

2016 -- S 2967

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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 NARRAGANSETT TO FINANCE THE ACQUISITION
AND RENOVATION OF REAL ESTATE AND/OR INTERESTS OR RIGHTS THEREIN
AND RELATED EQUIPMENT FOR A LIBRARY AND TO ISSUE NOT MORE THAN
\$5,800,000 BONDS AND NOTES THEREFOR

Introduced By: Senator Mark W. Gee

Date Introduced: May 10, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Narragansett is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding five million eight hundred
3 thousand dollars (\$5,800,000) from time to time under its corporate name and seal or a facsimile
4 of such seal. The bonds of each issue may be issued in the form of serial bonds or term bonds or a
5 combination thereof and shall be payable either by maturity of principal in the case of serial
6 bonds or by mandatory serial redemption in the case of term bonds, in annual installments of
7 principal, the first installment to be not later than five (5) years and the last installment not later
8 than thirty (30) years after the date of the bonds. For each issue the amounts payable annually for
9 principal and interest combined either shall be as nearly equal from year to year as is practicable
10 in the opinion of the officers authorized to issue the bonds, or shall be arranged in accordance
11 with a schedule providing for a more rapid amortization of principal.

12 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the
13 town treasurer and the president of the town council and shall be issued and sold in such amounts
14 as the town council may authorize by resolution. The manner of sale, denominations, maturities,
15 interest rates and other terms, conditions and details of any bonds or notes issued under this act
16 may be fixed by the resolution of the town council authorizing the issue or by separate resolution
17 of the town council or, to the extent provisions for these matters are not so made, they may be

1 fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the sale of
2 the bonds shall be delivered to the town treasurer, and such proceeds exclusive of premiums and
3 accrued interest shall be expended for: (1) The acquisition of real estate and/or interests or rights
4 therein and the renovation thereof for library purposes including related equipment and all costs
5 incidental thereto; (2) In payment of the principal of or interest on temporary notes issued under
6 section 3 of this act; or (3) In repayment of advances under section 4 of this act. No purchaser of
7 any bonds or notes under this act shall be in any way responsible for the proper application of the
8 proceeds derived from the sale thereof. The projects shall be carried out and all contracts made
9 therefor on behalf of the town by the town council or as may be otherwise directed by the town
10 council. The proceeds of bonds or notes issued under this act, any applicable federal or state
11 assistance and the other monies referred to in section 6 of this act shall be deemed appropriated
12 for the purposes of this act without further action than that required by this act. The bond issue
13 authorized by this act may be consolidated for the purposes of issuance and sale with any other
14 bond issue of the town heretofore or hereafter authorized, provided that, notwithstanding any
15 such consolidation, the proceeds from the sale of the bonds authorized by this act shall be
16 expended for the purposes set forth above. For the purpose of this act, the term "real estate and/or
17 interests or rights therein" includes, but is not limited to fee simple interests, condominium units,
18 leasehold estates, easements and/or rights-of-way.

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

31 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
32 of any authorization or issue of notes hereunder, the treasurer, with the approval of the town
33 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
34 treasury of the town to the purposes specified in section 2, such advances to be repaid without

1 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
2 applicable federal or state assistance or from other available funds.

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

9 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
10 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
11 sale of bonds or notes hereunder and any earnings or net profit realized from the deposit or
12 investment of funds hereunder shall, in the discretion of the treasurer, be applied to the cost of
13 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided,
14 to the payment of the cost of the projects or to the cost of additional improvements coming within
15 the description of the projects in section 2 of this act, to the payment of the principal of or interest
16 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of
17 preparing, issuing and marketing bonds or notes hereunder may also, in the discretion of the
18 treasurer, be met from bond or note proceeds exclusive of accrued interest or from other monies
19 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
20 the projects and said additional improvements and the cost of preparing, issuing and marketing
21 bonds or notes hereunder shall be applied to the payment of the principal of or interest on bonds
22 or notes issued hereunder. In exercising any discretion under this section, the treasurer shall be
23 governed by any instructions adopted by resolution of the town council. The treasurer is
24 authorized to take any action deemed by him or her necessary: (1) To assure that interest on the
25 bonds or notes issued hereunder remains excludable from gross income of the recipients thereof
26 for federal income tax purposes, including, without limitation, paying to the federal government
27 any rebate of earnings derived from the deposit or investment of the proceeds of such bonds or
28 notes that may be required therefor; and (2) To comply with the requirements of federal law,
29 including, without being limited to, regulations and other requirements of the Securities and
30 Exchange Commission and the Municipal Securities Rulemaking Board, imposed directly on the
31 town or on the underwriters of such bonds and notes.

32 SECTION 7. All bonds or notes issued under this act and the debts evidenced thereby
33 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
34 contracted by it and shall be excepted from the operation of section 45-12-2 of the General Laws.

1 No such obligation shall at any time be included in the debt of the town for the purpose of
2 ascertaining its borrowing capacity. The town shall annually appropriate a sum sufficient to pay
3 the principal and interest coming due within the year on bonds and notes issued hereunder to the
4 extent that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
5 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
6 notwithstanding any provision of law to the contrary, all taxable property in the town shall be
7 subject to ad valorem taxation by the town without limitation as to rate or amount.

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

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

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

29 SECTION 11. The question of the approval of this act shall be submitted to the electors of
30 the town at the general election on November 8, 2016. The question shall be submitted in
31 substantially the following form: "Shall an act, passed at the 2016 session of the general
32 assembly, entitled 'AN ACT AUTHORIZING THE TOWN OF NARRAGANSETT TO
33 FINANCE THE ACQUISITION AND RENOVATION OF REAL ESTATE AND/OR
34 INTERESTS THEREIN AND RELATED EQUIPMENT FOR A LIBRARY AND TO ISSUE

1 NOT MORE THAN \$5,800,000 BONDS AND NOTES THEREFOR' be approved?" and the
2 warning for the election shall contain the question to be submitted. The town board of canvassers
3 may combine any two (2) or more voting districts for the election and when so combined shall be
4 treated as a voting district. If so combined, the town board of canvassers shall advertise the
5 combination of districts in a newspaper of general circulation in the town. From the time the
6 election is warned and until it is held, it shall be the duty of the town clerk to keep a copy of the
7 act available at his or her office for public inspection, but the validity of the election shall not be
8 affected by this requirement.

9 SECTION 12. This section and section 11 shall take effect upon passage. The remainder
10 of this act shall take effect upon the approval of this act by a majority of those voting on the
11 question at the election prescribed by section 11.

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EXPLANATION

OF

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AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE ACQUISITION
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\$5,800,000 BONDS AND NOTES THEREFOR

- 1 This act would authorize the town of Narragansett to finance the acquisition and
- 2 renovation of real estate and related equipment for a library and to issue bonds and notes in an
- 3 amount not to exceed \$5,800,000.

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