

2020 -- S 2854

LC005386

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

AUTHORIZING THE TOWN OF BURRILLVILLE TO ISSUE NOT TO EXCEED \$7,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

Introduced By: Senator Jessica de la Cruz

Date Introduced: June 10, 2020

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The town of Burrillville is hereby empowered, in addition to authority
2 previously granted, to issue bonds, notes and other evidences of indebtedness (hereinafter "bonds")
3 up to an amount not exceeding seven million dollars (\$7,000,000) from time to time under its
4 corporate name and seal or a facsimile of such seal; provided, however, that bonds shall not be
5 issued unless the conditions of section 2 hereof as to the level of state aid are met. The bonds of
6 each issue may be issued in the form of serial bonds or term bonds or a combination thereof and
7 shall be payable either by maturity of principal in the case of serial bonds or by sinking fund
8 installments in the case of term bonds, in annual installments of principal, the first installment to
9 be not later than five (5) years and the last installment not later than thirty (30) years after the date
10 of the bonds. All such bonds of a particular issue may be issued in the form of zero coupon bonds,
11 capital appreciation bonds, serial bonds or term bonds or a combination thereof. The amount of
12 principal appreciation each year on any bonds, after the date of original issuance, shall not be
13 considered to be principal indebtedness for the purposes of any constitutional or statutory debt limit

1 or any other limitation. The appreciation of principal after the date of original issue shall be
2 considered interest. Only the original principal amount shall be counted in determining the principal
3 amount so issued and any interest component shall be disregarded.

4 SECTION 2. The town may be eligible for school housing aid reimbursement on debt
5 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
6 proceeds of bonds issued by the state of Rhode Island (the "state"), from the Rhode Island
7 department of education ("RIDE") or from the Rhode Island school building authority. The amount
8 of borrowing authorized pursuant to this act shall be reduced by the amount of certain grants
9 actually received by the town from state bond proceeds, from RIDE or from the Rhode Island
10 school building authority; provided however, that the amount of borrowing authorized shall not be
11 reduced by the amount of any grant received by the town for any portion of the project funded by
12 capital reserve funds. Bonds, notes or other evidences of indebtedness shall not be issued under this
13 act unless the town has received a letter from RIDE confirming that the then-current school housing
14 aid reimbursement rate under chapter 7 of title 16, as amended from time to time, or financial
15 assistance from the school building authority capital fund, or pursuant to any other law hereafter
16 enacted providing for funds to municipalities for school housing purposes, is not less than forty-
17 five percent (45%) of debt service for those expenditures which are eligible for state aid.

18 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
19 director of finance and the president of the town council and shall be issued and sold in such
20 amounts as the town council may authorize by resolution. The manner of sale, denominations,
21 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
22 this act may be fixed by the resolutions of the town council authorizing the issue or by separate
23 resolution of the town council or, to the extent provisions for these matters are not so made, they
24 may be fixed by the officers authorized to sign the bonds or notes. Notwithstanding anything
25 contained in this act to the contrary, the town may enter into financing agreements with the Rhode
26 Island health and educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1
27 of title 45 and, with respect to notes or bonds issued in connection with such financing agreements,
28 if any, the town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of
29 the bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are
30 inconsistent herewith. In addition, the town may enter into financing agreements with the Rhode
31 Island Infrastructure Bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to
32 bonds or notes issued in connection with such financing agreements, if any, the town may elect to
33 have the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued
34 hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such

