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LC002957
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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 WARWICK TO ISSUE NOT TO EXCEED \$50,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT,
ALTERATION, REPAIR, LANDSCAPING, DEMOLITION, ARCHITECTURAL COSTS,
ENGINEERING, FURNISHING AND EQUIPPING OF (I) TWO NEW HIGH SCHOOLS AND
SCHOOL FACILITIES TO REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH
SCHOOL AND ON-SITE ATHLETIC FIELDS, AND (II) RECREATION AND ATHLETIC
FACILITIES THROUGHOUT THE CITY

Introduced By: Senators McKenney, LaMountain, and Appollonio

Date Introduced: May 23, 2025

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 It is enacted by the General Assembly as follows:

2 SECTION 1. The city of Warwick is hereby authorized, in addition to authority previously

3 granted, to issue bonds and other evidences of indebtedness (hereinafter "bonds") up to an amount

4 not exceeding fifty million dollars (\$50,000,000) from time to time under its corporate name and

5 seal or a facsimile of such seal. The bonds of each issue may be issued in the form of serial bonds

6 or term bonds or a combination thereof and shall be payable either by maturity of principal in the

7 case of serial bonds or by mandatory sinking fund installments in the case of term bonds, in annual

8 installments of principal, the first installment to be not later than five (5) years and the last

9 installment not later than thirty (30) years after the date of the bonds. All such bonds of a particular

10 issue may be issued in the form of zero coupon bonds, capital appreciation bonds, serial bonds or

11 term bonds or a combination thereof. The amount of principal appreciation each year on any bonds,

12 after the date of original issuance, shall not be considered to be principal indebtedness for the

13 purposes of any constitutional or statutory debt limit or any other limitation. The appreciation of

14 principal after the date of original issue shall be considered interest. Only the original principal

15 amount shall be counted in determining the principal amount so issued and any interest component

1 shall be disregarded.

2 SECTION 2. The city may be eligible for school housing aid reimbursement on debt
3 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
4 proceeds of bonds issued by the State of Rhode Island (the "state"), from the Rhode Island
5 Department of Education ("RIDE") or from the Rhode Island School Building Authority.

6 SECTION 3. The bonds shall be signed by the city treasurer and by the manual or facsimile
7 signature of the mayor and be issued and sold in such amounts as the city council may determine
8 by resolution. The manner of sale, denominations, maturities, interest rates and other terms,
9 conditions and details of any bonds or notes issued under this act may be fixed by the proceedings
10 of the city council authorizing the issue or by separate resolution of the city council or, to the extent
11 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
12 the bonds or notes. Notwithstanding anything contained in this act to the contrary, the city may
13 enter into financing agreements with the Rhode Island Health and Educational Building
14 Corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and, with respect to bonds
15 or notes issued in connection with such financing agreements, if any, the city may elect to have the
16 provisions of chapter 38.1 of title 45 apply to the issuance of the bonds or notes issued hereunder
17 to the extent the provisions of chapter 38.1 of title 45 are inconsistent herewith. In addition, the city
18 may 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 city 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 of
22 chapter 12.2 of title 46 are inconsistent herewith. Such election may be fixed by the proceedings of
23 the city council authorizing such issuance or by separate resolution of the city council, or, to the
24 extent provisions for these matters are not so made, they may be fixed by the officers authorized to
25 sign the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to the
26 city treasurer, and such proceeds, exclusive of premiums and accrued interest, shall be expended:
27 (1) To finance the construction, renovation, improvement, alteration, repair, landscaping,
28 demolition, architectural costs, engineering, furnishing and equipping of (i) Two new high schools
29 and school facilities to replace Pilgrim High School and Tollgate High School and on-site athletic
30 fields, and (ii) Recreation and athletic facilities throughout the city (the "projects"); (2) In payment
31 of the principal of or interest on temporary notes issued under section 4; (3) In repayment of
32 advances under section 5; (4) In payment of related costs of issuance of any bonds or notes; and/or
33 (5) In payment of capitalized interest during construction of the projects. No purchaser of any bonds
34 or notes under this act shall be in any way responsible for the proper application of the proceeds

1 derived from the sale thereof. The proceeds of bonds or notes issued under this act, any applicable
2 federal or state assistance and the other monies referred to in sections 7 and 10 shall be deemed
3 appropriated for the purposes of this act without further action than that required by this act. The
4 bonds authorized by this act may be consolidated for the purpose of issuance and sale with any
5 other bonds of the city heretofore or hereafter authorized; provided that, notwithstanding any such
6 consolidation, the proceeds from the sale of the bonds authorized by this act shall be expended for
7 the purposes set forth above.

