

2016 -- S 2805

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW BUILDING FOR THE R.Y.S.E. SCHOOL, INCLUDING REMOVAL OF EXISTING MODULAR CLASSROOMS AND TO FINANCE IMPROVEMENTS TO THE SWITCH ROAD CAMPUS, INCLUDING, BUT NOT LIMITED TO, LANDSCAPING, PAVING, PARKING AND TRAFFIC REDESIGN AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN \$6,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE SCHOOL HOUSING AID AT A REIMBURSEMENT RATE OF NOT LESS THAN
56%

Introduced By: Senators Morgan, and Algieri

Date Introduced: March 23, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The regional school district incorporated pursuant to Chapter 55 of the
2 Public Laws of 1958, as amended, known as the Chariho Regional School District, is hereby
3 empowered, in addition to authority previously granted, to issue general obligation bonds and
4 notes to an amount not exceeding six million dollars (\$6,000,000) from time to time under its
5 corporate name and seal; provided, however, that bonds and notes shall not be issued unless the
6 conditions of section 4 hereof as to the level of state school housing aid are met. The bonds of
7 each issue may be issued in the form of serial bonds or term bonds, zero coupon bonds, capital
8 appreciation bonds, or compound interest bonds or a combination thereof and shall be payable
9 either by maturity of principal in the case of serial bonds or by mandatory sinking fund
10 installments in the case of term bonds, in annual installments of principal, the first installment to
11 be not later than five (5) years and the last installment not later than thirty (30) years after the date
12 of the bonds. The amount of principal appreciation each year on any bonds, after the date of
13 original issuance, shall not be considered to be principal indebtedness for the purposes of any
14 constitutional or statutory debt limit or any other limitation. The appreciation of principal after
15 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 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 treasurer of the regional
11 school district committee, and such proceeds, exclusive of premiums and accrued interest, shall
12 be expended: (1) To finance the construction, furnishing and equipping of a new building for the
13 R.Y.S.E. School, including removal of existing modular classrooms and to finance improvements
14 to the Switch Road Campus, including, but not limited to, landscaping, paving, parking and
15 traffic redesign (the "Projects"); (2) In payment of the principal or interest on temporary notes
16 issued under section 3; or (3) In repayment of advances under section 5; (4) In payments of costs
17 of issuance associated with the issuance of bonds or notes hereunder; and/or (5) To finance
18 capitalized interest for the projects. No purchaser of any bonds or notes under this act shall be in
19 any way responsible for the proper application of the proceeds derived from the sale thereof. The
20 proceeds of bonds or notes issued under this act, any applicable federal or state assistance and the
21 other monies referred to in sections 5 and 7, shall be deemed appropriated for the purpose of this
22 act without further action than that required by this act. This bond issue authorized by this act
23 may be consolidated for the purpose of issuance and sale with any other bond issue of the
24 regional school district heretofore or hereafter authorized, provided that, notwithstanding any
25 such consolidation, the proceeds from the sale of the bonds authorized by this act shall be
26 expended for the purposes set forth above. The district treasurer and the chairperson of the
27 regional school district committee, on behalf of the regional school district, are hereby authorized
28 to execute such instruments, documents or other papers as either of them deem necessary or
29 desirable to carry out the intent of this act and are also authorized to take all actions and execute
30 all documents or agreements necessary to comply with federal tax and securities laws, which
31 documents or agreements may have a term coextensive with the maturity of the bonds authorized
32 hereby, including Rule 15c2-12 of the Securities and Exchange Commission and to execute and
33 deliver a continuing disclosure agreement or certificate in connection with the bonds or notes.

34 SECTION 3. The regional school district committee may by resolution authorize the

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

34 SECTION 4. Bonds and notes shall not be issued unless the Chariho Regional School

1 District has received a letter from the Rhode Island Department of Elementary and Secondary
2 Education confirming that the Board of Education has approved the facilities to be financed for
3 school housing aid and that the then-current reimbursement rate pursuant to §§16-7-35 through
4 16-7-47 of the general laws, as amended from time to time, or pursuant to any other law hereafter
5 enacted providing for funds to municipalities or regional school districts for school housing aid
6 purposes, is not less than fifty-six percent (56%) of debt service for eligible costs.

7 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
8 of any authorization or issue of notes hereunder, the district treasurer, with the approval of the
9 regional school district committee, may, to the extent that bonds or notes may be issued
10 hereunder, apply funds in the treasury of the regional school district committee to the purposes
11 specified in section 2, such advances to be repaid without interest from the proceeds of bonds or
12 notes subsequently issued or from the proceeds of applicable federal or state assistance or from
13 other available funds.

