

2016 -- S 3009

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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 TOWN OF BARRINGTON TO FINANCE THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW MIDDLE SCHOOL AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING BY THE ISSUANCE OF NOT MORE THAN \$68,400,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF INDEBTEDNESS THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OF NOT LESS THAN 35% FOR EXPENDITURES ELIGIBLE FOR REIMBURSEMENT

Introduced By: Senator Cynthia Armour Coyne

Date Introduced: May 19, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Barrington is hereby empowered, in addition to authority
2 previously granted, to issue bonds and other evidences of indebtedness (hereinafter "bonds") up
3 to an amount not exceeding sixty-eight million four hundred thousand dollars (\$68,400,000) from
4 time to time under its corporate name and seal or a facsimile of such; provided, however, that
5 bonds shall not be issued unless the conditions of section 4 hereof as to the level of state school
6 housing aid are met. The bonds of each issue may be issued in the form of serial bonds or term
7 bonds or a combination thereof and shall be payable either by maturity of principal in the case of
8 serial bonds or by mandatory sinking fund installments in the case of term bonds, in annual
9 installments of principal, the first installment to be not later than five (5) years and the last
10 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 of zero coupon bonds, capital appreciation bonds, serial
12 bonds or term bonds or a combination thereof. The amount of principal appreciation each year on
13 any bonds, after the date of original issuance, shall not be considered to be principal indebtedness
14 for the purposes of any constitutional or statutory debt limit or any other limitation. The
15 appreciation of principal after the date of original issue shall be considered interest. Only the

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

3 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
4 finance director and the president of the town council and shall be issued and sold in such
5 amounts as the town council may authorize by resolution. The manner of sale, denominations,
6 maturities, interest rates and other terms, conditions and details of any bonds or notes issued
7 under this act may be fixed by the proceedings of the town council authorizing the issue or by
8 separate resolution of the town council or, to the extent provisions for these matters are not so
9 made, they may be fixed by the officers authorized to sign the bonds. Notwithstanding anything
10 contained in this act to the contrary, the town may enter into financing agreements with the
11 Rhode Island Health and Educational Building Corporation pursuant to title 16 chapter 7 and title
12 45 chapter 38.1 of the general laws and, with respect to notes or bonds issued in connection with
13 such financing agreements, if any, the town may elect to have the provisions of title 45, chapter
14 38.1 of the general laws apply to the issuance of the bonds or notes issued hereunder to the extent
15 the provisions of title 45, chapter 38.1 of the general laws are inconsistent herewith. Such election
16 may be fixed by the proceedings of the town council authorizing such issuance of by separate
17 resolution of the town council, or, to the extent provisions for these matters are not so made, they
18 may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the
19 sale of the bonds shall be delivered to the town finance director, and such proceeds exclusive of
20 premiums and accrued interest shall be expended: (1) For the acquisition, construction, furnishing
21 and equipping of a new middle school in the town and all expenses incident thereto, including,
22 but not limited to, costs of design, demolition, athletic fields, landscaping and parking; (2) In
23 payment of the principal of or interest on temporary notes issued under section 3; (3) In
24 repayment of advances under section 5; (4) In payment of related costs of issuance of any bonds
25 or notes; and/or (5) In payment of capitalized interest during construction of the project (the
26 "project"). No purchaser of any bonds or notes under this act shall be in any way responsible for
27 the proper application of the proceeds derived from the sale thereof. The project shall be carried
28 out and all contracts made therefor on behalf of the town by the town council, or the town council
29 may delegate such authority to the town school committee. The proceeds of bonds or notes issued
30 under this act, any applicable federal or state assistance and the other monies referred to in
31 sections 7 and 10 shall be deemed appropriated for the purposes of this act without further action
32 than that required by this act. The bonds authorized by this act may be consolidated for the
33 purpose of issuance and sale with any other bonds of the town heretofore or hereafter authorized,
34 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds

1 authorized by this act shall be expended for the purposes set forth above.

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

34 SECTION 4. Bonds and notes shall not be issued unless the town has received a letter

1 from the Rhode Island Department of Elementary and Secondary Education confirming that the
2 then-current reimbursement rate pursuant to §§16-7-35 through 16-7-47 of the general laws, as
3 amended from time to time, or pursuant to any other law hereafter enacted providing for funds to
4 municipalities for school housing aid purposes, is not less than thirty-five percent (35%) of debt
5 service for those costs which are eligible for state school housing aid.

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

12 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable
13 federal or state assistance, pending their expenditure may be deposited or invested by the town
14 finance director in demand deposits, time deposits or savings deposits in banks which are
15 members of the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by
16 the United States of America or by any agency or instrumentality thereof or as may be provided
17 in any other applicable law of the state of Rhode Island or resolution of the town council or
18 pursuant to an investment policy of the town.