8 SECTION 4. The city council may by resolution authorize the issuance from time to time
9 of interest bearing or discounted notes in anticipation of the issue of bonds under section 3 or in
10 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
11 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
12 under this act and the amount of original notes issued in anticipation of federal or state aid may not
13 exceed the amount of available federal or state aid as estimated by the city treasurer. Temporary
14 notes issued hereunder shall be signed by the manual or facsimile signatures of the city treasurer
15 and the mayor and shall be payable within five (5) years from their respective dates, but the
16 principal of and interest on notes issued for a shorter period may be renewed or paid from time to
17 time by the issue of other notes hereunder, provided the period from the date of an original note to
18 the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed
19 five (5) years. Any temporary notes in anticipation of bonds issued under this section may be
20 refunded prior to the maturity of the notes by the issuance of additional temporary notes; provided
21 that, no such refunding shall result in any amount of such temporary notes outstanding at any one
22 time in excess of two hundred percent (200%) of the amount of bonds which may be issued under
23 this act; and provided, further, that if the issuance of any such refunding notes results in any amount
24 of such temporary notes outstanding at any one time in excess of the amount of bonds which may
25 be issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
26 established with the bank which is paying agent for the notes being refunded. Pending their use to
27 pay the notes being refunded, monies in the fund shall be invested for the benefit of the city by the
28 paying agent at the direction of the city treasurer in any investment permitted under section 6. The
29 monies in the fund and any investments held as a part of the fund shall be held in trust and shall be
30 applied by the paying agent solely to the payment or prepayment of the principal of and interest on
31 the notes being refunded. Upon payment of all principal of and interest on the notes, any excess
32 monies in the fund shall be distributed to the city. The city may pay the principal of and interest on
33 notes in full from other than the issuance of refunding notes prior to the issuance of bonds pursuant
34 to section 1 hereof. In such case, the city's authority to issue bonds or notes in anticipation of bonds

1 under this act shall continue provided that: (1) The city council passes a resolution evidencing the
2 city's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and (2)
3 That the period from the date of an original note to the maturity date of any other note shall not
4 exceed five (5) years.

5 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
6 of any authorization or issue of notes hereunder, the city treasurer, with the approval of the city
7 council may, to the extent that bonds or notes may be issued hereunder, apply funds in the general
8 treasury of the city to the purposes specified in section 3, such advances to be repaid without interest
9 from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal
10 or state assistance or from other available funds.

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

18 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
19 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
20 bonds or notes hereunder may, in the discretion of the city treasurer, be applied to the cost of
21 preparing, issuing, and marketing bonds or notes hereunder to the extent not otherwise provided
22 and, notwithstanding any other provisions of the general laws regarding the use of premium, shall
23 not be applied to costs of the projects other than costs of issuance. Any premium in excess of the
24 amounts to be applied to costs of issuance shall be applied to reduce the principal amount of the
25 bonds or notes issued. The cost of preparing, issuing, and marketing bonds or notes hereunder may
26 also, in the discretion of the city treasurer, be met from bond or note proceeds exclusive of premium
27 and accrued interest or from other monies available therefor. Any balance of bond or note proceeds
28 remaining after payment of the cost of the projects and the cost of preparing, issuing and marketing
29 bonds or notes hereunder shall be applied to the payment of the principal of or interest on bonds or
30 notes issued hereunder. To the extent permitted by applicable federal laws, any earnings or net
31 profit realized from the deposit or investment of funds hereunder may, upon receipt, be added to
32 and dealt with as part of the revenues of the city from property taxes. In exercising any discretion
33 under this section, the city treasurer shall be governed by any instructions adopted by resolution of
34 the city council.

