

**2010 -- H 8137**

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LC02541  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2010**

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**A N A C T**

AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR THE RENOVATION AND IMPROVEMENT OF PUBLIC BUILDINGS IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$700,000 BONDS AND NOTES THEREFOR, TO FUND THE CAPITAL IMPROVEMENT PROGRAM FOR THE TWO FISCAL YEARS 2011 AND 2012

Introduced By: Representatives E Coderre, Kilmartin, Messier, San Bento, and JP O`Neill

Date Introduced: May 13, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The city of Pawtucket is hereby authorized, in addition to authority  
2 previously granted, to issue bonds up to an amount not exceeding seven hundred thousand dollars  
3 (\$700,000) from time to time under its corporate name and seal or a facsimile of such. The bonds  
4 of each issue may be issued in the form of serial bonds or term bonds or a combination thereof  
5 and shall be payable either by maturity of principal in the case of serial bonds or by mandatory  
6 sinking fund installments in the case of term bonds, in annual installments of principal, the first  
7 installment to be not later than three (3) years and the last installment not later than thirty (30)  
8 years after the date of the bonds.

9           SECTION 2. The bonds shall be signed by the city treasurer and by the  
10 manual or facsimile signature of the mayor and be issued and sold in such amounts as the city  
11 council may determine by resolution. The manner of sale, denominations, maturities, interest  
12 rates and other terms, conditions and details of any bonds or notes issued under this act may be  
13 fixed by the proceedings of the city council authorizing the issue or by separate resolution of the  
14 city council or, to the extent provisions for these matters are not so made, they may be fixed by  
15 the officers authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds  
16 shall be delivered to the city treasurer, and such proceeds exclusive of premiums and accrued  
17 interest shall be expended: (a) for the renovation and improvement of public buildings in the city

1 of Pawtucket (the “project”); (b) in payment of the principal of or interest on temporary notes  
2 issued under section 3; (c) in repayment of advances under section 4; (d) in payment of related  
3 costs of issuance of any bonds or notes; and/or (e) in payment of capitalized interest during  
4 construction of the project. There being no local election planned for the calendar year 2011 in  
5 the city of Pawtucket, the amounts authorized by this act to finance the project are intended to  
6 fund appropriations for two fiscal years. The city, however, is not required to issue the bonds and  
7 notes authorized by this act during the fiscal years ending June 30, 2011 or June 30, 2012, but  
8 may issue them at any time, or from time to time. No purchaser of any bonds or notes under this  
9 act shall be in any way responsible for the proper application of the proceeds derived from the  
10 sale thereof. The proceeds of bonds or notes issued under this act, any applicable federal or state  
11 assistance and the other monies referred to in sections 6 and 9 shall be deemed appropriated for  
12 the purposes of this act without further action than that required by this act.

13           SECTION 3. The city council may by resolution authorize the issuance from  
14 time to time of interest bearing or discounted notes in anticipation of the issue of bonds under  
15 section 2 or in anticipation of the receipt of federal or state aid for the purposes of this act. The  
16 amount of original notes issued in anticipation of bonds may not exceed the amount of bonds  
17 which may be issued under this act and the amount of original notes issued in anticipation of  
18 federal or state aid may not exceed the amount of available federal or state aid as estimated by the  
19 city treasurer. Temporary notes issued hereunder shall be signed by the manual or facsimile  
20 signatures of the city treasurer and the mayor and shall be payable within five (5) years from their  
21 respective dates, but the principal of and interest on notes issued for a shorter period may be  
22 renewed or paid from time to time by the issue of other notes hereunder, provided the period from  
23 the date of an original note to the maturity of any note issued to renew or pay the same debt or the  
24 interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds  
25 issued under this section may be refunded prior to the maturity of the notes by the issuance of  
26 additional temporary notes, provided that no such refunding shall result in any amount of such  
27 temporary notes outstanding at any one time in excess of two hundred percent (200%) of the  
28 amount of bonds which may be issued under this act, and provided further that if the issuance of  
29 any such refunding notes results in any amount of such temporary notes outstanding at any one  
30 time in excess of the amount of bonds which may be issued under this act, the proceeds of such  
31 refunding notes shall be deposited in a separate fund established with the bank which is paying  
32 agent for the notes being refunded. Pending their use to pay the notes being refunded, moneys in  
33 the fund shall be invested for the benefit of the city by the paying agent at the direction of the city  
34 treasurer in any investment permitted under section 5. The moneys in the fund and any

