

2024 -- H 7039

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$150,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF A NEW HIGH SCHOOL, ATHLETIC FACILITY, AND OTHER SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING AND ALL ATTENDANT EXPENSES, INCLUDING ENGINEERING, ARCHITECTURAL AND OTHER PROJECT-RELATED CONSULTING COSTS

Introduced By: Representatives McEntee, Tanzi, Fogarty, and Spears

Date Introduced: January 05, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of South Kingstown is hereby empowered, in addition to authority
2 previously granted, to issue bonds (hereinafter "bonds") up to an amount not exceeding one
3 hundred fifty million dollars (\$150,000,000) from time to time under its corporate name and seal
4 or a facsimile of such seal. The bonds of each issue may be issued in the form of serial bonds or
5 term bonds or a combination thereof and shall be payable either by maturity of principal in the case
6 of serial bonds or by sinking fund installments in the case of term bonds, in annual 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 of the bonds. All such bonds of a particular issue may be issued
9 in the form of zero-coupon bonds, capital appreciation bonds, serial bonds or term bonds or a
10 combination thereof. The amount of principal appreciation each year on any bonds, after the date
11 of original issuance, shall not be considered to be principal indebtedness for the purposes of any
12 constitutional or statutory debt limit or any other limitation. The appreciation of principal after the
13 date of original issue shall be considered interest. Only the original principal amount shall be
14 counted in determining the principal amount so issued and any interest component shall be
15 disregarded.

1 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the town
2 director of finance and the president of the town council and shall be issued and sold in such
3 amounts as the town council may authorize by resolution. The manner of sale, denominations,
4 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
5 this act may be fixed by the resolutions of the town council authorizing the issue or by separate
6 resolution of the town council or, to the extent provisions for these matters are not so made, they
7 may be fixed by the officers authorized to sign the bonds or notes. Notwithstanding anything
8 contained in this act to the contrary, the town may enter into financing agreements with the Rhode
9 Island health and educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1
10 of title 45 and, with respect to bonds or notes issued in connection with such financing agreements,
11 if any, the town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of
12 the bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are
13 inconsistent herewith. In addition, the town may enter into financing agreements with the Rhode
14 Island infrastructure bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to
15 bonds or notes issued in connection with such financing agreements, if any, the town may elect to
16 have the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued
17 hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such
18 election may be fixed by the proceedings of the town council authorizing such issuance or by
19 separate resolution of the town council, or, to the extent provisions for these matters are not so
20 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived
21 from the sale of the bonds shall be delivered to the town director of finance, and such proceeds
22 exclusive of premiums and accrued interest shall be expended: (1) To finance
23 the acquisition, construction, improvement, renovation, furnishing and equipping of a
24 new high school, athletic facility, and other school facilities in the town and all expenses incident
25 thereto, including, but not limited to, costs of design, demolition, athletic fields, landscaping and
26 parking, and all attendant expenses including, but not limited to, engineering, architectural and
27 other project-related consulting costs; (2) In payment of the principal of or interest on temporary
28 notes issued under section 3; (3) In repayment of advances under section 4; (4) In payment of
29 related costs of issuance of any bonds or notes; and/or (5) In payment of capitalized interest during
30 construction of the project (the "project"). No purchaser of any bonds or notes under this act shall
31 be in any way responsible for the proper application of the proceeds derived from the sale thereof.
32 The project shall be carried out and all contracts made therefor on behalf of the town by the town
33 council with due regard to any recommendation of the school building committee. The town council
34 and the school building committee and their agents are authorized to enter, without delay and at

1 reasonable times, any public school buildings and other public school property for the purpose of
2 accomplishing the project and to do all acts and deeds necessary or convenient in connection with
3 the project. The proceeds of bonds or notes issued under this act, any applicable federal or state
4 assistance and the other monies referred to in sections 6 and 9 shall be deemed appropriated for the
5 purposes of this act without further action than that required by this act. The bonds authorized by
6 this act may be consolidated for the purpose of issuance and sale with any other bonds of the town
7 heretofore or hereafter authorized; provided that, notwithstanding any such consolidation, the
8 proceeds from the sale of the bonds authorized by this act shall be expended for the purposes set
9 forth above.

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

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

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

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

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

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

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

15 SECTION 9. The town, acting by resolution of its town council, is authorized to apply for,
16 contract for and expend any federal or state advances or other grants or assistance which may be
17 available for the purposes of this act, and any such expenditures may be in addition to the 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 project costs under section 2.

22 SECTION 10. 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 11. The town director of finance and the president of the town council, on behalf
31 of the town, are hereby authorized to execute such instruments, documents or other papers as either
32 of them deem necessary or desirable to carry out the intent of this act and are also authorized to
33 take all actions and execute all instruments, documents or agreements necessary to comply with
34 federal tax and securities laws, which instruments, documents or agreements may have a term

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

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

9 SECTION 13. The question of the approval of this act shall be submitted to the electors of
10 the town at a local election, other than a primary, to be held on a date determined by resolution of
11 the town council. The question shall be submitted in substantially the following form: “Shall an act
12 passed at the 2024 session of the general assembly entitled ‘AN ACT AUTHORIZING THE
13 TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$150,000,000 GENERAL
14 OBLIGATION BONDS AND NOTES TO FINANCE THE ACQUISITION, CONSTRUCTION,
15 IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF A
16 NEW HIGH SCHOOL, ATHLETIC FACILITY, AND OTHER SCHOOL FACILITIES IN THE
17 TOWN AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO,
18 COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND
19 PARKING AND ALL ATTENDANT EXPENSES, INCLUDING
20 ENGINEERING, ARCHITECTURAL AND OTHER PROJECT-RELATED CONSULTING
21 COSTS’ be approved?” and the warning for the election shall contain the question to be submitted.
22 From the time the election is warned and until it is held, it shall be the duty of the town clerk to
23 keep a copy of this act available at the clerk’s office for public inspection, but the validity of the
24 election shall not be affected by this requirement. To the extent of any inconsistency between this
25 act and the town charter, this act shall prevail. Notwithstanding anything contained in § 17-19-7 to
26 the contrary, the town’s board of canvassers may certify the question to the secretary of state not
27 later than thirty (30) days prior to the date set for the election.

28 SECTION 14. This section and section 13 shall take effect upon the passage of this act.
29 The remainder of this act shall take effect upon the approval of this act by a majority of those voting
30 on the question at the election prescribed by section 13.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$150,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF A NEW HIGH SCHOOL, ATHLETIC FACILITY, AND OTHER SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING AND ALL ATTENDANT EXPENSES, INCLUDING ENGINEERING, ARCHITECTURAL AND OTHER PROJECT-RELATED CONSULTING COSTS

1 This act would authorize the town of South Kingstown to issue not more than \$150,000,000
2 bonds and notes to finance the acquisition, construction, improvement, renovation, furnishing
3 and equipping of a new high school, athletic facility, and other school facilities in the town and
4 all expenses incident thereto, including, but not limited to, costs of design,
5 demolition, athletic fields, landscaping and parking and all attendant expenses, including
6 engineering, architectural and other project-related consulting costs.

7 Sections 13 and 14 of this act would take effect upon passage. The remainder of the act
8 would take effect upon approval by the electors of the town of the question provided for in section
9 13.

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