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LC02478/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2012**

**A N A C T**

AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR HEALTH, SAFETY AND FIRE CODE-RELATED EMERGENCY REPAIRS, RENOVATIONS AND EQUIPPING OF PUBLIC SCHOOL BUILDINGS IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING, THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$5,000,000 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS THEREFOR, INCLUDING, BUT NOT LIMITED TO, ANY BONDS OR NOTES ISSUED PURSUANT TO FINANCING AGREEMENTS WITH THE RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION, TO FUND THE CAPITAL IMPROVEMENT PROGRAM FOR THE TWO FISCAL YEARS 2013 AND 2014

Introduced By: Representatives E Coderre, San Bento, O'Neill, Johnston, and O'Grady

Date Introduced: April 25, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The city of Pawtucket is hereby authorized, in addition to authority  
2 previously granted, to issue bonds and other evidences of indebtedness (hereinafter "bonds") up  
3 to an amount not exceeding five million dollars (\$5,000,000) from time to time under its  
4 corporate name and seal or a facsimile of such. The bonds of each issue may be issued in the form  
5 of serial bonds or term bonds or a combination thereof and shall be payable either by maturity of  
6 principal in the case of serial bonds or by mandatory sinking fund installments in the case of term  
7 bonds, in annual installments of principal, the first installment to be not later than three (3) years  
8 and the last installment not later than thirty (30) years after the date of the bonds.

9           SECTION 2. The bonds shall be signed by the city treasurer and by the manual or  
10 facsimile signature of the mayor and be issued and sold in such amounts as the city council may  
11 determine by resolution. The manner of sale, denominations, maturities, interest rates and other  
12 terms, conditions and details of any bonds or notes issued under this act may be fixed by the  
13 proceedings of the city council authorizing the issue or by separate resolution of the city council  
14 or, to the extent provisions for these matters are not so made, they may be fixed by the officers  
15 authorized to sign the bonds or notes. Notwithstanding anything contained in this act to the

1 contrary, the city may enter into financing agreements with the Rhode Island Health and  
2 Educational Building Corporation pursuant to title 16, chapter 7 and title 45, chapter 38.1 of the  
3 general laws and, with respect to notes or bonds issued in connection with such financing  
4 agreements, if any, the city may elect to have the provisions of title 45, chapter 38.1 of the  
5 general laws apply to the issuance of the bonds or notes issued hereunder to the extent the  
6 provisions of title 45, chapter 38.1 of the general laws are inconsistent herewith. Such election  
7 may be fixed by the proceedings of the city council authorizing such issuance or by separate  
8 resolution of the city 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. The proceeds derived from the  
10 sale of the bonds shall be delivered to the city treasurer, and such proceeds exclusive of premiums  
11 and accrued interest shall be expended: (a) For health, safety and fire code-related emergency  
12 repairs, renovations and equipping of public school buildings in the city of Pawtucket (the  
13 “project”); (b) In payment of the principal of or interest on temporary notes issued under section  
14 3; (c) In repayment of advances under section 4; (d) In payment of related costs of issuance of  
15 any bonds or notes and/or (e) In payment of capitalized interest during construction of the project.  
16 There being no local election planned for the calendar year 2013 in the city of Pawtucket, the  
17 amounts authorized by this act to finance the project are intended to fund appropriations for two  
18 fiscal years. The city, however, is not required to issue the bonds and notes authorized by this act  
19 during the fiscal years ending June 30, 2013 or June 30, 2014, but may issue them at any time, or  
20 from time to time. No purchaser of any bonds or notes under this act shall be in any way  
21 responsible for the proper application of the proceeds derived from the sale thereof. The proceeds  
22 of bonds or notes issued under this act, any applicable federal or state assistance and the other  
23 monies referred to in sections 6 and 9 shall be deemed appropriated for the purposes of this act  
24 without further action than that required by this act.

25 SECTION 3. The city council may by resolution authorize the issuance from time to time  
26 of interest bearing or discounted notes in anticipation of the issue of bonds under section 2 or in  
27 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of  
28 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be  
29 issued under this act and the amount of original notes issued in anticipation of federal or state aid  
30 may not exceed the amount of available federal or state aid as estimated by the city treasurer.  
31 Temporary notes issued hereunder shall be signed by the manual or facsimile signatures of the  
32 city treasurer and the mayor and shall be payable within five (5) years from their respective dates,  
33 but the principal of and interest on notes issued for a shorter period may be renewed or paid from  
34 time to time by the issue of other notes hereunder, provided the period from the date of an

