

2014 -- S 2487

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE BONDS AND NOTES TO AN AMOUNT NOT EXCEEDING \$4,900,000 TO FINANCE THE CONSTRUCTION OF SEWERS AND SEWERAGE SYSTEMS IN THE TOWN, PRIMARILY FOR THE WICKFORD COMMERCIAL AREA, INCLUDING THE ACQUISITION OF LAND THEREFOR AND AUTHORIZING THE IMPOSITION OF SEWER ASSESSMENTS AND USER FEES

Introduced By: Senators Sheehan, and Hodgson

Date Introduced: February 27, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Additional issuance of bonds. The Town of North Kingstown is hereby
2 empowered and authorized, in addition to authority previously granted pursuant to chapters 25
3 and 37 of the Public Laws of 2009 and/or chapters 263 and 291 of the Public Laws of 2010, to
4 issue bonds to an amount not exceeding four million nine hundred thousand dollars (\$4,900,000)
5 from time to time under its corporate name and seal. The bonds of each issue may be issued in
6 the form of serial bonds or term bonds or a combination thereof and shall be payable either by
7 maturity of principal in the case of serial bonds or by mandatory serial redemption in the case of
8 term bonds, in annual installments of principal, the first installment to be not later than three (3)
9 years and the last installment not later than thirty (30) years after the date of the bonds. The
10 bonds shall be signed by the town director of finance and by the president of the town council and
11 shall be issued and sold in such amounts as the town council may authorize. The manner of sale,
12 denominations, maturities, principal amounts, interest rates and other terms, conditions, and
13 details of any bonds or notes issued under this act may be fixed by proceedings of the town
14 council authorizing the issue or by separate resolution of the town council or, to the extent
15 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
16 the bonds or notes.

1 SECTION 2. Proceeds of the bonds. The proceeds derived from the sale of the bonds
2 shall be delivered to the director of finance, and such proceeds, exclusive of premiums and
3 accrued interest, shall be expended:

4 (1) For the construction of sewers and sewerage systems, including, but not limited to, lift
5 stations and pumping stations and the acquisitions, by purchase or condemnation, of land and
6 interests therein necessary in connection with the construction thereof in the town of North
7 Kingstown, primarily for the Wickford commercial area;

8 (2) In payment of the principal or of interest on temporary notes issued under section 3;
9 or

10 (3) In repayment of advances under section 4.

11 The particular facilities to be provided in any area of the town from the proceeds of the
12 bonds and notes authorized hereunder, as well as the proceeds of bonds and notes issued pursuant
13 to chapters 25 and 37 of the Public Laws of 2009 and/or chapters 263 and 291 of the Public Laws
14 of 2010, shall be determined in accordance with priorities determined by the town council from
15 time to time. No purchaser of any bonds or notes under this act shall be in any way responsible
16 for the proper application of the proceeds derived from the sale thereof. The proceeds of bonds or
17 notes issued under this act, any applicable federal or state assistance, and the other moneys
18 referred to in section 6 shall be deemed appropriated for the purposes of this act without further
19 action than that required by this act.

20 SECTION 3. Temporary notes. The town council may by resolution authorize the
21 issuance from time to time of interest-bearing or discounted notes in anticipation of the issue of
22 bonds or in anticipation of the receipt of federal or state aid for the purposes of this act. The
23 amount of original notes issued in anticipation of bonds may not exceed the amount of bonds that
24 may be issued under this act and the amount of original notes issued in anticipation of federal or
25 state aid as estimated by the director of finance. Temporary notes issued hereunder shall be
26 signed by the director of finance and by the president of the town council and shall be payable
27 within five (5) years from their respective dates, but the principal of, and interest on, notes issued
28 for a shorter period may be renewed or paid from time to time by the issue of other notes
29 hereunder; provided the period from the date of an original note to the maturity of any note issued
30 to renew or pay the same debt or the interest thereon shall not exceed five (5) years.

31 SECTION 4. Advances from general fund. Pending any authorization or issue of bonds
32 hereunder, or pending or in lieu of any authorization or issue of notes hereunder, the director of
33 finance, with the approval of the town council, may, to the extent that bonds or notes may be
34 issued hereunder, apply funds in the general fund of the town to the purposes specified in section

1 2, such advances to be repaid with interest from the proceeds of bonds or notes subsequently
2 issued or from the proceeds of applicable federal or state assistance or from other available funds.

3 SECTION 5. Investment of money. Any proceeds of bonds or notes issued hereunder, or
4 of any applicable federal or state assistance, pending their expenditure, may be deposited or
5 invested by the director of finance in demand deposits, time deposits, or savings deposits in banks
6 that are members of the Federal Deposit Insurance Corporation, or in obligations issued or
7 guaranteed by the United States of America, or by any agency or instrumentality thereof, or as
8 may be provided in any other applicable law of the state of Rhode Island.

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

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

34 SECTION 8. Validity of bonds or notes. Any bonds or notes issued under the provisions

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

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

11 SECTION 10. Conditions precedent to issuance. Bonds and notes may be issued under
12 this act without obtaining approval of any governmental agency, or the taking of any proceedings,
13 or the happening of any conditions except as specifically required by this act for such issue. In
14 carrying out any project financed in whole or in part under this act, including where applicable
15 the condemnation of any land or interest in land, that shall be authorized hereby and carried out in
16 the manner described by chapter 1 of title 24 as it may be amended from time to time, and in the
17 levy and collection of assessments or other charges permitted by law on account of any such
18 project, all action shall be taken that is necessary to meet constitutional requirements whether or
19 not such action is otherwise required by statute, but the validity of bonds and notes issued
20 hereunder shall in no way depend upon the validity or occurrence of such action.