1 investments held as a part of the fund shall be held in trust and shall be applied by the paying  
2 agent solely to the payment or prepayment of the principal of and interest on the notes being  
3 refunded. Upon payment of all principal of and interest on the notes, any excess moneys in the  
4 fund shall be distributed to the city. The city may pay the principal of and interest on notes in full  
5 from other than the issuance of refunding notes prior to the issuance of bonds pursuant to section  
6 1 hereof. In such case, the city's authority to issue bonds or notes in anticipation of bonds under  
7 this act shall continue provided that 1) the city council passes a resolution evidencing the city's  
8 intent to pay off the notes without extinguishing the authority to issue bonds or notes and 2) that  
9 the period from the date of an original note to the maturity date of any other note shall not exceed  
10 five (5) years. Section 5-106 of the city charter shall not apply to the issue of notes in  
11 anticipation of bonds.

12 SECTION 4. Pending any authorization or issue of bonds hereunder or  
13 pending or in lieu of any authorization or issue of notes hereunder, the city treasurer, with the  
14 approval of the city council may, to the extent that bonds or notes may be issued hereunder, apply  
15 funds in the general treasury of the city to the purposes specified in section two, such advances to  
16 be repaid without interest from the proceeds of bonds or notes subsequently issued or from the  
17 proceeds of applicable federal or state assistance or from other available funds.

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

25 SECTION 6. Any accrued interest received upon the sale of bonds or notes  
26 hereunder shall be applied to the payment of the first interest due thereon. Any premiums arising  
27 from the sale of bonds or notes hereunder and, to the extent permitted by applicable federal laws,  
28 any net earnings or profits realized from the deposit or investment of funds hereunder shall, in the  
29 discretion of the city treasurer, be applied to the cost of preparing, issuing, and marketing bonds  
30 or notes hereunder to the extent not otherwise provided, to the payment of the cost of the project,  
31 to the payment of the principal of or interest on bonds or notes issued hereunder, to the revenues  
32 of the city and dealt with as part of the revenues of the city from property taxes to the extent  
33 permitted by federal law, or to any one or more of the foregoing. The cost of preparing, issuing,  
34 and marketing bonds or notes hereunder may also, in the discretion of the city treasurer, be met

1 from bond or note proceeds exclusive of premium and accrued interest or from other monies  
2 available therefor. Any balance of bond or note proceeds remaining after payment of the cost of  
3 the projects and the cost of preparing, issuing and marketing bonds or notes hereunder shall be  
4 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the  
5 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or  
6 investment of funds hereunder may, upon receipt, be added to and dealt with as part of the  
7 revenues of the city from property taxes. In exercising any discretion under this section, the city  
8 treasurer shall be governed by any instructions adopted by resolution of the city council. Any  
9 balance of bond or note proceeds remaining after completion of the project shall be subject to  
10 section 5-109 of the city charter.

11 SECTION 7. All bonds and notes issued under this act and the debt evidenced  
12 hereby shall be obligatory on the city in the same manner and to the same extent as other debts  
13 lawfully contracted by it

14 and shall be excepted from the operation of section 45-12-2 of the general laws and any  
15 provision of the city charter. No such obligation shall at any time be included in the debt of the  
16 city for the purpose of ascertaining its borrowing capacity. The city shall annually appropriate a  
17 sum sufficient to pay the principal and interest coming due within the year on bonds and notes  
18 issued hereunder to the extent that monies therefor are not otherwise provided. If such sum is not  
19 appropriated, it shall nevertheless be added to the annual tax levy. In order to provide such sum in  
20 each year and notwithstanding any provisions of law to the contrary, all taxable property in the  
21 city shall be subject to ad valorem taxation by the city without limitation as to rate or amount.

