

2023 -- S 1069

LC003060

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

AUTHORIZING THE TOWN OF LINCOLN TO ISSUE NOT TO EXCEED \$25,000,000
GENERAL OBLIGATION BONDS AND NOTES FOR THE CONSTRUCTION,
RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND
EQUIPPING OF AND/OR ADDITIONS TO LINCOLN ELEMENTARY SCHOOLS

Introduced By: Senators Paolino, and Pearson

Date Introduced: May 25, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Lincoln is hereby empowered, in addition to authority previously
2 granted, to issue general obligation bonds and notes in an amount not exceeding twenty-five million
3 dollars (\$25,000,000) from time to time under its corporate name and seal. The bonds of each issue
4 may be issued in the form of zero-coupon bonds, capital appreciation bonds, serial bonds or term
5 bonds or a combination thereof and shall be payable either by maturity of principal in the case of
6 serial bonds or by mandatory serial redemption in the case of term bonds, in 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 the bonds are issued. All such bonds of a particular issue may
9 be issued in the form of zero-coupon bonds, capital appreciation bonds, serial bonds or term bonds
10 or a combination thereof, and may bear interest at a fixed rate or rates or at a variable or auction
11 rate or rates. The bonds may be sold by a negotiated sale or by competitive bid and may be issued
12 pursuant to a resolution or an indenture of trust. Annual installments of principal may be provided
13 for by maturity of principal in the case of serial bonds or by mandatory serial redemption in the
14 case of term bonds. The amount of principal appreciation each year on any bonds, after the date of
15 original issuance, shall not be considered to be principal indebtedness for the purposes of any
16 constitutional or statutory debt limit or any other limitation. The appreciation of principal after the
17 date of original issue shall be considered interest. Only the original principal amount shall be

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

3 SECTION 2. The bonds shall be signed by the town director of finance, the town
4 administrator and the president of the town council and shall be issued and sold in such amounts as
5 the town council may authorize. The manner of sale, denominations, maturities, interest rates and
6 other terms, conditions and details of any bonds or notes issued under this act may be fixed by the
7 proceedings of the town council authorizing the issue or by separate resolution of the town council
8 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
9 authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds shall be
10 delivered to the director of finance, and such proceeds shall be expended: (1) For the construction,
11 renovation, rehabilitation, repair, improvements, furnishing and equipping of and/or additions to
12 Lincoln elementary schools; (2) For payment of the principal or interest on temporary notes issued
13 under section 3; (3) In payment of capitalized interest on bonds or notes; (4) In repayment of
14 advances under section 4; or (5) In payment of related costs of issuance of any bonds or notes. No
15 purchaser of any bonds or notes under this act shall be in any way responsible for the proper
16 application of the proceeds derived from the sales thereof. The project shall be carried out and all
17 contracts made therefor on behalf of the town by the town administrator, subject to approval of the
18 town council. The proceeds of bonds or notes issued under this act, any applicable federal or state
19 assistance and other monies referred to in section 6 and 9, shall be deemed appropriated for the
20 purposes of this act without further action than that required by this act. The bond issue authorized
21 by this act may be consolidated for the purposes of issuance and sale with any other bond issue of
22 the town heretofore or hereafter authorized; provided that, notwithstanding any such consolidation,
23 the proceeds from the sale of the bonds authorized; by this act shall be expended for the purposes
24 set forth above. The director of finance, the town administrator and the president of the town
25 council, on behalf of the town, are hereby authorized to execute such instruments, documents or
26 other papers as either of them deem necessary or desirable to carry out the intent of this act and are
27 also authorized to take all actions and execute all documents or agreements necessary to comply
28 with federal tax and securities laws, which documents or agreements may have a term coextensive
29 with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the Securities and
30 Exchange Commission and to execute and deliver a continuing disclosure agreement or certificate
31 in connection with the bonds or notes. Notwithstanding anything contained in this act to the
32 contrary, the town may enter into financing agreements with the Rhode Island health and
33 educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and,
34 with respect to bonds or notes issued in connection with such financing agreements, if any, the

1 town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of the bonds
2 or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are inconsistent
3 herewith. In addition, the town may enter into financing agreements with the Rhode Island
4 infrastructure bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to bonds
5 or notes issued in connection with such financing agreements, if any, the town may elect to have
6 the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued hereunder
7 to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such election may
8 be fixed by the proceedings of the town council authorizing such issuance of by separate resolution
9 of the town council, or, to the extent provisions for these matters are not so made, they may be
10 fixed by the officers authorized to sign the bonds or notes.

