

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

AUTHORIZING THE TOWN OF EAST GREENWICH TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, ALTERATION, FURNISHING AND EQUIPPING OF PUBLIC SCHOOLS AND SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING, PARKING AND COSTS OF FINANCING AND TO ISSUE NOT MORE THAN \$180,000,000 BONDS AND/OR NOTES THEREFOR

Introduced By: Senator Bridget Valverde

Date Introduced: May 15, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of East Greenwich is hereby empowered, in addition to authority
2 previously granted, to issue bonds to a principal amount not exceeding one hundred eighty million
3 dollars (\$180,000,000), or such lesser amount as is approved by the voters of the town pursuant to
4 sections 13 and 14 hereof, from time to time under its corporate name and seal or a facsimile of
5 such seal. The bonds of each issue may be issued in the form of serial bonds or term bonds or a
6 combination thereof and shall be payable either by maturity of principal in the case of serial bonds
7 or by sinking fund installments in the case of term bonds, in annual installments of principal, the
8 first installment to be not later than five (5) years and the last installment not later than thirty (30)
9 years after the date of the bonds. All such bonds of a particular issue may be issued in the form of
10 zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a combination
11 thereof. The amount of principal appreciation each year on any bonds, after the date of original
12 issuance, shall not be considered to be principal indebtedness for the purposes of any constitutional
13 or statutory debt limit or any other limitation. The appreciation of principal after the date of original
14 issue shall be considered interest. Only the original principal amount shall be counted in
15 determining the principal amount so issued and any interest component shall be disregarded.

16 SECTION 2. The town may be eligible for school housing aid reimbursement on debt

1 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
2 proceeds of bonds issued by the State of Rhode Island (the “state”), from the Rhode Island
3 department of education (“RIDE”) or from the Rhode Island school building authority.

4 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
5 director of finance and the president of the town council and shall be issued and sold in such
6 principal amounts as the town council may authorize by resolution. The manner of sale,
7 denominations, maturities, interest rates and other terms, conditions and details of any bonds or
8 notes issued under this act may be fixed by the resolutions of the town council authorizing the issue
9 or by separate resolution of the town council or, to the extent provisions for these matters are not
10 so made, they may be fixed by the officers authorized to sign the bonds or notes. Interest coupons
11 (if any) shall bear the manual or facsimile signature of the town director of finance.
12 Notwithstanding anything contained in this act to the contrary, the town may enter into
13 financing agreements with the Rhode Island health and educational building corporation pursuant
14 to chapter 7 of title 16 and chapter 38.1 of title 45 and, with respect to bonds or notes issued
15 in connection with such financing agreements, if any, the town may elect to have the provisions
16 of chapter 38.1 of title 45 apply to the issuance of the bonds or notes issued hereunder to the
17 extent the provisions of chapter 38.1 of title 45 are inconsistent herewith. In addition, the town may
18 enter into financing agreements with the Rhode Island infrastructure bank pursuant to the
19 provisions of chapter 12.2 of title 46 and, with respect to bonds or notes issued in connection with
20 such financing agreements, if any, the town may elect to have the provisions of chapter 12.2 of title
21 46 apply to the issuance of the bonds or notes issued hereunder to the extent the provisions
22 of chapter 12.2 of title 46 are inconsistent herewith. Such election may be fixed by the
23 proceedings of the town council authorizing such issuance or by separate resolution of the town
24 council, or, to the extent provisions for these matters are not so made, they may be fixed by the
25 officers authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds shall
26 be delivered to the town director of finance, and such proceeds, exclusive of premium and accrued
27 interest, shall be expended: (1) To finance the acquisition, construction, improvement, renovation,
28 alteration, furnishing and equipping of public schools and school facilities in the town, or such
29 specific schools and school facilities as are determined pursuant to sections 13 and 14, and all
30 expenses incident thereto, including, but not limited to, costs of design,
31 demolition, athletic fields, landscaping, parking and costs of financing (all of which shall be
32 hereinafter referred to as the “projects”); (2) In payment of the principal of or interest on temporary
33 notes issued under section 4; (3) In repayment of advances under section 5; (4) In payment of
34 related costs of issuance of any bonds or notes; and/or (5) To finance capitalized interest on the

1 projects. No purchaser of any bonds or notes under this act shall be in any way responsible for the
2 proper application of the proceeds derived from the sale thereof. The town shall appoint a school
3 building committee in accordance with RIDE School Construction Regulations § 4.9.2. The
4 projects shall be carried out and all contracts made therefor on behalf of the town by the town
5 council, or the town council may delegate such authority to the school building committee, the
6 school construction committee, or to the town school committee. The town council, the school
7 building committee, the school construction committee, and their agents are authorized to enter,
8 without delay and at reasonable times, any public school buildings and other public school property
9 for the purpose of accomplishing the projects and to do all acts and deeds necessary or convenient
10 in connection with the projects. The proceeds of bonds or notes issued under this act, any applicable
11 federal or state assistance and the other monies referred to in sections 8 and 10 shall be deemed
12 appropriated for the purposes of this act without further action than that required by this act. The
13 bond issue authorized by this act may be consolidated for the purposes of issuance and sale with
14 any other bond issue of the town heretofore or hereafter authorized; provided that, notwithstanding
15 any such consolidation, the proceeds from the sale of the bonds authorized by this act shall be
16 expended for the purposes set forth above. The town director of finance and president of the town
17 council, on behalf of the town, are hereby authorized to execute such instruments, documents or
18 other papers as either of them deem necessary or desirable to carry out the intent of this act and are
19 also authorized to take all actions and execute all instruments, documents or agreements necessary
20 to comply with federal tax and securities laws, which instruments, documents or agreements may
21 have a term coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-12
22 of the Securities and Exchange Commission and to execute and deliver a continuing disclosure
23 agreement or certificate in connection with the bonds or notes.

