the town council. The town treasurer is
21 authorized to take any action deemed by him or her to be necessary to assure that interest on the
22 bonds or notes issued hereunder remains excludable from gross income of the recipients thereof for
23 federal income tax purposes, including, without limitation, paying to the federal government any
24 rebate of earnings derived from the deposit or investment of the proceeds of such bonds or notes
25 that may be required therefor.

26 SECTION 7. All bonds and/or notes issued under this act and the debts evidenced thereby
27 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
28 contracted by it and shall be excepted from the operation of § 45-12-2. No such obligation shall at
29 any time be included in the debt of the town for the purpose of ascertaining its borrowing capacity.
30 The town shall annually appropriate a sum sufficient to pay the principal and interest coming due
31 within the year on bonds and/or notes issued hereunder to the extent that monies therefor are not
32 otherwise provided. If such sum is not appropriated, it shall nevertheless be added to the annual
33 tax levy. In order to provide such sum in each year and notwithstanding any provision of law to
34 the contrary, all taxable property in the town shall be subject to ad valorem taxation by the town

1 without limitation as to rate or amount.

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

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

13 SECTION 10. Bonds and/or notes may be issued under this act without obtaining the
14 approval of any governmental agency or the taking of any proceedings or the happening of any
15 conditions except as specifically required by this act for such issue. In carrying out any project
16 financed in whole or in part under this act, including where applicable the condemnation of any
17 land or interest in land, and in the levy and collection of assessments or other charges permitted by
18 law on account of any such project, all action shall be taken which is necessary to meet
19 constitutional requirements whether or not such action is otherwise required by statute, but the
20 validity of bonds and notes issued hereunder shall in no way depend upon the validity or occurrence
21 of such action.

22 SECTION 11. After completion of the project, all or any portion of the authorized but
23 unissued authority to issue bonds and/or notes under this act may be extinguished by resolution of
24 the town council, without further action by the general assembly.

25 SECTION 12. This act shall constitute an enabling act of the general assembly that is
26 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
27 this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44
28 unless the school projects described herein shall have been approved by the Rhode Island
29 Department of Education.

30 SECTION 13. The issuance of bonds and notes under this act has been previously
31 approved by the electors of the town at a financial town meeting held on April 5, 2022, and the
32 town council by resolution adopted March 24, 2022, therefore this act shall take effect upon

1 passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

AUTHORIZING THE TOWN OF SCITUATE TO ISSUE GENERAL OBLIGATION BONDS
AND NOTES IN AN AMOUNT NOT TO EXCEED \$750,000 TO FINANCE EQUIPMENT,
REPAIRS AND/OR IMPROVEMENTS AT THE SCITUATE PUBLIC SCHOOLS

1 This act authorizes the town of Scituate to issue not more than \$750,000 bonds and notes
2 to finance various improvements at the town of Scituate's schools.

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

8 This act would take effect upon the passage. The issuance of said bonds and notes. This
9 financing has been approved by the electors of the town at the financial town meeting held on April
10 5, 2022 and by the town council by resolution adopted March 24, 2022.

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