

2020 -- S 2904

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO FINANCE THE TOWN'S CAPITAL IMPROVEMENT PLAN FOR THE FISCAL YEARS 2020-2026, INCLUDING, BUT NOT LIMITED TO, THE ACQUISITION, CONSTRUCTION, REPLACEMENT, REPAIR, IMPROVEMENT, FURNISHING AND EQUIPPING OF MUNICIPAL TRANSPORTATION SAFETY AND ROAD IMPROVEMENTS, PUBLIC SAFETY INFRASTRUCTURE IMPROVEMENTS AND OTHER MUNICIPAL PROJECTS, BY THE ISSUANCE OF NOT MORE THAN \$6,500,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF INDEBTEDNESS THEREFOR

Introduced By: Senator V. Susan Sosnowski

Date Introduced: June 17, 2020

Referred To: Placed on Senate Calendar

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of South Kingstown is hereby empowered, in addition to authority
2 previously granted, to issue bonds, notes and other evidences of indebtedness (hereinafter "bonds")
3 up to an amount not exceeding six million five hundred thousand dollars (\$6,500,000) from time
4 to time under its corporate name and seal or a facsimile of such. The bonds of each issue may be
5 issued in the form of serial bonds or term bonds or a combination thereof and shall be payable
6 either by maturity of principal in the case of serial bonds or by sinking fund installments in the case
7 of term bonds, in annual installments of principal, the first installment to be not later than five (5)
8 years and the last installment not later than thirty (30) years after the date of the bonds. All such
9 bonds of a particular issue may be issued in the form of zero coupon bonds, capital appreciation
10 bonds, serial bonds or term bonds or a combination thereof. The amount of principal appreciation
11 each year on any bonds, after the date of original issuance, shall not be considered to be principal
12 indebtedness for the purposes of any constitutional or statutory debt limit or any other limitation.
13 The appreciation of principal after the date of original issue shall be considered interest. Only the
14 original principal amount shall be counted in determining the principal amount so issued and any
15 interest component shall be disregarded.

1 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
2 director of finance and the president of the town council and shall be issued and sold in such
3 amounts as the town council may authorize by resolution. The manner of sale, denominations,
4 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
5 this act may be fixed by the resolutions of the town council authorizing the issue or by separate
6 resolution of the town council or, to the extent provisions for these matters are not so made, they
7 may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the
8 sale of the bonds shall be delivered to the town director of finance, and such proceeds exclusive of
9 premiums and accrued interest shall be expended for: (1) The town's capital improvement plan for
10 the fiscal years 2020-2026, including, but not limited to, the acquisition, construction, replacement,
11 repair, improvement, furnishing and equipping of municipal transportation safety and road
12 improvements, public safety infrastructure improvements and other municipal projects; (2) In
13 payment of the principal of or interest on temporary notes issued under section 3; (3) In repayment
14 of advances under section 4; (4) In payment of related costs of issuance of any bonds or notes;
15 and/or (5) In payment of capitalized interest during construction of the project (the "project"). No
16 purchaser of any bonds or notes under this act shall be in any way responsible for the proper
17 application of the proceeds derived from the sale thereof. The project shall be carried out and all
18 contracts made therefor on behalf of the town by the town council. The proceeds of bonds or notes
19 issued under this act, any applicable federal or state assistance and the other monies referred to in
20 sections 6 and 9 shall be deemed appropriated for the purposes of this act without further action
21 than that required by this act. The bonds authorized by this act may be consolidated for the purpose
22 of issuance and sale with any other bonds of the town heretofore or hereafter authorized, provided
23 that, notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized
24 by this act shall be expended for the purposes set forth above.

25 SECTION 3. The town council may by resolution authorize the issuance from time to time
26 of interest bearing or discounted notes in anticipation of the issuance of bonds or in anticipation of
27 the receipt of federal or state aid for the purposes of this act. The amount of original notes issued
28 in anticipation of bonds may not exceed the amount of bonds which may be issued under this act
29 and the amount of original notes issued in anticipation of federal or state aid may not exceed the
30 amount of available federal or state aid as estimated by the director of finance. Temporary notes
31 issued hereunder shall be signed by the manual or facsimile signatures of the town director of
32 finance and the president of the town council and shall be payable within five (5) years from their
33 respective dates, but the principal of and interest on notes issued for a shorter period may be
34 renewed or paid from time to time by the issuance of other notes hereunder, provided the period

1 from the date of an original note to the maturity of any note issued to renew or pay the same debt
2 or interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds
3 issued under this section may be refunded prior to the maturity of the notes by the issuance of
4 additional temporary notes, provided that no such refunding shall result in any amount of such
5 temporary notes outstanding at any one time in excess of two hundred percent (200%) of the amount
6 of bonds which may be issued under this act, and provided further that if the issuance of any such
7 refunding notes results in any amount of such temporary notes outstanding at any one time in excess
8 of the amount of bonds which may be issued under this act, the proceeds of such refunding notes
9 shall be deposited in trust in a separate fund established for the notes being refunded. Pending their
10 use to pay the notes being refunded, moneys in the fund shall be invested for the benefit of the town
11 by the paying agent at the direction of the town director of finance in any investment permitted
12 under section 5. The moneys in the fund and any investments held as part of the fund shall be held
13 in trust and shall be applied by the paying agent solely to the payment or prepayment of the principal
14 of and interest on the notes being refunded. Upon payment of all principal of and interest on the
15 notes, any excess moneys in the fund shall be distributed to the town. The town may pay the
16 principal of and interest on notes in full from other than the issuance of refunding notes prior to the
17 issuance of bonds pursuant to section 1 hereof. In such case, the town's authority to issue bonds or
18 notes in anticipation of bonds under this act shall continue provided that: (1) The town council
19 passes a resolution evidencing the town's intent to pay off the notes without extinguishing the
20 authority to issue bonds or notes; and (2) That the period from the date of an original note to the
21 maturity date of any other note shall not exceed five (5) years.

