

2010 -- S 2893

=====
LC02628
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE DEMOLITION, REPLACEMENT, CONSTRUCTION, RENOVATION, REPAIR AND/OR RESTORATION OF FACILITIES, ROADWAYS, PARKING AND OTHER IMPROVEMENTS AT THE NARRAGANSETT TOWN BEACH AND TO ISSUE NOT MORE THAN \$9,500,000 BONDS AND NOTES THEREFOR

Introduced By: Senators Sheehan, Lenihan, Algieri, and Sosnowski

Date Introduced: May 19, 2010

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. The Town of Narragansett is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding Nine Million Five Hundred
3 Thousand Dollars (\$9,500,000.00) 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
7 of principal, the first installment to be not later than five years and the last installment not later
8 than thirty years after the date of the bonds. For each issue the amounts payable annually for
9 principal and interest combined either shall be as nearly equal from year to year as is practicable
10 in the opinion of the officers authorized to issue the bonds, or shall be arranged in accordance
11 with a schedule 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) the demolition, replacement,
4 construction, renovation, repair and/or restoration of facilities, roadways, parking and other
5 improvements at the Narragansett Town Beach and related equipment and all costs incidental
6 thereto, (b) in payment of the principal of or interest on temporary notes issued under Section 3 of
7 this act or (c) in repayment of advances under Section 4 of this act. No purchaser of any bonds or
8 notes under this act shall be in any way responsible for the proper application of the proceeds
9 derived from the sale thereof. The projects shall be carried out and all contracts made therefor on
10 behalf of the Town by the Town Council or as may be otherwise directed by the Town Council.
11 The proceeds of bonds or notes issued under this act, any applicable federal or state assistance
12 and the other monies referred to in Section 6 of this act shall be deemed appropriated for the
13 purposes of this act without further action than that required by this act. The bond issue
14 authorized by this act may be consolidated for the purposes of issuance and sale with any other
15 bond issue of the town heretofore or hereafter authorized, provided that, notwithstanding any
16 such consolidation, the proceeds from the sale of the bonds authorized by this act shall be
17 expended for the purposes set forth above.

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

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

1 applicable federal or state assistance or from other available funds.

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

8 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder
9 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
10 sale of bonds or notes hereunder and any earnings or net profit realized from the deposit or
11 investment of funds hereunder shall, in the discretion of the treasurer, be applied to the cost of
12 preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided,
13 to the payment of the cost of the projects or to the cost of additional improvements coming within
14 the description of the projects in Section 2 of this act, to the payment of the principal of or interest
15 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
16 issuing and marketing bonds or notes hereunder may also, in the discretion of the treasurer, be
17 met from bond or note proceeds exclusive of accrued interest or from other monies available
18 therefor. Any balance of bond or note proceeds remaining after payment of the cost of the
19 projects and said additional improvements and the cost of preparing, issuing and marketing bonds
20 or notes hereunder shall be applied to the payment of the principal of or interest on bonds or notes
21 issued hereunder. In exercising any discretion under this section, the treasurer shall be governed
22 by any instructions adopted by resolution of the Town Council. The treasurer is authorized to take
23 any action deemed by him or her necessary (1) to assure that interest on the bonds or notes issued
24 hereunder remains excludable from gross income of the recipients thereof for federal income tax
25 purposes, including, without limitation, paying to the federal government any rebate of earnings
26 derived from the deposit or investment of the proceeds of such bonds or notes that may be
27 required therefor, (2) to qualify the bonds under Sections 54AA, 1400U-1, 1400U-2, or 6431 of
28 the Internal Revenue Code of 1986, as amended, as Build America Bonds and/or Recovery Zone
29 Economic Development Bonds or other similar federal programs, and (3) to comply with the
30 requirements of federal law, including without being limited to regulations and other
31 requirements of the Securities and Exchange Commission and the Municipal Securities
32 Rulemaking Board, imposed directly on the Town or on the underwriters of such bonds and
33 notes.

34 SECTION 7. All bonds or notes issued under this act and the debts evidenced thereby

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

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

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

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

31 SECTION 11. The question of the approval of this act shall be submitted to the electors
32 of the town at an election on a date to be determined by the Town Council which occurs at least
33 thirty days after the passage of this act. The question shall be submitted in substantially the
34 following form: "Shall an act, passed at the 2010 session of the General Assembly, entitled "AN

1 ACT AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE THE
2 DEMOLITION, REPLACEMENT, CONSTRUCTION, RENOVATION, REPAIR AND/OR
3 RESTORATION OF FACILITIES, ROADWAYS, PARKING AND OTHER
4 IMPROVEMENTS AT THE NARRAGANSETT TOWN BEACH AND TO ISSUE NOT
5 MORE THAN \$9,500,000 BONDS AND NOTES THEREFOR" be approved?" and the warning
6 for the election shall contain the question to be submitted. The Town Board of Canvassers may
7 combine any two or more voting districts for the election and when so combined shall be treated
8 as a voting district. If so combined, the Town Board of Canvassers shall advertise the
9 combination of districts in a newspaper of general circulation in the Town. From the time the
10 election is warned and until it is held, it shall be the duty of the Town Clerk to keep a copy of the
11 act available at his or her office for public inspection, but the validity of the election shall not be
12 affected by this requirement.

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

=====
LC02628
=====