19 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder
20 shall be applied to the payment of the first interest due thereon. Any premium arising from the
21 sale of bonds or notes hereunder shall, in the discretion of the town finance director, be applied to
22 the cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
23 provided, to the payment of the project costs, to the payment of the principal of or interest on
24 bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
25 issuing and marketing bonds or notes hereunder may also, in the discretion of the town finance
26 director, be met from bond or note proceeds exclusive of accrued interest or from other moneys
27 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
28 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder, shall be
29 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
30 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
31 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the
32 revenues of the town from property taxes. In exercising any discretion under this section, the
33 town finance director shall be governed by any instructions adopted by resolution of the town
34 council.

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

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

15 SECTION 10. The town, acting by resolution of its town council, is authorized to apply
16 for, contract for and expend any federal or state advances or other grants or assistance which may
17 be available for the purposes of this act, and any such expenditures may be in addition to the
18 moneys provided in this act. To the extent of any inconsistency between any law of this state and
19 any applicable federal law or regulation, the latter shall prevail. Federal and state advances, with
20 interest where applicable, whether contracted for prior to or after the effective date of this act,
21 may be repaid as project costs under section 2.

22 SECTION 11. Bonds and notes may be issued under this act without obtaining the
23 approval of any governmental agency or the taking of any proceedings or the happening of any
24 conditions except as specifically required by this act for such issue. In carrying out any project
25 financed in whole or in part under this act, including where applicable the condemnation of any
26 land or interest in land, and in the levy and collection of assessments or other charges permitted
27 by law on account of any such project, all action shall be taken which is necessary to meet
28 constitutional requirements whether or not such action is otherwise required by statute, but the
29 validity of bonds and notes issued hereunder shall in no way depend upon the validity or
30 occurrence of such action.

31 SECTION 12. The town finance director and the president of the town council, on behalf
32 of the town, are hereby authorized to execute such instruments, documents or other papers as
33 either of them deem necessary or desirable to carry out the intent of this act and are also
34 authorized to take all actions and execute all instruments, documents or agreements necessary to

1 comply with federal tax and securities laws, which instruments, documents or agreements may
2 have a term coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-
3 12 of the Securities and Exchange Commission (the "Rule") and to execute and deliver a
4 continuing disclosure agreement or certificate in connection with the bonds or notes in the form
5 as shall be deemed advisable by such officers in order to comply with the Rule.

6 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
7 and notes under this act may be extinguished by resolution of the town council after seven (7)
8 years shall have passed from the approval of this act provided for in section 14, without further
9 action by the general assembly.

10 SECTION 14. At the general election to be held on November 8, 2016, there shall be
11 submitted to electors of the town a question in substantially the following form: "Shall An Act
12 Passed at the 2016 Session of the General Assembly Entitled 'AN ACT AUTHORIZING THE
13 TOWN OF BARRINGTON TO FINANCE THE ACQUISITION, CONSTRUCTION,
14 FURNISHING AND EQUIPPING OF A NEW MIDDLE SCHOOL AND ALL EXPENSES
15 INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN,
16 DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING BY THE ISSUANCE
17 OF NOT MORE THAN \$68,400,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF
18 INDEBTEDNESS THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A
19 REIMBURSEMENT RATE OF NOT LESS THAN 35% FOR EXPENDITURES ELIGIBLE
20 FOR REIMBURSEMENT' be approved?" and the warning for the election shall contain the
21 question to be submitted. From the time the election is warned and until it is held, it shall be the
22 duty of the town clerk to keep a copy of this act available at the clerk's office for public
23 inspection, but the validity of the election shall not be affected by this requirement. To the extent
24 of any inconsistency between this act and the town charter, this act shall prevail.

25 SECTION 15. This act shall constitute an enabling act of the general assembly that is
26 required pursuant to §16-7-44. Bonds or other evidences of indebtedness issued under this act for
27 school projects shall not be eligible for state aid reimbursement pursuant to §16-7-44 unless the
28 school projects have been approved by the Rhode Island Department of Education.

29 SECTION 16. Sections 14 and 16 shall take effect upon the passage of this act. The
30 remainder of this act shall take effect upon the approval of this act by a majority of those voting
31 on the question at the election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF BARRINGTON TO FINANCE THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW MIDDLE SCHOOL AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING BY THE ISSUANCE OF NOT MORE THAN \$68,400,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF INDEBTEDNESS THEREFOR, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OF NOT LESS THAN 35% FOR EXPENDITURES ELIGIBLE FOR REIMBURSEMENT

1 This act authorizes the town of Barrington to issue not more than \$68,400,000 bonds,
2 notes and other evidences of indebtedness to finance the acquisition, construction, furnishing and
3 equipping of a new middle school and all expenses incident thereto, including, but not limited to,
4 costs of design, demolition, athletic fields, landscaping and parking, subject to approval of State
5 Housing Aid at a reimbursement rate of not less than 35% for expenditures eligible for
6 reimbursement. Bonds or other evidences of indebtedness issued under this act shall not be
7 eligible for state aid reimbursement pursuant to §16-7-44 unless the school projects have been
8 approved by the Rhode Island Department of Education.

9 Sections 14 and 16 of this act shall take effect upon passage. The remainder of the act
10 would take effect upon approval by the electors of the town of the question provided for in
11 section 14.

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