14 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable
15 federal or state assistance, pending their expenditure, may be deposited or invested by the district
16 treasurer in demand deposits, time deposits or savings deposits in banks which are members of
17 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United
18 States of America or by any agency or instrumentality thereof ("Government Obligations") or as
19 may be provided in any other applicable law of the state of Rhode Island or resolution of the
20 regional school district committee or pursuant to an investment policy of the regional school
21 district committee. Any bank deposits or investments, other than investments in Government
22 Obligations, must either be directly insured by the Federal Deposit Insurance Corporation or be
23 collateralized by Government Obligations which have a value equal to or greater than one
24 hundred two percent (102%) of the deposit or investment amount.

25 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder
26 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
27 sale of bonds or notes hereunder shall, in the discretion of the district treasurer, be applied to the
28 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
29 provided, to the payment of the cost of the Projects, to the payment of the principal of or interest
30 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
31 issuing and marketing bonds or notes issued hereunder may also, in the discretion of the district
32 treasurer, be met from bond or note proceeds exclusive of accrued interest or from other monies
33 available therefor. If, upon completion of any of the Projects there shall be any balance of bond or
34 note proceeds remaining not required for the payment of the costs of such Project, such funds

1 shall be applied to the payment of the principal of or interest on bonds or notes issued hereunder.
2 To the extent permitted by applicable federal laws, any earnings or net profit realized from the
3 deposit or investment of funds hereunder may, upon receipt, be added to and dealt with as part of
4 the revenues of the regional school district from the member towns. In exercising any discretion
5 under this section, the treasurer shall be governed by any instructions adopted by resolution of the
6 regional school district committee.

7 SECTION 8. All bonds and notes issued under this act and the debts evidenced thereby
8 shall be obligatory on the regional school district committee in the same manner and to the same
9 extent as other debts are obligatory under the laws of this state on incorporated towns of this state
10 and such debt evidenced by said bonds or notes shall not be construed at any time to form a part
11 of the debt of any individual town which is a member of the regional school district for the
12 purpose of ascertaining the borrowing capacity of such town, nor shall said debt contracted by the
13 regional school district in any way apply to the operation of §45-12-2 of the general laws, as
14 amended, with respect to any member town. The regional school district shall annually
15 appropriate a sum sufficient to pay the principal and interest coming due within the year on bonds
16 and notes issued hereunder until such bonds and notes and the interest thereon are paid in full.

17 SECTION 9. Any bonds or notes issued under the provisions of this act, if properly
18 executed by officers of the regional school district in office on the date of execution, shall be
19 valid and binding according to their terms notwithstanding that before the delivery thereof and
20 payment therefor any or all of such officers shall for any reason have ceased to hold office.

21 SECTION 10. The regional school district, acting by resolution of its regional school
22 district committee, is authorized to apply for, contract for and expend any federal or state
23 advances or other grants or assistance which may be available for the purposes of this act, and
24 any such expenditures may be in addition to other monies provided in this act. To the extent of
25 any inconsistency between any law of this state and any applicable federal law or regulation, the
26 latter shall prevail. Federal and state advances, with interest where applicable, whether contracted
27 for prior to or after the effective date of this act, may be repaid as Project costs under section 2.

28 SECTION 11. Bonds and notes may be issued under this act without obtaining the
29 approval of any governmental agency or the taking of any proceedings or the happening of any
30 conditions except as specifically required by this act for such issue. In carrying out any Project
31 financed in whole or in part under this act, including where applicable the condemnation of any
32 land or interest in land, and in the levy and collection of assessments or other charges permitted
33 by law on account of any such Project, all action shall be taken which is necessary to meet
34 constitutional requirements whether or not such action is otherwise required by statute; but the

1 validity of bonds and notes issued hereunder shall in no way depend upon the validity or
2 occurrence of such action.

3 SECTION 12. All or any portion of the authority to issue bonds and notes under this act
4 may be extinguished by resolution of the regional school district committee, without further
5 action by the general assembly, seven (7) years after the effective date of this act.

6 SECTION 13. In accordance with the provisions of Section 15 of Chapter 55 of the
7 Public Laws of 1958 as heretofore amended, including amendments made by Chapter 490 of the
8 Public Laws of 2006 (the "Chariho Act"), the principal of, redemption premium and interest on
9 the bonds and or notes authorized by this Act shall be borne by the member towns in the same
10 proportion as the enrollment of students from each town bears to the total student enrollment of
11 the district. In addition, with respect to the bonds and notes authorized by this Act, the Chariho
12 Regional School District Committee shall annually make payments from its fund balance to the
13 member towns in an amount equal to the difference between thirty-three and one-third percent
14 (33 $\frac{1}{3}$ %) and any member town's actual annual contribution of principal and interest on bonds
15 and notes for these Projects if that contribution exceeds thirty-three and one-third percent (33 $\frac{1}{3}$
16 %).