1 election may be fixed by the proceedings of the town council authorizing such issuance by separate
2 resolution of the town council, or, to the extent provisions for these matters are not so made, they
3 may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the
4 sale of the bonds shall be delivered to the town director of finance, and such proceeds exclusive of
5 premiums and accrued interest shall be expended: (1) To finance the construction, renovation,
6 improvement, alteration, repair, landscaping, furnishing and equipping of schools and school
7 facilities throughout the town, and all attendant expenses including, but not limited to, engineering
8 and architectural costs; (2) In payment of the principal of or interest on temporary notes issued
9 under section 4; (3) In repayment of advances under section 5; (4) In payment of related costs of
10 issuance of any bonds or notes; and/or (5) In payment of capitalized interest during construction of
11 the project (the "project"). No purchaser of any bonds or notes under this act shall be in any way
12 responsible for the proper application of the proceeds derived from the sale thereof. The town shall
13 form a school building committee comprised of seven (7) members, three (3) members appointed
14 by the school committee and four (4) members appointed by the town council. The project shall be
15 carried out and all contracts made therefor on behalf of the town by the town council with due
16 regard to any recommendation of the school building committee. The town council and the school
17 building committee and their agents are authorized to enter, without delay and at reasonable times,
18 any public school buildings and other public school property for the purpose of accomplishing the
19 project and to do all acts and deeds necessary or convenient in connection with the project. The
20 proceeds of bonds or notes issued under this act, any applicable federal or state assistance and the
21 other monies referred to in sections 7 and 10 shall be deemed appropriated for the purposes of this
22 act without further action than that required by this act. The bonds authorized by this act may be
23 consolidated for the purpose of issuance and sale with any other bonds of the town heretofore or
24 hereafter authorized; provided that, notwithstanding any such consolidation, the proceeds from the
25 sale of the bonds authorized by this act shall be expended for the purposes set forth above.

26 SECTION 4. The town council may by resolution authorize the issuance from time to time
27 of interest bearing or discounted notes in anticipation of the issuance of bonds or in anticipation of
28 the receipt of federal or state aid for the purposes of this act. The amount of original notes issued
29 in anticipation of bonds may not exceed the amount of bonds which may be issued under this act
30 and the amount of original notes issued in anticipation of federal or state aid may not exceed the
31 amount of available federal or state aid as estimated by the director of finance. Temporary notes
32 issued hereunder shall be signed by the manual or facsimile signatures of the town director of
33 finance and the president of the town council and shall be payable within five (5) years from their
34 respective dates, but the principal of and interest on notes issued for a shorter period may be

1 renewed or paid from time to time by the issuance of other notes hereunder; provided the period
2 from the date of an original note to the maturity of any note issued to renew or pay the same debt
3 or interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of bonds
4 issued under this section may be refunded prior to the maturity of the notes by the issuance of
5 additional temporary notes; provided that, no such refunding shall result in any amount of such
6 temporary notes outstanding at any one time in excess of two hundred percent (200%) of the amount
7 of bonds which may be issued under this act; and provided further, that if the issuance of any such
8 refunding notes results in any amount of such temporary notes outstanding at any one time in excess
9 of the amount of bonds which may be issued under this act, the proceeds of such refunding notes
10 shall be deposited in trust in a separate fund established for the notes being refunded. Pending their
11 use to pay the notes being refunded, monies in the fund shall be invested for the benefit of the town
12 by the paying agent at the direction of the town director of finance in any investment permitted
13 under section 6. The monies in the fund and any investments held as part of the fund shall be held
14 in trust and shall be applied by the paying agent solely to the payment or prepayment of the principal
15 of and interest on the notes being refunded. Upon payment of all principal of and interest on the
16 notes, any excess monies in the fund shall be distributed to the town. The town may pay the
17 principal of and interest on notes in full from other than the issuance of refunding notes prior to the
18 issuance of bonds pursuant to section 1 hereof. In such case, the town's authority to issue bonds or
19 notes in anticipation of bonds under this act shall continue; provided that: (1) The town council
20 passes a resolution evidencing the town's intent to pay off the notes without extinguishing the
21 authority to issue bonds or notes; and (2) That the period from the date of an original note to the
22 maturity date of any other note shall not exceed five (5) years.