24 SECTION 4. The town council may by resolution authorize the issuance from time to time
25 of interest bearing or discounted notes in anticipation of the issuance of bonds or in anticipation of
26 the receipt of federal or state aid for the purposes of this act. The principal amount of original notes
27 issued in anticipation of bonds may not exceed the principal amount of bonds which may be issued
28 under this act and the amount of original notes issued in anticipation of federal or state aid may not
29 exceed the amount of available federal or state aid as estimated by the town director of finance.
30 Temporary notes issued hereunder shall be signed by the manual or facsimile signatures of the town
31 director of finance and the president of the town council and shall be payable within five (5) years
32 from their respective dates, but the principal of and interest on notes issued for a shorter period may
33 be renewed or paid from time to time by the issuance of other notes hereunder; provided the period
34 from the date of an original note to the maturity of any note issued to renew or pay the same debt

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

22 SECTION 5. 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 3, 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 6. 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 7. 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 project costs, to the payment of the principal of or interest on bonds or
6 notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and
7 marketing bonds or notes hereunder may also, in the discretion of the town director of finance, be
8 met from bond or note proceeds exclusive of premium and accrued interest or from other monies
9 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of
10 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
11 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
12 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
13 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the revenues
14 of the town from property taxes. In exercising any discretion under this section, the town director
15 of finance shall be governed by any instructions adopted by resolution of the town council.

16 SECTION 8. 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 of the general laws and any
19 provision of the town charter. No such obligation shall at any time be included in the debt of the
20 town for the purpose of ascertaining its borrowing capacity. The town shall annually appropriate a
21 sum sufficient to pay the principal and interest coming due within the year on bonds and notes
22 issued hereunder to the extent that monies therefor are not otherwise provided. If such sum is not
23 appropriated, it shall nevertheless be added to the annual tax levy. In order to provide such sum in
24 each year and notwithstanding any provision of law to the contrary, all taxable property in the town
25 shall be subject to ad valorem taxation by the town without limitation as to rate or amount.

26 SECTION 9. 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 10. The town, acting by resolution of its town council, is authorized to apply
31 for, contract for and expend any federal or state advances or other grants of assistance which may
32 be available for the purposes of this act, and any such expenditures may be in addition to the monies
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 interest

1 where applicable, whether contracted for prior to or after the effective date of this act, may be
2 repaid as project costs under section 3.

3 SECTION 11. Bonds and notes may be issued under this act without obtaining approval of
4 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 12. All or any portion of the authorized but unissued authority to issue bonds
12 and notes under this act may be extinguished by ordinance of the town council after seven (7) years
13 shall have passed from the approval of this act provided for in section 14, without further action by
14 the general assembly.

15 SECTION 13. It shall be a condition precedent to holding of the referendum described in
16 section 14 hereof and the issuance of bonds and notes hereunder that the town council adopt one or
17 more resolutions which provide for the exact principal amount of bonds and notes to be presented
18 to the voters.

19 SECTION 14. At a general or local election to be held on a date that shall be designated
20 by the town council, there shall be submitted to voters of the town a question or questions in
21 substantially the following form, providing for the maximum principal amount to be issued (not to
22 exceed one hundred eighty million dollars (\$180,000,000) in the aggregate) and, if the town council
23 so determines, providing for specific schools and school facilities to be improved:

24 “Shall the Town of East Greenwich issue General Obligation Bonds and/or Notes in a
25 Principal Amount Not To Exceed \$_____ for the Purpose of Financing the Acquisition,
26 Construction, Improvement, Renovation, Alteration, Furnishing and Equipping of
27 _____ Public Schools and School Facilities in the Town and all Attendant
28 Expenses Including, but Not Limited to, Costs of Design, Demolition, Athletic Fields,
29 Landscaping, Parking, and Costs of Financing?” and the warning for the election shall contain the
30 question to be submitted. From the time the election is warned and until it is held, it shall be the
31 duty of the town clerk to keep a copy of this act available for public inspection, but the validity of
32 the election shall not be affected by this requirement. To the extent of any inconsistency between
33 this act and the town charter, this act shall prevail.

34 SECTION 15. Sections 13, 14, and 15 shall take effect upon the passage of this act. The

- 1 remainder of this act shall take effect upon the approval of this act by a majority of those voting on
- 2 the question at the election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF EAST GREENWICH TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, ALTERATION, FURNISHING AND EQUIPPING OF PUBLIC SCHOOLS AND SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING, PARKING AND COSTS OF FINANCING AND TO ISSUE NOT MORE THAN \$180,000,000 BONDS AND/OR NOTES THEREFOR

1 This act authorizes the town of East Greenwich to issue not more than one hundred eighty
2 million dollar (\$180,000,000) bonds and notes to finance the acquisition, construction,
3 improvement, renovation, alteration, furnishing and equipping of public schools and school
4 facilities in the town, or such specific schools and school facilities as are determined pursuant to
5 sections 13 and 14, and all expenses incident thereto, including, but not limited to, costs of design,
6 demolition, athletic fields, landscaping, parking and costs of financing.

7 Sections 13 and 14 provide that the town council adopt a resolution or resolutions providing
8 for the exact principal amount of bonds and notes to be presented to the voters and, if the town
9 council so determines, the specific schools and school facilities to be financed. Sections 13, 14, and
10 15 of this act would take effect upon passage. The remainder of the act would take effect upon
11 approval by the voters of the town of the question or questions provided for in section 14.

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