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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO FINANCE REPLACEMENTS AND RENOVATIONS AND RELATED EQUIPMENT FOR THE DAVISVILLE MIDDLE SCHOOL AND THE FISHING COVE, HAMILTON, QUIDNESSET AND STONY LANE ELEMENTARY SCHOOLS AND TO ISSUE NOT MORE THAN \$6,465,000 BONDS AND NOTES THEREFOR

Introduced By: Senators Sheehan, and Hodgson

Date Introduced: January 26, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The Town of North Kingstown is hereby empowered, in addition to
2 authority previously granted, to issue bonds to an amount not exceeding Six Million Four Hundred
3 Sixty Five Thousand Dollars (\$6,465,000) from time to time under its corporate name and seal or a
4 facsimile of such seal. The bonds of each issue may be issued in the form of 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 annual installments of
7 principal, the first installment to be not later than five years and the last installment not later than
8 thirty years after the date of the bonds. For each issue the amounts payable annually for principal
9 and interest combined either shall be as nearly equal from year to year as is practicable in the opinion
10 of the officers authorized to issue the bonds, or shall be arranged in accordance with a schedule
11 providing for a more rapid amortization of principal.

12 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the
13 town treasurer and the president of the Town Council and shall be issued and sold in such
14 amounts as the Town Council may authorize by resolution. The manner of sale, denominations,
15 maturities, interest rates and other terms, conditions and details of any bonds or notes issued
16 under this act may be fixed by the resolution of the Town Council authorizing the issue or by
17 separate resolution of the Town Council or, to the extent provisions for these matters are not so

1 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds
2 derived from the sale of the bonds shall be delivered to the town treasurer, and such proceeds
3 exclusive of premiums and accrued interest shall be expended for: (a) Replacements and
4 renovations and related equipment for the Davisville Middle School and the Fishing Cove,
5 Hamilton, Quidnesset and Stony Lane Elementary Schools and all costs incidental thereto; (b) In
6 payment of the principal of or interest on temporary notes issued under Section 3 of this act; or
7 (c) In repayment of advances under Section 4 of this act. No purchaser of any bonds or notes
8 under this act shall be in any way responsible for the proper application of the proceeds derived
9 from the sale thereof. The projects shall be carried out and all contracts made therefor on behalf
10 of the Town by a School Building Committee appointed by the Town Council or as may be
11 otherwise directed by the Town Council. The proceeds of bonds or notes issued under this act,
12 any applicable federal or state assistance and the other monies referred to in Section 6 of this act
13 shall be deemed appropriated for the purposes of this act without further action than that required
14 by this act. The bond issue authorized by this act may be consolidated for the purposes of
15 issuance and sale with any other bond issue of the town heretofore or hereafter authorized,
16 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds
17 authorized by this act shall be expended for the purposes set forth above.

18 SECTION 3. The Town Council may by resolution authorize the issue from time to time of
19 interest bearing or discounted notes in anticipation of the authorization or issue of bonds or in
20 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
21 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
22 under this act and the amount of original notes issued in anticipation of federal or state aid may not
23 exceed the amount of available federal or state aid as estimated by the treasurer. Temporary notes
24 issued hereunder shall be signed by the treasurer and by the president of the Town Council and shall
25 be payable within five years from their respective dates, but the principal of and interest on notes
26 issued for a shorter period may be renewed or paid from time to time by the issue of other notes
27 hereunder, provided the period from the date of an original note to the maturity of any note issued to
28 renew or pay the same debt or the interest thereon shall not exceed five years.

29 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu of
30 any authorization or issue of notes hereunder, the treasurer, with the approval of the Town Council,
31 may, to the extent that bonds or notes may be issued hereunder, apply funds in the treasury of the
32 Town to the purposes specified in Section 2, such advances to be repaid without interest from the
33 proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal or state
34 assistance or from other available funds.

