

2022 -- H 8233

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE IMPROVEMENT, REPLACEMENT, CONSTRUCTION, RENOVATION, REPAIR, RECONSTRUCTION AND/OR RESTORATION OF ROADWAYS, SIDEWALKS, STORM DRAINS, PUBLIC BUILDINGS AND OTHER PUBLIC INFRASTRUCTURE IN THE TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE THAN \$20,000,000 BONDS AND NOTES THEREFOR

Introduced By: Representatives McEntee, and Tanzi

Date Introduced: May 11, 2022

Referred To: House Municipal Government & Housing

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 twenty million dollars (\$20,000,000)  
3 from time to time under its corporate name and seal or a facsimile of such seal. The bonds of each  
4 issue may be issued in the form of serial bonds or term bonds or a combination thereof and shall be  
5 payable either by maturity of principal in the case of serial bonds or by mandatory serial redemption  
6 in the case of term bonds, in annual installments of principal, the first installment to be not later  
7 than five (5) years and the last installment not later than thirty (30) years after the date of the bonds.  
8 For each issue the amounts payable annually for principal and interest combined either shall be as  
9 nearly equal from year to year as is practicable in the opinion of the officers authorized to issue the  
10 bonds, or shall be arranged in accordance with a schedule providing for a more rapid amortization  
11 of principal.

12           SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town  
13 treasurer and the president of the town council and shall be issued and sold in such amounts as the  
14 town council may authorize by resolution. The manner of sale, denominations, maturities, interest  
15 rates and other terms, conditions and details of any bonds or notes issued under this act may be  
16 fixed by the resolution of the town council authorizing the issue or by separate resolution of the

1 town council or, to the extent provisions for these matters are not so made, they may be fixed by  
2 the officers authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds  
3 shall be delivered to the town treasurer, and such proceeds exclusive of premiums and accrued  
4 interest shall be expended for: (1) the improvement, replacement, construction, renovation, repair,  
5 reconstruction and/or restoration of roadways, sidewalks, storm drains, public buildings and other  
6 public infrastructure in the town of Narragansett and all costs incidental thereto; (2) In payment of  
7 the principal of or interest on temporary notes issued under section 3 of this act; or (3) In repayment  
8 of advances under section 4 of this act. No purchaser of any bonds or notes under this act shall be  
9 in any way responsible for the proper application of the proceeds derived from the sale thereof. The  
10 projects shall be carried out and all contracts made therefor on behalf of the town by the town  
11 council or as may be otherwise directed by the town council. The proceeds of bonds or notes issued  
12 under this act, any applicable federal or state assistance and the other monies referred to in section  
13 6 of this act shall be deemed appropriated for the purposes of this act without further action than  
14 that required by this act. The bond issue authorized by this act may be consolidated for the purposes  
15 of issuance and sale with any other bond issue of the town heretofore or hereafter authorized;  
16 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds  
17 authorized by this act shall be expended for the purposes set forth above.

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

29 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu  
30 of any authorization or issue of notes hereunder, the treasurer, with the approval of the town  
31 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the treasury  
32 of the town to the purposes specified in section 2, such advances to be repaid without interest from  
33 the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal or  
34 state assistance or from other available funds.

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

7           SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall  
8 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of  
9 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of  
10 funds hereunder shall, in the discretion of the treasurer, be applied to the cost of preparing, issuing  
11 and marketing bonds or notes hereunder to the extent not otherwise provided, to the payment of the  
12 cost of the projects or to the cost of additional improvements coming within the description of the  
13 projects in section 2 of this act, to the payment of the principal of or interest on bonds or notes  
14 issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and  
15 marketing bonds or notes hereunder may also, in the discretion of the treasurer, be met from bond  
16 or note proceeds exclusive of accrued interest or from other monies available therefor. Any balance  
17 of bond or note proceeds remaining after payment of the cost of the projects and said additional  
18 improvements and the cost of preparing, issuing and marketing bonds or notes hereunder shall be  
19 applied to the payment of the principal of or interest on bonds or notes issued hereunder. In  
20 exercising any discretion under this section, the treasurer shall be governed by any instructions  
21 adopted by resolution of the town council. The treasurer is authorized to take any action deemed  
22 by him or her necessary: (1) To assure that interest on the bonds or notes issued hereunder remains  
23 excludable from gross income of the recipients thereof for federal income tax purposes, including,  
24 without limitation, paying to the federal government any rebate of earnings derived from the deposit  
25 or investment of the proceeds of such bonds or notes that may be required therefor; (2) To sell the  
26 bonds or notes under any financing program with the Rhode Island infrastructure bank; and (3) To  
27 comply with the requirements of federal law, including without being limited to regulations and  
28 other requirements of the Securities and Exchange Commission and the Municipal Securities  
29 Rulemaking Board, imposed directly on the town or on the purchaser or underwriters of such bonds  
30 and notes.

31           SECTION 7. All bonds or notes issued under this act and the debts evidenced thereby shall  
32 be obligatory on the town in the same manner and to the same extent as other debts lawfully  
33 contracted by it and shall be excepted from the operation of § 45-12-2. No such obligation shall at  
34 any time be included in the debt of the town for the purpose of ascertaining its borrowing capacity.

1 The town shall annually appropriate a sum sufficient to pay the principal and interest coming due  
2 within the year on bonds and notes issued hereunder to the extent that monies therefor are not  
3 otherwise provided. If such sum is not appropriated, it shall nevertheless be added to the annual tax  
4 levy. In order to provide such sum in each year and notwithstanding any provision of law to the  
5 contrary, all taxable property in the town shall be subject to ad valorem taxation by the town without  
6 limitation as to rate or amount.

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

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

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

27 SECTION 11. The question of the approval of this act shall be submitted to the electors of  
28 the town at the general election to be held on November 8, 2022. The question shall be submitted  
29 in substantially the following form: "Shall an act, passed at the 2022 session of the General  
30 Assembly, entitled " AN ACT AUTHORIZING THE TOWN OF NARRAGANSETT TO  
31 FINANCE THE IMPROVEMENT, REPLACEMENT, CONSTRUCTION, RENOVATION,  
32 REPAIR, RECONSTRUCTION AND/OR RESTORATION OF ROADWAYS, SIDEWALKS,  
33 STORM DRAINS, PUBLIC BUILDINGS AND OTHER PUBLIC INFRASTRUCTURE IN THE  
34 TOWN OF NARRAGANSETT AND TO ISSUE NOT MORE THAN \$20,000,000 BONDS AND

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

8 SECTION 12. This section and section 11 shall take effect upon passage. The remainder  
9 of this act shall take effect upon the approval of this act by a majority of those voting on the question  
10 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 IMPROVEMENT,  
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BUILDINGS AND OTHER PUBLIC INFRASTRUCTURE IN THE TOWN OF  
NARRAGANSETT AND TO ISSUE NOT MORE THAN \$20,000,000 BONDS AND NOTES  
THEREFOR

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1           This act would authorize the town of Narragansett to issue not more than \$20,000,000  
2   general obligation bonds, notes and other evidences of indebtedness to finance the improvement,  
3   replacement, construction, renovation, repair, reconstruction and/or restoration of roadways,  
4   sidewalks, storm drains, public buildings and other public infrastructure in the town of Narragansett  
5   and all costs incidental thereto.

6           Sections 11 and 12 would take effect upon passage. The remainder of the act would take  
7   effect upon approval of the question provided for in section 11.

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