21 SECTION 11. Assessments. (1) The town council shall cause the cost of constructing,
22 operating, and maintaining the sewer system to be paid by assessments and annual charges as set
23 forth herein. The town council shall assess the costs (including financing costs and debt service
24 on bonds or notes issued hereunder) of any project or projects financed under this act that it has
25 determined will be paid from assessments, upon the owners of the estates that abut that portion of
26 any street or highway in or along any sewer constituting any portion of such project or projects
27 may be located or that otherwise specially benefit from such project or projects. Any such
28 property owned by the state of Rhode Island shall be subject to assessments and charges under
29 this act in the same manner and to the same extent as any other such property. Such assessment
30 may be made separately for each project separately identified by the town council or for several
31 projects taken together, including, but not limited to, those financed pursuant to chapters 25 and
32 37 of the Public Laws of 2009 and/or chapters 263 and 291 of the Public Laws of 2010, as the
33 town council may deem equitable. Provided, further, the town council may defer assessments on
34 residential users while they remain residential.

1 (2) Such assessments shall be just and equitable and shall be based upon frontage or area
2 within a specified reasonable distance from the street or highway or other equitable method or
3 combination of methods as may be determined by the town council. The town council shall not
4 make any particular assessment in excess of the benefit conferred and may make reasonable
5 adjustments or deferments of such assessments against estates having a frontage upon more than
6 one street or against estates that for any reason are unable to derive the normal benefits from the
7 system. The town council may adopt ordinances governing the making of such assessments and
8 the collection thereof. A copy of such assessments shall be recorded with the collector of taxes as
9 a public record. From the date of delivery to the collector of taxes the assessments and interest
10 accruing thereon shall constitute a lien upon the respective estates on a parity with the lien for
11 town taxes until paid in full. The collector of taxes of the town shall have the same rights to
12 enforce such liens against the estates and to collect such assessments and interest from the owners
13 as he/she has in the case of town taxes.

14 SECTION 12. Sewer service charges. (1) The town council may fix and revise from time
15 to time a schedule of sewer service charges for the use of sewer facilities and services furnished
16 under this act for the purpose of paying the cost of maintaining, repairing, and operating such
17 facilities, and any other expenses not otherwise provided for that may arise under this act, to the
18 extent that monies for the foregoing purposes are not otherwise provided. Such charges shall be
19 just and equitable and may be based upon the quantity of water used; or units assessed; or the
20 number and size of sewer connections made; or the number and kind of plumbing fixtures
21 installed on the estate; or upon the number or average number of persons residing or working in
22 or otherwise connected therewith; or upon any other factor affecting the use of or the value of the
23 facilities and services furnished; or upon any combination of such factors. The town may provide
24 by ordinance for the making and collection of such sewer service charges.

25 (2) Delinquent service charges together with any interest and charges accruing thereon
26 shall constitute a lien upon real estate on a parity with the lien for town taxes. The collector of
27 taxes shall have the same rights to enforce such liens and to collect the service charges and
28 interest thereon as he/she has in the case of town taxes.

29 SECTION 13. Appropriation of charges and assessments. The receipts from sewer
30 service charges and assessments, including any net earnings and profits realized from the deposit
31 or investment thereof, shall be deemed appropriated for the purposes set forth in this act, without
32 the necessity of any further action. Except as provided in this act and in chapters 25 and 37 of the
33 Public Laws of 2009 and/or chapters 263 and 291 of the Public Laws of 2010, the assessment and
34 collection of sewer service charges and assessments shall be governed by ordinances adopted by

1 the town council applicable to all such charges and assessments in the town.

2 SECTION 14. Other bonds for similar purposes, instruments, documents and agreements.
3 The bond issue authorized by this act may be consolidated for the purposes of issuance with any
4 other bond issue of the town heretofore or hereafter authorized; provided that, notwithstanding
5 any such consolidation, the proceeds from the sale of the bonds authorized by this act shall be
6 expended for the purposes set forth above.

7 The assessments and charges for the issuance and debt service costs of the bonds
8 authorized by this act may be consolidated with those assessed and charged for other bonds
9 issued for the towns of sewers and sewerage systems heretofore or hereafter authorized.

10 The town director of finance and the president of the town council, on behalf of the town,
11 are hereby authorized to execute such agreements, instruments, documents or other papers as
12 either of them deem necessary or desirable to carry out the intent of this act including, but not
13 limited to, those pursuant to chapter 24.5 of title 45 and chapter 12.2 of title 46 as amended, and
14 are also authorized to take all actions and execute all documents or agreements necessary to
15 comply with federal tax and securities laws, which documents or agreements may have a term
16 coextensive with the maturity of the bonds authorized hereby.

17 SECTION 15. The question of the approval of this act shall be submitted to the electors
18 of the town at a general or special election that is not a primary on such date as the town council
19 shall designate. The question shall be submitted in substantially the following form:

20 "Shall an act, passed at the 2014 session of the general assembly, entitled 'An act
21 authorizing the Town of North Kingstown to issue bonds and notes to an amount not exceeding
22 \$4,900,000 to finance the construction of sewers and sewerage systems in the town, primarily for
23 the Wickford commercial area, including the acquisition of land therefor and authorizing the
24 imposition of sewer assessments and user fees be approved?" and the warning for the election
25 shall contain the question to be submitted. From the time the election is warned and until it is
26 held, it shall be the duty of the town clerk to keep a copy of the act available at his or her office
27 for public inspection, but the validity of the election shall not be affected by this requirement.

28 SECTION 16. This section and the foregoing section shall take effect upon the passage of
29 this act. The remainder of this act shall take effect upon the approval of this act by a majority of
30 those voting on the question at the election prescribed by the foregoing section.

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