17 SECTION 14. The question of the approval of this act shall be submitted to the electors
18 of the towns of Charlestown, Richmond and Hopkinton at the general election on November 8,
19 2016. The question shall be submitted in substantially the following form: "Shall an Act passed at
20 the 2016 Session of the general assembly entitled, 'AN ACT AUTHORIZING THE CHARIHO
21 REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, FURNISHING
22 AND EQUIPPING OF A NEW BUILDING FOR THE R.Y.S.E. SCHOOL, INCLUDING
23 REMOVAL OF EXISTING MODULAR CLASSROOMS AND TO FINANCE
24 IMPROVEMENTS TO THE SWITCH ROAD CAMPUS, INCLUDING, BUT NOT LIMITED
25 TO, LANDSCAPING, PAVING, PARKING AND TRAFFIC REDESIGN AND ALL
26 EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN
27 \$6,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE
28 SCHOOL HOUSING AID AT A REIMBURSEMENT RATE OF NOT LESS THAN 56%' be
29 approved?" The form of ballot shall also include the following language: "The principal of,
30 redemption premium and interest on bonds and notes issued for the projects will be borne by the
31 member towns in the same proportions as the enrollment of students from each town bears to the
32 total student enrollment of the district, in accordance with the Chariho Act. The Chariho Regional
33 School District Committee shall annually make payments from its fund balance to the member
34 towns in an amount equal to the difference between thirty-three and one-third percent (33 $\frac{1}{3}$ %) of

1 debt service and any member town's actual annual contribution of principal and interest on bonds
2 and notes for the Projects if that contribution exceeds thirty-three and one-third percent (33⅓ %)
3 of debt service". The warning for the election shall contain the question to be submitted. From the
4 time the election is warned and until it is held, it shall be the duty of the town clerks of the
5 respective towns of Charlestown, Richmond and Hopkinton to keep a copy of the act available at
6 their offices for public inspection, but the validity of the election shall not be affected by this
7 requirement. To the extent of any inconsistency between this act and the home rule charter of any
8 member town, this act shall prevail.

9 SECTION 15. Sections 14 and 15 shall take effect upon the passage of this act. The
10 remainder of this act shall take effect upon the approval of this act by a majority in each town of
11 those voting on the question at the election prescribed by the foregoing section.

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EXPLANATION

OF

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AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW BUILDING FOR THE R.Y.S.E. SCHOOL, INCLUDING REMOVAL OF EXISTING MODULAR CLASSROOMS AND TO FINANCE IMPROVEMENTS TO THE SWITCH ROAD CAMPUS, INCLUDING, BUT NOT LIMITED TO, LANDSCAPING, PAVING, PARKING AND TRAFFIC REDESIGN AND ALL EXPENSES INCIDENTAL THERETO BY THE ISSUANCE OF NOT MORE THAN \$6,000,000 BONDS AND/OR NOTES THEREFOR, SUBJECT TO APPROVAL OF STATE SCHOOL HOUSING AID AT A REIMBURSEMENT RATE OF NOT LESS THAN 56%

1 This act would authorize the Chariho Regional School District to finance the
2 construction, furnishing and equipping of a new building for the R.Y.S.E. School, including
3 removal of existing modular classrooms and to finance improvements to the Switch Road
4 Campus, including, but not limited to, landscaping, paving, parking and traffic redesign, by the
5 issuance of not more than \$6,000,000 bonds and/or notes therefor, subject to approval of State
6 School Housing Aid at a reimbursement rate of not less than fifty-six percent (56%). The
7 principal of, redemption premium and interest on bonds and notes issued for the projects will be
8 borne by the member towns in the same proportion as the enrollment of students from each town
9 bears to the total student enrollment of the School District, in accordance with the Chariho Act.
10 Issuance of bonds and notes would be conditioned on the School District's receipt of a letter from
11 the Department of Elementary and Secondary Education confirming that the Board of Education
12 has approved the facilities to be financed for state school housing aid and that the then-current
13 reimbursement rate is not less than fifty-six percent (56%) of debt service for eligible costs. The
14 Chariho Regional School District Committee shall annually make payments from its fund balance
15 to the member towns in an amount equal to the difference between thirty-three and one-third
16 percent (33 $\frac{1}{3}$ %) of debt service and any member town's actual annual contribution of principal
17 and interest on bonds and notes for these projects if that contribution exceeds thirty-three and
18 one-third percent (33 $\frac{1}{3}$ %) of debt service.

19 SECTIONS 14 and 15 are effective upon passage. The remainder of the act shall take
20 effect upon approval of the act by a majority of the electors in each of the towns of Charlestown,
21 Richmond and Hopkinton.

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