22 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
23 of any authorization or issue of notes hereunder, the town director of finance, with the approval of
24 the town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in
25 the treasury of the town to the purposes specified in section 2, such advances to be repaid without
26 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
27 federal or state assistance or from other available funds.

28 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable federal
29 or state assistance, pending their expenditure may be deposited or invested by the town director of
30 finance in demand deposits, time deposits or savings deposits in banks which are members of the
31 Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United States
32 of America or by any agency or instrumentality thereof or as may be provided in any other
33 applicable law of the state of Rhode Island or resolution of the town council or pursuant to an
34 investment policy of the town.

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

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

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

30 SECTION 9. The town, acting by resolution of its town council, is authorized to apply for,
31 contract for and expend any federal or state advances or other grants or assistance which may be
32 available for the purposes of this act, and any such expenditures may be in addition to the moneys
33 provided in this act. To the extent of any inconsistency between any law of this state and any
34 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with

1 interest where applicable, whether contracted for prior to or after the effective date of this act, may
2 be repaid as project costs under section 2.

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

11 SECTION 11. The town director of finance and the president of the town council, on behalf
12 of the town, are hereby authorized to execute such instruments, documents or other papers as either
13 of them deem necessary or desirable to carry out the intent of this act and are also authorized to
14 take all actions and execute all instruments, documents or agreements necessary to comply with
15 federal tax and securities laws, which instruments, documents or agreements may have a term
16 coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the
17 Securities and Exchange Commission (the "Rule") and to execute and deliver a continuing
18 disclosure agreement or certificate in connection with the bonds or notes in the form as shall be
19 deemed advisable by such officers in order to comply with the Rule.

20 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds
21 and notes under this act may be extinguished by ordinance of the town council after seven (7) years
22 shall have passed from the approval of this act provided for in section 13, without further action by
23 the general assembly.

24 SECTION 13. At the general election to be held on November 3, 2020, or such other local
25 election as may be designated by the town council, other than a primary, no later than April 20,
26 2021, there shall be submitted to electors of the town a question in substantially the following form:
27 "Shall an act passed at the 2020 session of the general assembly entitled 'AN ACT
28 AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO FINANCE THE TOWN'S
29 CAPITAL IMPROVEMENT PLAN FOR THE FISCAL YEARS 2020-2026, INCLUDING, BUT
30 NOT LIMITED TO, THE ACQUISITION, CONSTRUCTION, REPLACEMENT, REPAIR,
31 IMPROVEMENT, FURNISHING AND EQUIPPING OF MUNICIPAL TRANSPORTATION
32 SAFETY AND ROAD IMPROVEMENTS, PUBLIC SAFETY INFRASTRUCTURE
33 IMPROVEMENTS AND OTHER MUNICIPAL PROJECTS IN THE TOWN BY THE
34 ISSUANCE OF NOT MORE THAN \$6,500,000 BONDS, NOTES AND/OR OTHER

1 EVIDENCES OF INDEBTEDNESS THEREFOR' be approved?" and the warning for the election
2 shall contain the question to be submitted. From the time the election is warned and until it is held,
3 it shall be the duty of the town clerk to keep a copy of this act available at the clerk's office for
4 public inspection, but the validity of the election shall not be affected by this requirement. To the
5 extent of any inconsistency between this act and the town charter, this act shall prevail.

6 SECTION 14. This section and section 13 shall take effect upon the passage of this act.
7 The remainder of this act shall take effect upon the approval of this act by a majority of those voting
8 on the question at the election prescribed by section 13.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO FINANCE THE TOWN'S CAPITAL IMPROVEMENT PLAN FOR THE FISCAL YEARS 2020-2026, INCLUDING, BUT NOT LIMITED TO, THE ACQUISITION, CONSTRUCTION, REPLACEMENT, REPAIR, IMPROVEMENT, FURNISHING AND EQUIPPING OF MUNICIPAL TRANSPORTATION SAFETY AND ROAD IMPROVEMENTS, PUBLIC SAFETY INFRASTRUCTURE IMPROVEMENTS AND OTHER MUNICIPAL PROJECTS, BY THE ISSUANCE OF NOT MORE THAN \$6,500,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF INDEBTEDNESS THEREFOR

1 This act would authorize the town of South Kingstown to issue not more than \$6,500,000
2 bonds and notes to finance the town's capital improvement plan for the fiscal years 2020-2026,
3 including, but not limited to, the acquisition, construction, replacement, repair, improvement,
4 furnishing and equipping of municipal transportation safety and road improvements, public safety
5 infrastructure improvements and other municipal projects.

6 Sections 13 and 14 of this act would take effect upon passage. The remainder of the act
7 would take effect upon approval by the electors of the town of the question provided for in section
8 13.

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