

2016 -- H 8225

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

AUTHORIZING THE TOWN OF TIVERTON TO ISSUE GENERAL OBLIGATION BONDS
AND NOTES IN AN AMOUNT NOT TO EXCEED \$15,438,230 TO FINANCE
REPLACEMENT OF ROOFS AND HVAC SYSTEMS AT THE TIVERTON MIDDLE
SCHOOL AND THE TIVERTON HIGH SCHOOL

Introduced By: Representatives Canario, and Edwards

Date Introduced: May 18, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The Town of Tiverton is hereby empowered, in addition to authority
2 previously granted, to issue its general obligation bonds and notes to an amount not exceeding
3 fifteen million four hundred thirty-eight thousand two hundred thirty dollars (\$15,438,230) at one
4 time or from time to time under its corporate name and seal or a facsimile of such seal to finance
5 replacement of roofs and HVAC systems at the Tiverton Middle School and the Tiverton High
6 School as more fully set forth in section 2. The bonds of each issue may be issued in the form of
7 serial bonds or term bonds or a combination thereof and shall be payable either by maturity of
8 principal in the case of serial bonds or by mandatory serial redemption in the case of term bonds,
9 in annual installments of principal, the first installment to be not later than five (5) years and the
10 last installment not later than thirty (30) years after the date of the bonds. All such bonds of a
11 particular issue may be issued in the form a zero coupon bonds, capital appreciation bonds, serial
12 bonds or term bonds or combination thereof. Annual installments of principal may be provided
13 for by maturity of principal in the case of serial bonds or by mandatory serial redemption in the
14 case of term bonds. The amount of principal appreciation each year on any bonds, after the date
15 of original issuance, shall not be considered to be principal indebtedness for the purposes of any
16 constitutional or statutory debt limit or any other limitation. The appreciation of principal after
17 the date of original issue shall be considered interest. Only the original principal amount shall be

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

3 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
4 treasurer and the president of the town council and shall be issued and sold in such amounts as the
5 town council may authorize by majority vote of all its members. The amount of the bond issue,
6 manner of sale, denominations, maturities, interest rate or rates, award and other terms, conditions
7 and details of any bonds or notes issued under this act may be fixed by the proceedings of the
8 town council authorizing their issue or by separate resolution of the town council or, to the extent
9 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
10 the bonds. The town council may provide that any bonds issued under this act and any other
11 authorized issue of bonds of the town may be consolidated and issued at the same time as a single
12 bond issue, provided that the last installment of the portion of any such consolidated issue that is
13 allocable to the bonds issued under this act shall not be later than the times specified by the
14 applicable provisions hereof. The bonds may be made callable with or without premium. The
15 proceeds derived from the sale of the bonds shall be delivered to the town treasurer, and such
16 proceeds, exclusive of premiums and accrued interest, shall be expended for costs of replacing the
17 roofs and the HVAC systems at both the Tiverton Middle School and the Tiverton High School
18 (hereinafter referred to as the project) if approved by the voters in accordance with section 12
19 hereof, including all other costs incidental and related to the foregoing project and its financing
20 pursuant to this act, including, but not limited to, the payment of the principal of or interest on
21 temporary notes issued under section 3, the repayment of advances made under section 4, and/or
22 to finance capitalized interest on the project. No purchaser of any bonds or notes under this act
23 shall be in any way responsible for the proper application of the proceeds derived from the sale
24 thereof. The project shall be carried out and all contracts made therefor on behalf of the town by
25 the town council, or as may be authorized by the town council. The proceeds of bonds or notes
26 issued under this act, any applicable federal or state assistance and any other monies referred to in
27 sections 5, 6, or 9 shall be deemed appropriated for the purposes of this act without further action
28 than that required by this act. The bond issue authorized by this act may be consolidated for the
29 purposes of issuance and sale with any other bond issue of the town heretofore or hereafter
30 authorized, provided that, notwithstanding any such consolidation, the proceeds from the sale of
31 the bonds authorized by this act shall be expended for the purposes set forth above. The town
32 treasurer and president of the town council, on behalf of the town, are hereby authorized to
33 execute such instruments, documents, or other papers as either of them deem necessary or
34 desirable to carry out the intent of this act and are also authorized to take all actions and execute

1 all documents or agreements necessary to comply with federal tax and securities laws, which
2 documents or agreements may have a term coextensive with the maturity of the bonds authorized
3 hereby, including Rule 15c2-12 of the Securities and Exchange Commission and to execute and
4 deliver a continuing disclosure agreement or certificate in connection with the bonds or notes.