1 SECTION 5. Any proceeds of bonds or notes issued hereunder or of any applicable federal
2 or state assistance, pending their expenditure may be deposited or invested by the treasurer, in
3 demand deposits, time deposits or savings deposits in banks which are members of the Federal
4 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
5 America or by any agency or instrumentality thereof or as may be provided in any other applicable
6 law of the State of Rhode Island.

7 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
8 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
9 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of
10 funds hereunder shall, in the discretion of the treasurer, be applied to the cost of preparing, issuing
11 and marketing bonds or notes hereunder to the extent not otherwise provided, to the payment of the
12 cost of the projects or to the cost of additional improvements coming within the description of the
13 projects in Section 2 of this act, to the payment of the principal of or interest on bonds or notes issued
14 hereunder or to any one or more of the foregoing. The cost of preparing, issuing and marketing
15 bonds or notes hereunder may also, in the discretion of the treasurer, be met from bond or note
16 proceeds exclusive of accrued interest or from other monies available therefor. Any balance of bond
17 or note proceeds remaining after payment of the cost of the projects and said additional
18 improvements and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
19 applied to the payment of the principal of or interest on bonds or notes issued hereunder. In
20 exercising any discretion under this Section, the treasurer shall be governed by any instructions
21 adopted by resolution of the Town Council. The treasurer is authorized to take any action deemed by
22 him or her necessary: (1) To assure that interest on the bonds or notes issued hereunder remains
23 excludable from gross income of the recipients thereof for federal income tax purposes, including,
24 without limitation, paying to the federal government any rebate of earnings derived from the deposit
25 or investment of the proceeds of such bonds or notes that may be required therefor; (2) To comply
26 with the requirements of federal law, including without being limited to regulations and other
27 requirements of the Securities and Exchange Commission and the Municipal Securities Rulemaking
28 Board, imposed directly on the Town or on the underwriters of such bonds and notes; and/or (3) To
29 comply with the provisions of §§ 16-7-35 to 16-7-47 of the Rhode Island General Laws, 1956, as
30 amended; including making all necessary contracts and agreements to issue said bonds and/or
31 notes through the Rhode Island Health and Educational Building Corporation.

32 SECTION 7. All bonds or notes issued under this act and the debts evidenced thereby shall
33 be obligatory on the town in the same manner and to the same extent as other debts lawfully
34 contracted by it and shall be excepted from the operation of Section 45-12-2 of the General Laws.

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

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

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

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

28 SECTION 11. The question of the approval of this act shall be submitted to the electors of
29 the town at an election to be held on April 3, 2012 or such later date as may be determined by the
30 Town Council. The question shall be submitted in substantially the following form: "Shall an act,
31 passed at the 2012 session of the General Assembly, entitled 'AN ACT AUTHORIZING THE
32 TOWN OF NORTH KINGSTOWN TO FINANCE REPLACEMENTS AND RENOVATIONS
33 AND RELATED EQUIPMENT FOR THE DAVISVILLE MIDDLE SCHOOL AND THE
34 FISHING COVE, HAMILTON, QUIDNESSET AND STONY LANE ELEMENTARY SCHOOLS

1 AND TO ISSUE NOT MORE THAN \$6,465,000 BONDS AND NOTES THEREFOR' be
2 approved?" and the warning for the election shall contain the question to be submitted. The Town
3 Board of Canvassers may combine any two or more voting districts for the election and when so
4 combined shall be treated as a voting district. If so combined, the Town Board of Canvassers shall
5 advertise the combination of districts in a newspaper of general circulation in the Town. From the
6 time the election is warned and until it is held, it shall be the duty of the Town Clerk to keep a copy
7 of the act available at his or her office for public inspection, but the validity of the election shall not
8 be affected by this requirement.

9 SECTION 12. This Section and Section 11 shall take effect upon passage. The remainder
10 of this act shall take effect upon the approval of this act by a majority of those voting on the question
11 at the election prescribed by Section 11.

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