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

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

15 SECTION 10. The city, acting by resolution of its city council is authorized to apply for,
16 contract for and expend any federal or state advances or other grants of assistance which may be
17 available for the purposes of this act, and any such expenditures may be in addition to other monies
18 provided in this act. To the extent of any inconsistency between any law of this state and any
19 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
20 where applicable, whether contracted for prior to or after the effective date of this act, may be
21 repaid as a cost of the projects under section 3.

22 SECTION 11. Bonds and notes may be issued under this act without obtaining the approval
23 of any governmental agency or the taking of any proceedings or the happening of any conditions
24 except as specifically required by this act for such issue. In carrying out any project financed in
25 whole or in part under this act, including where applicable the condemnation of any land or interest
26 in land, and in the levy and collection of assessments or other charges permitted by law on account
27 of any such project, all action shall be taken which is necessary to meet constitutional requirements
28 whether or not such action is otherwise required by statute, but the validity of bonds and notes
29 issued hereunder shall in no way depend upon the validity or occurrence of such action.

30 SECTION 12. The city treasurer and the mayor, on behalf of the city are hereby authorized
31 to execute such instruments, documents or other papers as either of them deem necessary or
32 desirable to carry out the intent of this act and are also authorized to take all actions and execute all
33 documents necessary to comply with federal tax and securities laws, which documents or
34 agreements may have a term coextensive with the maturity of the bonds authorized hereby,

1 including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute
2 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes
3 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

4 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
5 and notes under this act may be extinguished by resolution of the city council, without further action
6 by the general assembly, seven (7) years after the effective date of this act.

7 SECTION 14. The question of the approval of this act shall be submitted to the electors of
8 the city at a special city-wide election, other than a primary, to be held on a date determined by
9 resolution of the city council. The question shall be submitted in substantially the following form:
10 "Shall an act passed at the 2025 session of the general assembly entitled 'AN ACT AUTHORIZING
11 THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$50,000,000 GENERAL
12 OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO
13 FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION,
14 REPAIR, LANDSCAPING, DEMOLITION, ARCHITECTURAL COSTS, ENGINEERING,
15 FURNISHING AND EQUIPPING OF (I) TWO NEW HIGH SCHOOLS AND SCHOOL
16 FACILITIES TO REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH SCHOOL
17 AND ON-SITE ATHLETIC FIELDS, AND (II) RECREATION AND ATHLETIC FACILITIES
18 THROUGHOUT THE CITY' be approved?" and the warning for the election shall contain the
19 question to be submitted. From the time the election is warned and until it is held, it shall be the
20 duty of the city clerk to keep a copy of the act available at the clerk's office for public inspection,
21 but the validity of the election shall not be affected by this requirement. To the extent of any
22 inconsistency between this act and the city charter or any law of special applicability to the city,
23 this act shall prevail.

24 SECTION 15. This act shall constitute an enabling act of the general assembly that is
25 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
26 this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44
27 unless the school projects described herein have been approved by RIDE.

28 SECTION 16. Sections 14 and 16 shall take effect upon the passage. The remainder of this
29 act shall take effect upon the approval of this act by a majority of those voting on the question at
30 the election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$50,000,000
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INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT,
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SCHOOL AND ON-SITE ATHLETIC FIELDS, AND (II) RECREATION AND ATHLETIC
FACILITIES THROUGHOUT THE CITY

1 This act would authorize the city of Warwick to issue not more than \$50,000,000 general
2 obligation bonds, notes and other evidences of indebtedness to finance the construction, renovation,
3 improvement, alteration, repair, landscaping, demolition, architectural costs, engineering,
4 furnishing and equipping of (i) Two new high schools and school facilities to replace Pilgrim High
5 School and Tollgate High School and on-site athletic fields, and (ii) Recreation and athletic
6 facilities throughout the city. This act would constitute an enabling act of the general assembly that
7 is required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
8 this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44
9 unless the school projects described herein have been approved by the Rhode Island Department
10 of Education ("RIDE").

11 Sections 14 and 16 would take effect upon the passage. The remainder of this act would
12 take effect upon the approval of this act by a majority of those voting on the question at the election
13 prescribed by section 14.

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