23 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
24 of any authorization or issue of notes hereunder, the town director of finance, with the approval of
25 the town council, may, to the extent that bonds or notes may be issued hereunder, apply funds in
26 the treasury of the town to the purposes specified in section 3, such advances to be repaid without
27 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
28 federal or state assistance or from other available funds.

29 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable federal
30 or state assistance, pending their expenditure may be deposited or invested by the town director of
31 finance in demand deposits, time deposits or savings deposits in banks which are members of the
32 Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United States
33 of America or by any agency or instrumentality thereof or as may be provided in any other
34 applicable law of the state of Rhode Island or resolution of the town council or pursuant to an

1 investment policy of the town.

2 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
3 be applied to the payment of the first interest due thereon. Any premium arising from the sale of
4 bonds or notes hereunder shall, in the discretion of the town director of finance, be applied to the
5 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
6 provided, to the payment of the project costs, to the payment of the principal of or interest on bonds
7 or notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing
8 and marketing bonds or notes hereunder may also, in the discretion of the town director of finance,
9 be met from bond or note proceeds exclusive of accrued interest or from other monies available
10 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the projects
11 and the cost of preparing, issuing and marketing bonds or notes hereunder, shall be applied to the
12 payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted
13 by applicable federal laws, any earnings or net profit realized from the deposit or investment of
14 funds hereunder may, upon receipt, be added to and dealt with as part of the revenues of the town
15 from property taxes. In exercising any discretion under this section, the town director of finance
16 shall be governed by any instructions adopted by resolution of the town council.

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

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

31 SECTION 10. The town, acting by resolution of its town council, is authorized to apply
32 for, contract for and expend any federal or state advances or other grants or assistance which may
33 be available for the purposes of this act, and any such expenditures may be in addition to the monies
34 provided in this act. To the extent of any inconsistency between any law of this state and any

1 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
2 where applicable, whether contracted for prior to or after the effective date of this act, may be
3 repaid as project costs under section 3.

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

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

21 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
22 and notes under this act may be extinguished by ordinance of the town council after seven (7) years
23 shall have passed from the approval of this act provided for in section 14, without further action by
24 the general assembly.

25 SECTION 14. At the general election to be held on November [4], 2020, there shall be
26 submitted to electors of the town a question in substantially the following form: "Shall an act passed
27 at the 2020 session of the general assembly entitled 'AN ACT AUTHORIZING THE TOWN OF
28 BURRILLVILLE TO ISSUE NOT TO EXCEED \$7,000,000 GENERAL OBLIGATION BONDS,
29 NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE
30 CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR,
31 LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL
32 FACILITIES THROUGHOUT THE TOWN, AND ALL ATTENDANT EXPENSES
33 INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS,
34 SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR

1 STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND
2 PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF
3 CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE
4 ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL
5 BUILDING AUTHORITY' be approved?" and the warning for the election shall contain the
6 question to be submitted. From the time the election is warned and until it is held, it shall be the
7 duty of the town clerk to keep a copy of this act available at the clerk's office for public inspection,
8 but the validity of the election shall not be affected by this requirement. To the extent of any
9 inconsistency between this act and the town charter, this act shall prevail.

10 SECTION 15. This section and section 14 shall take effect upon the passage of this act.
11 The remainder of this act shall take effect upon the approval of this act by a majority of those voting
12 on the question at the election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF BURRILLVILLE TO ISSUE NOT TO EXCEED \$7,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF SCHOOLS AND SCHOOL FACILITIES THROUGHOUT THE TOWN, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

1 This act authorizes the town of Burrillville to issue not more than \$7,000,000 bonds and
2 notes to finance the construction, renovation, improvement, alteration, repair, landscaping,
3 furnishing and equipping of schools and school facilities throughout the Town, and all attendant
4 expenses including, but not limited to, engineering and architectural costs.

5 Sections 14 and 15 of this act shall take effect upon passage. The remainder of the act
6 would take effect upon approval by the electors of the town of the question provided for in section
7 14.

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