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

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

33 SECTION 10. Bonds and notes may be issued under this act without obtaining  
34 the approval of any governmental agency or the taking of any proceedings or the happening of

1 any conditions except as specifically required by this act for such issue. In carrying out any  
2 project financed in whole or in part under this act, including where applicable the condemnation  
3 of any land or interest in land, and in the levy

4 and collection of assessments or other charges permitted by law on account of any such  
5 project, all action shall be taken which is necessary to meet constitutional requirements whether  
6 or not such action is otherwise required by statute, but the validity of bonds and notes issued  
7 hereunder shall in no way depend upon the validity or occurrence of such action. Without limiting  
8 the generality of the foregoing, the validity of bonds and notes issued hereunder shall in no way  
9 be affected by sections 2-308 and 4-1602 of the city charter, and the purposes of this act shall  
10 be deemed to constitute a single project under article V of the city charter.

11 SECTION 11. The city treasurer and the mayor, on behalf of the city are hereby  
12 authorized to execute such instruments, documents or other papers as either of the foregoing  
13 deem necessary or desirable to carry out the intent of this act and are also authorized to take all  
14 actions and execute all documents necessary to comply with federal tax and securities laws,  
15 which documents or agreements may have a term coextensive with the maturity of the bonds  
16 authorized hereby, including Rule 15c2-12 of the Securities and Exchange Commission (the  
17 Rule) and to execute and deliver a continuing disclosure agreement or certificate in connection  
18 with the bonds or notes in the form as shall be deemed advisable by such officers in order to  
19 comply with the Rule.

20 SECTION 12. All or any portion of the authorized but unissued authority to  
21 issue bonds and notes under this act may be extinguished by resolution of the city council,  
22 without further action by the general assembly, seven (7) years after the effective date of this act.

23 SECTION 13. The question of the approval of this act shall be submitted to the  
24 electors of the city at the next general election but if a special city-wide election or special state  
25 election, in either case other than a primary, is called for a date earlier than the date of such  
26 general election, the mayor may direct that the question of the approval of this act be submitted at  
27 such special election. The question shall be submitted in substantially the following form: "Shall  
28 an act passed at the 2010 session of the general assembly entitled 'An act authorizing the city of  
29 Pawtucket to provide for the renovation and improvement of public buildings in the city of  
30 Pawtucket and authorizing the financing thereof, including the issue of not more than \$700,000  
31 bonds and notes therefor, to fund the Capital Improvement Program for the two fiscal years 2011  
32 and 2012' be approved?" and the warning for the election shall contain the question to be  
33 submitted. From the time the election is warned and until it is held, it shall be the duty of the city  
34 clerk to keep a copy of the act available at his or her office for public inspection, but the validity

1 of the election shall not be affected by this requirement. To the extent of any inconsistency  
2 between this act and the city charter or any law of special applicability to the city, this act shall  
3 prevail.

4 SECTION 14. This section and section 13 shall take effect upon the passage of this act.  
5 The remainder of this act shall take effect upon the approval of this act by a majority of those  
6 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 CITY OF PAWTUCKET TO PROVIDE FOR THE RENOVATION AND IMPROVEMENT OF PUBLIC BUILDINGS IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUE OF NOT MORE THAN \$700,000 BONDS AND NOTES THEREFOR, TO FUND THE CAPITAL IMPROVEMENT PROGRAM FOR THE TWO FISCAL YEARS 2011 AND 2012

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1           This act authorizes the city of Pawtucket to issue not more than \$700,000 general  
2 obligation bonds and notes to finance the renovation and improvement of public buildings in the  
3 city of Pawtucket to cover the two fiscal years 2011 and 2012.

4           Sections 13 and 14 would take effect upon passage. The remainder of the act would take  
5 effect upon approval of the question provided for in section 13.

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