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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

AUTHORIZING THE CITY OF CENTRAL FALLS TO FINANCE THE CONSTRUCTION,
RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND
EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES IN THE CITY BY THE ISSUANCE
OF NOT MORE THAN \$15,000,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF
INDEBTEDNESS THEREFOR

Introduced By: Senator Jonathon Acosta

Date Introduced: March 07, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Central Falls was authorized by the voters of the City to issue not
2 to exceed twenty-six million forty-nine thousand dollars \$26,049,000 bonds and other evidences
3 of indebtedness (hereinafter "bonds"). Pursuant to that authority, the city of Central Falls is hereby
4 empowered, in addition to authority previously granted, to issue bonds up to an amount not
5 exceeding fifteen million dollars (\$15,000,000) from time to time under its corporate name and seal
6 or a facsimile of such seal. The bonds of each issue may be issued in the form of serial bonds or
7 term bonds or a combination thereof and shall be payable either by maturity of principal in the case
8 of 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 particular
11 issue may be issued in the form of zero coupon bonds, capital appreciation bonds, serial bonds or
12 term bonds or a combination thereof. The amount of principal appreciation each year on any bonds,
13 after the date of original issuance, shall not be considered to be principal indebtedness for the
14 purposes of any constitutional or statutory debt limit or any other limitation. The appreciation of
15 principal after the date of original issue shall be considered interest. Only the original principal
16 amount shall be counted in determining the principal amount so issued and any interest component
17 shall be disregarded.

1 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the city
2 director of finance and the mayor and shall be issued and sold in such amounts as the city council
3 may authorize by resolution. The manner of sale, denominations, maturities, interest rates and other
4 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
5 proceedings of the city council authorizing the issue or by separate resolution of the city council
6 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
7 authorized to sign the bonds. Notwithstanding anything contained in this act to the contrary, the
8 city may enter into financing agreements with the Rhode Island Health and Educational Building
9 Corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and, with respect to bonds
10 or notes issued in connection with such financing agreements, if any, the city may elect to have the
11 provisions of chapter 38.1 of title 45 apply to the issuance of the notes or bonds issued hereunder
12 to the extent the provisions of chapter 38.1 of title 45 are inconsistent herewith. In addition, the city
13 may enter into financing agreements with the Rhode Island infrastructure bank pursuant to the
14 provisions of chapter 12.2 of title 46 and, with respect to notes or bonds issued in connection with
15 such financing agreements, if any, the city may elect to have the provisions of chapter 12.2 of title
16 46 apply to the issuance of the bonds or notes issued hereunder to the extent the provisions of
17 chapter 12.2 of title 46 are inconsistent herewith. Such election may be fixed by the proceedings of
18 the city council authorizing such issuance by separate resolution of the city council, or, to the extent
19 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
20 the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to the city
21 director of finance, and such proceeds, exclusive of accrued interest shall be expended: (1) For the
22 construction, renovation, improvement, alteration, repair, furnishing and equipping of schools and
23 school facilities in the city and all costs related thereto; (2) In payment of the principal of or interest
24 on temporary notes issued under section 3; (3) In repayment of advances under section 4; (4) In
25 payment of related costs of issuance of any bonds or notes; and/or (5) In payment of capitalized
26 interest during construction. No purchaser of any bonds or notes under this act shall be in any way
27 responsible for the proper application of the proceeds derived from the sale thereof. The project
28 shall be carried out and all contracts made therefor on behalf of the city by the city school building
29 committee. The proceeds of bonds or notes issued under this act, any applicable federal or state
30 assistance and the other monies referred to in sections 6 and 9 shall be deemed appropriated for the
31 purposes of this act without further action than that required by this act. The bonds authorized by
32 this act may be consolidated for the purpose of issuance and sale with any other bonds of the city
33 heretofore or hereafter authorized; provided that, notwithstanding any such consolidation, the
34 proceeds from the sale of the bonds authorized by this act shall be expended for the purposes set

1 forth above.

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

33 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
34 of any authorization or issue of notes hereunder, the city director of finance, with the approval of

1 the city council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the
2 treasury of the city to the purposes specified in section 2, such advances to be repaid without interest
3 from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal
4 or state assistance or from other available funds.

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

12 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
13 be applied to the payment of the first interest due thereon. Any premium arising from the sale of
14 bonds or notes hereunder shall, in the discretion of the city director of finance, be applied to the
15 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
16 provided, to the payment of the project costs, to the payment of the principal of or interest on bonds
17 or notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing
18 and marketing bonds or notes hereunder may also, in the discretion of the city director of finance,
19 be met from bond or note proceeds exclusive of accrued interest or from other monies available
20 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the projects
21 and the cost of preparing, issuing and marketing bonds or notes hereunder, shall be applied to the
22 payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted
23 by applicable federal laws, any earnings or net profit realized from the deposit or investment of
24 funds hereunder may, upon receipt, be used to pay additional project costs, pay the principal of or
25 interest on bonds or notes issued hereunder or added to and dealt with as part of the revenues of the
26 city from property taxes. In exercising any discretion under this section, the city director of finance
27 shall be governed by any instructions adopted by resolution of the city council.

28 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby
29 shall be obligatory on the city in the same manner and to the same extent as other debts lawfully
30 contracted by it and shall be excepted from the operation of § 45-12-2. No such obligation shall at
31 any time be included in the debt of the city for the purpose of ascertaining its borrowing capacity.
32 The city shall annually appropriate a sum sufficient to pay the principal and interest coming due
33 within the year on bonds and notes issued hereunder to the extent that monies therefor are not
34 otherwise provided. If such sum is not appropriated, it shall nevertheless be added to the annual tax

1 levy. In order to provide such sum in each year and notwithstanding any provision of law to the
2 contrary, all taxable property in the city shall be subject to ad valorem taxation by the city without
3 limitation as to rate or amount.

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

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

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

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

32 SECTION 12. All or any portion of the authorized but unissued authority to issue bonds
33 and notes under this act may be extinguished by resolution of the city council after seven (7) years
34 shall have passed from the approval of this act described in section 14, without further action by

1 the general assembly.

2 SECTION 13. This act shall constitute an enabling act of the general assembly that is
3 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
4 this act for school projects shall not be eligible for state housing aid reimbursement pursuant to §
5 16-7-44 unless the school projects described herein have been approved by RIDE.

6 SECTION 14. The question of approval of the issuance of the bonds was previously
7 submitted to and approved by the electors of the city at the November 5, 2024 election and
8 accordingly, this act shall take effect upon the passage.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF CENTRAL FALLS TO FINANCE THE CONSTRUCTION,
RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, FURNISHING AND
EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES IN THE CITY BY THE ISSUANCE
OF NOT MORE THAN \$15,000,000 BONDS, NOTES AND/OR OTHER EVIDENCES OF
INDEBTEDNESS THEREFOR

1 This act authorizes the city of Central Falls to issue bonds and notes in an amount not
2 exceeding \$15,000,000 to finance the construction, renovation, improvement, alteration, repair
3 furnishing and equipping of schools and school facilities in the city.

4 This act constitutes an enabling act of the general assembly that is required pursuant to §
5 16-7-44. Any bonds, notes or other evidences of indebtedness issued under this act for school
6 projects shall not be eligible for state housing aid reimbursement pursuant to § 16-7-44 unless the
7 school projects described herein have been approved by the Rhode Island department of education.

8 As the question of approval of the issuance of the bonds and notes was previously
9 submitted to and approved by the electors of the city at the November 5, 2024 election this act takes
10 effect upon passage.

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