1 original note to the maturity of any note issued to renew or pay the same debt or the interest  
2 thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds issued under  
3 this section may be refunded prior to the maturity of the notes by the issuance of additional  
4 temporary notes, provided that no such refunding shall result in any amount of such temporary  
5 notes outstanding at any one time in excess of two hundred percent (200%) of the amount of  
6 bonds which may be issued under this act, and provided further that if the issuance of any such  
7 refunding notes results in any amount of such temporary notes outstanding at any one time in  
8 excess of the amount of bonds which may be issued under this act, the proceeds of such refunding  
9 notes shall be deposited in a separate fund established with the bank which is paying agent for the  
10 notes being refunded. Pending their use to pay the notes being refunded, moneys in the fund shall  
11 be invested for the benefit of the city by the paying agent at the direction of the city treasurer in  
12 any investment permitted under section 5. The moneys in the fund and any investments held as a  
13 part of the fund shall be held in trust and shall be applied by the paying agent solely to the  
14 payment or prepayment of the principal of and interest on the notes being refunded. Upon  
15 payment of all principal of and interest on the notes, any excess moneys in the fund shall be  
16 distributed to the city. The city may pay the principal of and interest on notes in full from other  
17 than the issuance of refunding notes prior to the issuance of bonds pursuant to section 1 hereof. In  
18 such case, the city's authority to issue bonds or notes in anticipation of bonds under this act shall  
19 continue provided that 1) the city council passes a resolution evidencing the city's intent to pay  
20 off the notes without extinguishing the authority to issue bonds or notes and 2) that the period  
21 from the date of an original note to the maturity date of any other note shall not exceed five (5)  
22 years. Section 5-106 of the city charter shall not apply to the issue of notes in anticipation of  
23 bonds.

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

30 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable  
31 federal or state assistance, pending their expenditure may be deposited or invested by the city  
32 treasurer, in demand deposits, time deposits or savings deposits in banks which are members of  
33 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United  
34 States of America or by any agency or instrumentality thereof or as may be provided in any other

1 applicable law of the state of Rhode Island or resolution of the city council or pursuant to an  
2 investment policy of the city.

3 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder  
4 shall be applied to the payment of the first interest due thereon. Any premiums arising from the  
5 sale of bonds or notes hereunder and, to the extent permitted by applicable federal laws, any net  
6 earnings or profits realized from the deposit or investment of funds hereunder shall, in the  
7 discretion of the city treasurer, be applied to the cost of preparing, issuing, and marketing bonds  
8 or notes hereunder to the extent not otherwise provided, to the payment of the cost of the project,  
9 to the payment of the principal of or interest on bonds or notes issued hereunder, to the revenues  
10 of the city and dealt with as part of the revenues of the city from property taxes to the extent  
11 permitted by federal law, or to any one or more of the foregoing. The cost of preparing, issuing,  
12 and marketing bonds or notes hereunder may also, in the discretion of the city treasurer, be met  
13 from bond or note proceeds exclusive of premium and accrued interest or from other monies  
14 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of  
15 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder shall be  
16 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the  
17 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or  
18 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the  
19 revenues of the city from property taxes. In exercising any discretion under this section, the city  
20 treasurer shall be governed by any instructions adopted by resolution of the city council. Any  
21 balance of bond or note proceeds remaining after completion of the project shall be subject to  
22 section 5-109 of the city charter.

23 SECTION 7. All bonds and notes issued under this act and the debt evidenced hereby  
24 shall be obligatory on the city in the same manner and to the same extent as other debts lawfully  
25 contracted by it and shall be excepted from the operation of section 45-12-2 of the general laws  
26 and any provision of the city charter. No such obligation shall at any time be included in the debt  
27 of the city for the purpose of ascertaining its borrowing capacity. The city shall annually  
28 appropriate a sum sufficient to pay the principal and interest coming due within the year on bonds  
29 and notes issued hereunder to the extent that monies therefor are not otherwise provided. If such  
30 sum is not appropriated, it shall nevertheless be added to the annual tax levy. In order to provide  
31 such sum in each year and notwithstanding any provision of law to the contrary, all taxable  
32 property in the city shall be subject to ad valorem taxation by the city without limitation as to rate  
33 or amount.

34 SECTION 8. Any bonds or notes issued under the provisions of this act, if properly

1 executed by the officers of the city in office on the date of execution, shall be valid and binding  
2 according to their terms notwithstanding that before the delivery thereof and payment therefor  
3 any or all of such officers shall for any reason have ceased to hold office.