5 SECTION 3. The town council may by resolution authorize the issue from time to time of
6 interest bearing or discounted notes in anticipation of the issue of bonds under this act or in
7 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
8 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
9 issued under this act and the amount of original notes issued in anticipation of federal or state aid
10 may not exceed the amount of available federal or state aid as estimated by the town treasurer.
11 Temporary notes issued hereunder shall be signed by the town treasurer and the president of the
12 town council and shall be payable within five (5) years from their respective dates, but the
13 principal of and interest on notes issued for a shorter period may be renewed or paid from time to
14 time by the issue of other notes hereunder, provided the period from the date of an original note
15 to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not
16 exceed five (5) years. Any temporary notes in anticipation of bonds issued under this section may
17 be refunded prior to the maturity of the notes by the issuance of additional temporary notes,
18 provided that no such refunding shall result in any amount of such temporary notes outstanding at
19 any one time in excess of two hundred percent (200%) of the amount of bonds which may be
20 issued under this act, and provided further that if issuance of any such refunding notes results in
21 any amount of such temporary notes outstanding at any one time in excess of the amount of
22 bonds which may be issued under this act, the proceeds of such refunding notes shall be deposited
23 in a separate fund established with the bank which is paying agent for the notes being refunded.
24 Pending their use to pay the notes being refunded, monies in the fund shall be invested for the
25 benefit of the town by the paying agent at the direction of the town treasurer in any investment
26 permitted under section 5. The monies in the fund and any investments held as a part of the fund
27 shall be held in trust and shall be applied by the paying agent solely to the payment or
28 prepayment of the principal of and interest on the notes being refunded. Upon payment of all
29 principal of and interest on the notes, any excess monies in the fund shall be distributed to the
30 town. The period for which bonds may be issued under this act need not be reduced by the period
31 of any temporary loans hereunder. The proceeds derived from the sale of such temporary notes
32 shall be used only for the purposes for which the proceeds of bonds issued under this act may be
33 used. The town may pay the principal of and interest on notes in full from other than the issuance
34 of refunding notes prior to the issuance of bonds pursuant to section 1 hereof. In such case, the

1 town's authority to issue bonds or notes in anticipation of bonds under this this act shall continue
2 provided that: (1) The town council passes a resolution evidencing the town's intent to pay off the
3 notes without extinguishing the authority to issue bonds or notes; and (2) That the period from the
4 date of an original note to the maturity date of any other note shall not exceed five (5) years.

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

10 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable
11 federal or state assistance, pending their expenditure, may be deposited or invested by the town
12 treasurer in demand deposits, time deposits or savings deposits in banks which are members of
13 the federal deposit insurance corporation, in obligations issued or guaranteed by the United States
14 of America or the state of Rhode Island, or by an agency, instrumentality or political subdivision
15 of either of them, or as may be provided in any other applicable law of the state of Rhode Island
16 or resolution of the town council or pursuant to an investment policy of the town.

17 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
18 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
19 sale of bonds or notes hereunder shall, in the discretion of the town treasurer, be applied to the
20 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
21 provided, to the payment of the cost of the project, to the payment of the principal of or interest
22 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
23 issuing and marketing bonds or notes hereunder may also, in the discretion of the town treasurer,
24 be met from bond or note proceeds exclusive of premiums and accrued interest or from other
25 monies available therefor. Any balance of bond or note proceeds remaining after payment of the
26 cost of the project and the cost of preparing, issuing and marketing bonds or notes hereunder may
27 be applied to the payment of the principal of or interest on bonds or notes issued hereunder. To
28 the extent permitted by applicable federal laws, any earnings or net profit realized from the
29 deposit or investment of funds hereunder shall upon receipt be added to and used for the same
30 purposes as the proceeds of bonds or notes issued hereunder or be added to and dealt with as a
31 part of the revenues of the town from property taxes. In exercising any discretion under this
32 section, the town treasurer shall be governed by any instructions adopted by resolution of the
33 town council. The town treasurer is authorized to take any action deemed by them necessary to
34 assure that interest on the bonds or notes issued hereunder remains excludable from gross income

1 of the recipients thereof for federal income tax purposes, including, without limitation, paying to
2 the federal government any rebate of earnings derived from the deposit or investment of the
3 proceeds of such bonds or notes that may be required therefor.

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

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

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

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

1 SECTION 11. After completion of the replacement of the roofs and the HVAC systems
2 at the Tiverton Middle School and the Tiverton High School, all or any portion of the authorized
3 but unissued authority to issue bonds and notes under this act may be extinguished by resolution
4 of the town council, without further action by the general assembly.

5 SECTION 12. The question of the approval of this act shall be submitted to the electors
6 of the Town of Tiverton at the general election to be held on November 8, 2016. The question
7 shall be submitted in substantially the following form: "Shall an act, passed at the 2016 session of
8 the General Assembly, entitled 'An Act Authorizing the Town of Tiverton to Issue General
9 Obligation Bonds and Notes in an Amount Not to Exceed \$15,438,230 to Finance Replacement
10 of Roofs and HVAC Systems at the Tiverton Middle School and the Tiverton High School' be
11 approved?" The warning for the election shall contain the question to be submitted. From the time
12 the election is warned and until it is held, it shall be the duty of the town clerk to keep a copy of
13 this act available at the clerk's office for public inspection, but the validity of the vote taken at the
14 election shall not be affected by this requirement. To the extent of any inconsistency between this
15 act and the town charter, this act shall prevail. Without limiting the generality of the foregoing,
16 the provisions of section 203 of the town charter shall not be applicable to bonds or notes issued
17 under this act.

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

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF TIVERTON TO ISSUE GENERAL OBLIGATION BONDS
AND NOTES IN AN AMOUNT NOT TO EXCEED \$15,438,230 TO FINANCE
REPLACEMENT OF ROOFS AND HVAC SYSTEMS AT THE TIVERTON MIDDLE
SCHOOL AND THE TIVERTON HIGH SCHOOL

1 This act authorizes the town of Tiverton to issue not more than \$15,438,230 bonds and
2 notes to finance replacement of roofs and HVAC systems at the Tiverton Middle School and the
3 Tiverton High School.

4 Sections 12 and 13 would take effect upon the passage. The remainder of this act would
5 take effect upon the approval by the electors of the town of the question provided of in section 12.

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