11 SECTION 3. The town council may by resolution authorize the issue from time to time of
12 interest bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the
13 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in
14 anticipation of bonds may not exceed the amount of bonds which may be issued under this act and
15 the amount of original notes issued in anticipation of federal or state aid may not exceed the amount
16 of available federal or state aid as estimated by the director of finance. Temporary notes issued
17 hereunder shall be signed by the manual or facsimile signatures of the director of finance, the town
18 manager and the president of the town council shall be payable within five (5) years from their
19 respective dates, but the principal of and interest on notes issued for a shorter period may be
20 renewed or paid from time to time by the issue of other notes thereunder, provided the period from
21 the date of an original note to the maturity or any note issued to renew or pay the same debt or the
22 interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds issued
23 under this section may be refunded prior to the maturity of the notes by the issuance of additional
24 temporary notes; provided that, no such refunding shall result in any amount of such temporary
25 notes outstanding at any one time in excess of two hundred percent (200%) of the amount of bonds
26 which may be issued under this act; and provided, further, that if the issuance of any such refunding
27 notes results in any amount of such temporary notes outstanding at any one time in excess of the
28 amount of bonds which may be issued under this act, the proceeds of such refunding notes shall be
29 deposited in a separate fund established with the bank which is paying agent for the notes being
30 refunded. Pending their use to pay the notes being refunded, monies in the fund shall be invested
31 for the benefit of the town by the paying agent at the direction of the director of finance in any
32 investment permitted under section 5. The monies in the fund and any investments held as a part
33 of the fund shall be held in trust and shall be applied by the paying agent solely to the payment or
34 prepayment of the principal of and interest on the notes being refunded. Upon payment of all

1 principal of and interest on the notes, any excess monies in the fund shall be distributed to the town.
2 The town may pay the principal of and interest on notes in full, from other than the issuance of
3 refunding notes prior to the issuance of bonds pursuant to section 1 hereof. In such case, the town's
4 authority to issue bonds or notes in anticipation of bonds under this act shall continue; provided
5 that: (1) The town council passes a resolution evidencing the town's intent to pay off the notes
6 without extinguishing the authority to issue bonds or notes; and (2) That the period from the date
7 of an original note to the maturity date of any other note shall not exceed five (5) years.

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

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

21 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
22 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
23 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of
24 funds hereunder shall, in the discretion of the director of finance, be applied to the cost of preparing,
25 issuing, and marketing bonds or notes hereunder to the extent not otherwise provided, to the
26 payment of the cost of the project, to the payment of the principal of or interest on bonds or notes
27 issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing, and
28 marketing bonds or notes hereunder may also, in the discretion of the director of finance, be met
29 from bond or note proceeds exclusive of accrued interest or from other monies available therefor.
30 Any balance of bond or note proceeds remaining after payment of the cost of the projects and the
31 cost of preparing, issuing, and marketing bonds or notes hereunder shall be applied to the payment
32 of the principal of or interest on bonds or notes issued hereunder. To the extent permitted by
33 applicable federal laws, any earnings or net profit realized from the deposit or investment of funds
34 hereunder may, upon receipt, be added to and dealt with as part of the revenues of the town from

1 property taxes. In exercising any discretion under this section, the director of finance shall be
2 governed by any instructions adopted by resolution of the town council.

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

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

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

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

32 SECTION 11. All or any portion of the authority to issue bonds and notes under this act
33 may be extinguished by resolution of the town council, without further action by the general
34 assembly.

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

10 SECTION 13. This act shall constitute an enabling act of the general assembly that is
11 required pursuant to §16-7-44. Bonds or other evidences of indebtedness issued under this act for
12 school projects shall not be eligible for state aid reimbursement pursuant to §16-7-44 unless the
13 school projects have been approved by the Rhode Island department of education. Notwithstanding
14 anything contained in this act, the town may enter into financing agreements with the Rhode Island
15 health and educational building corporation pursuant to title 45, chapter 38.1.

16 SECTION 14. The question of the approval of this act shall be submitted to the electors of
17 the town at the special election to be held on November 7, 2023 or a special election (other than a
18 primary), on a date as shall be designated by the town council. The question shall be submitted in
19 substantially the following form: "Shall an Act, passed at the 2023 session of the General
20 Assembly, entitled, 'AN ACT AUTHORIZING THE TOWN OF LINCOLN TO ISSUE NOT TO
21 EXCEED \$25,000,000 GENERAL OBLIGATION BONDS AND NOTES FOR THE
22 CONSTRUCTION, RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS,
23 FURNISHING AND EQUIPPING OF AND/OR ADDITIONS TO LINCOLN ELEMENTARY
24 SCHOOLS,' be approved?" and the warning for the election shall contain the question to be
25 submitted. From the time the election is warned and until it is held, it shall be the duty of the town
26 clerk to keep a copy of the act available at his/her office for public inspection, but the validity of
27 the election shall not be affected by this requirement.

28 SECTION 15. This section and the foregoing section shall take effect upon the passage of
29 this act. The remainder of this act shall take effect upon the approval of this act by a majority of
30 those voting on the question at the election prescribed by the foregoing section.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF LINCOLN TO ISSUE NOT TO EXCEED \$25,000,000
GENERAL OBLIGATION BONDS AND NOTES FOR THE CONSTRUCTION,
RENOVATION, REHABILITATION, REPAIR, IMPROVEMENTS, FURNISHING AND
EQUIPPING OF AND/OR ADDITIONS TO LINCOLN ELEMENTARY SCHOOLS

1 This act would authorize the town of Lincoln to issue general obligation bonds and notes
2 in an amount not exceeding \$25,000,000 to finance the construction, renovation, rehabilitation,
3 repair, improvements, furnishing and equipping of and/or additions to Lincoln elementary schools.

4 Sections 14 and 15 would take effect upon passage. The remainder of the act would take
5 effect upon approval of the question provided for in section 14.

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