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

11 SECTION 10. Bonds and notes may be issued under this act without obtaining the  
12 approval of any governmental agency or the taking of any proceedings or the happening of any  
13 conditions except as specifically required by this act for such issue. In carrying out any project  
14 financed in whole or in part under this act, including where applicable the condemnation of any  
15 land or interest in land, and in the levy and collection of assessments or other charges permitted  
16 by law on account of any such project, all action shall be taken which is necessary to meet  
17 constitutional requirements whether or not such action is otherwise required by statute, but the  
18 validity of bonds and notes issued hereunder shall in no way depend upon the validity or  
19 occurrence of such action. Without limiting the generality of the foregoing, the validity of bonds  
20 and notes issued hereunder shall in no way be affected by sections 2-308 and 4-1602 of the city  
21 charter, and the purposes of this act shall be deemed to constitute a single project under article V  
22 of the city charter.

23 SECTION 11. The city treasurer and the mayor, on behalf of the city are hereby  
24 authorized to execute such instruments, documents or other papers as either of the foregoing  
25 deem necessary or desirable to carry out the intent of this act and are also authorized to take all  
26 actions and execute all documents necessary to comply with federal tax and securities laws,  
27 which documents or agreements may have a term coextensive with the maturity of the bonds  
28 authorized hereby, including Rule 15c2-12 of the Securities and Exchange Commission (the  
29 Rule) and to execute and deliver a continuing disclosure agreement or certificate in connection  
30 with the bonds or notes in the form as shall be deemed advisable by such officers in order to  
31 comply with the Rule.

32 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds  
33 and notes under this act may be extinguished by resolution of the city council, without further  
34 action by the general assembly, seven (7) years after the effective date of this act.

1           SECTION 13. The question of the approval of this act shall be submitted to the electors  
2 of the city at the next general election but if a special city-wide election or special state election,  
3 in either case other than a primary, is called for a date earlier than the date of such general  
4 election, the mayor may direct that the question of the approval of this act be submitted at such  
5 special election. The question shall be submitted in substantially the following form: "Shall an act  
6 passed at the 2012 session of the general assembly entitled 'An act authorizing the city of  
7 Pawtucket to provide for health, safety and fire code-related emergency repairs, renovations and  
8 equipping of public school buildings in the city of Pawtucket and authorizing the financing  
9 thereof, including the issue of not more than \$5,000,000 bonds, notes and other evidences of  
10 indebtedness therefor, including but not limited to any bonds or notes issued pursuant to  
11 financing agreements with the Rhode Island Health and Educational Building Corporation, to  
12 fund the Capital Improvement Program for the two fiscal years 2013 and 2014' be approved?"  
13 and the warning for the election shall contain the question to be submitted. From the time the  
14 election is warned and until it is held, it shall be the duty of the city clerk to keep a copy of the act  
15 available at his or her office for public inspection, but the validity of the election shall not be  
16 affected by this requirement. To the extent of any inconsistency between this act and the city  
17 charter or any law of special applicability to the city, this act shall prevail.

18           SECTION 14. This act shall constitute an enabling act of the general assembly that is  
19 required pursuant to section 16-7-44 of chapter 7 of title 16 of the general laws.

20           SECTION 15. This section and sections 13 and 14 shall take effect upon the passage of  
21 this act. The remainder of this act shall take effect upon the approval of this act by a majority of  
22 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 CITY OF PAWTUCKET TO PROVIDE FOR HEALTH, SAFETY AND FIRE CODE-RELATED EMERGENCY REPAIRS, RENOVATIONS AND EQUIPPING OF PUBLIC SCHOOL BUILDINGS IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING, THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$5,000,000 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS THEREFOR, INCLUDING, BUT NOT LIMITED TO, ANY BONDS OR NOTES ISSUED PURSUANT TO FINANCING AGREEMENTS WITH THE RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION, TO FUND THE CAPITAL IMPROVEMENT PROGRAM FOR THE TWO FISCAL YEARS 2013 AND 2014

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1           This act would authorize the city of Pawtucket to issue not more than \$5,000,000 general  
2           obligation bonds and notes, including but not limited to any bonds or notes issued pursuant to  
3           financing agreements with the Rhode Island Health and Educational Building Corporation, to  
4           finance health, safety and fire code-related emergency repairs, renovations and equipping of  
5           public school buildings in the city of Pawtucket to cover the two fiscal years 2013 and 2014.

6           Sections 13, 14 and 15 would take effect upon passage. The remainder of the act would  
7           take effect upon approval of the question provided for in section 13.

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