

2018 -- S 2913

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

AUTHORIZING THE TOWN OF JAMESTOWN TO ISSUE GENERAL OBLIGATION BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$5,900,000 TO FINANCE REPLACEMENTS, RENOVATIONS AND IMPROVEMENTS AND RELATED EQUIPMENT AT THE JAMESTOWN PUBLIC SCHOOLS

Introduced By: Senator Dawn M. Euer

Date Introduced: May 17, 2018

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1           SECTION 1. The town of Jamestown is hereby empowered, in addition to authority  
2 previously granted, to issue general obligation bonds and notes to an amount not exceeding five  
3 million nine hundred thousand dollars (\$5,900,000) at one time or from time to time under its  
4 corporate name and seal or a facsimile of such seal to finance replacements, renovations and  
5 improvements and related equipment at the Jamestown public schools. The bonds of each issue  
6 may be issued in the form of serial bonds or term bonds or a combination thereof and shall be  
7 payable either by maturity of principal in the case of serial bonds or by mandatory serial  
8 redemption 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  
11 bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof. Annual  
12 installments of principal may be provided for by maturity of principal in the case of serial bonds  
13 or by mandatory serial redemption in the case of term bonds. The amount of principal  
14 appreciation each year on any bonds, after the date of original issuance, shall not be considered to  
15 be principal indebtedness for the purpose of a constitutional or statutory debt limit or any other  
16 limitation. The appreciation of principal after the date of original issue shall be considered  
17 interest. Only the original principal amount shall be counted in determining the principal amount

1 so issued and any interest component shall be disregarded.

2 SECTION 2. The bonds shall be signed by the manual or facsimile signatures of the  
3 finance director and the president of the town council and shall be issued and sold in such  
4 amounts as the town council may authorize by majority vote of all its members. The amount of  
5 the bond issue, manner of sale, denominations, maturities, interest rate or rates, award and other  
6 terms, conditions and details of any bonds or notes issued under this act may be fixed by the  
7 proceedings of the town council authorizing their issue or by separate resolution by the town  
8 council or, to the extent provisions for these matters are not so made, they may be fixed by the  
9 officers authorized to sign the bonds. The town council may provide that any bonds issued under  
10 this act and any other authorized issue of bonds of the town may be consolidated and issued at the  
11 same time as a single bond issue, provided that the last installment of the portion of any such  
12 consolidated issue that is allocable to the bonds issued under this act shall not be later than the  
13 times specified by the applicable provisions hereof. The bonds may be made callable with or  
14 without premium. The proceeds derived from the sale of the bonds shall be delivered to the  
15 finance director, and such proceeds, exclusive of premiums and accrued interest, shall be  
16 expended for costs of financing replacements, renovations, and improvements and related  
17 equipment at the Jamestown public schools (herein referred to as the "project") if approved by the  
18 voters in accordance with section 12 hereof, including all other costs incidental and related to the  
19 foregoing project and its financing pursuant to this act, including, but not limited to, the payment  
20 of principal of or interest on temporary notes issued under section 3, the repayment of advances  
21 made under section 4, and/or to finance capitalized interest on the project. No purchaser of any  
22 bonds or notes under this act shall be in any way responsible for the proper application of the  
23 proceeds derived from the sale thereof. The project shall be carried out and all contracts made  
24 therefor on behalf of the town by the town council, or as may be authorized by the town council.  
25 The proceeds of bonds or notes issued under this act, any applicable federal or state assistance  
26 and any other monies referred to in sections 5, 6, or 9 shall be deemed appropriated for the  
27 purposes of this act without further action than that required by this act. The bond issue  
28 authorized by this act may be consolidated for the purposes of issuance and sale with any other  
29 bond issue of the town heretofore or hereafter authorized; provided that, notwithstanding any  
30 such consolidation, the proceeds from the sale of the bonds authorized by this act shall be  
31 expended for the purposes set above. The finance director and president of the town council  
32 acting singly, on behalf of the town, are hereby authorized to execute such instruments,  
33 documents, or other papers as either of them deem necessary or desirable to carry out the intent of  
34 this act and are also authorized to take all actions and execute all documents or agreements

1 necessary to comply with federal tax and securities laws, which documents or agreements may  
2 have a term coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-12  
3 of the Securities and Exchange Commission, to execute and deliver a continuing disclosure  
4 agreement or certificate in connection with the bond or notes, and to comply with the provisions  
5 of §§ 16-7-35 through 16-7-47 of the Rhode Island general laws, 1956, as amended; including  
6 making all necessary contracts and agreements to issue said bonds and/or notes through the  
7 Rhode Island health and educational building corporation.

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

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

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

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

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

1 finance director shall be governed by any instructions adopted by resolution of the town council.  
2 The finance director is authorized to take any action deemed to be necessary to ensure that  
3 interest on the bonds or notes issued hereunder remains excludable from gross income of the  
4 recipients thereof for federal income tax purposes, including, without limitation, paying to the  
5 federal government any rebate of earnings derived from the deposit or investment of the proceeds  
6 of such bonds or notes that may be required therefor.

7 SECTION 7. All bonds and notes issued under this act and the debts evidenced thereby  
8 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully  
9 contracted by it and shall be excepted from the operation of § 45-12-2 of the general laws. No  
10 such obligation shall at any time be included in the debt of the town for the purpose of  
11 ascertaining its borrowing capacity. The town shall annually appropriate a sum sufficient to pay  
12 the principal and interest coming due within the year on bonds and notes issued hereunder to the  
13 extent that monies therefor are not otherwise provided. If such sum is not appropriated, it shall  
14 nevertheless be added to the annual tax levy. In order to provide such sum in each year and  
15 notwithstanding any provision of law to the contrary, all taxable property in the town shall be  
16 subject to ad valorem taxation by the town without limitation as to rate or amount.

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

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

28 SECTION 10. Bonds and notes may be issued under this act without obtaining the  
29 approval of any governmental agency or the taking of any proceedings or the happening of any  
30 conditions except as specifically required by this act for such issue. In carrying out any project  
31 financed in whole or in part under this act, including where applicable the condemnation of any  
32 land or interest in land, and in the levy and collection of assessments or other charges permitted  
33 by law on account of any such project, all action shall be taken which is necessary to meet  
34 constitutional requirements whether or not such action is otherwise required by statute, but the

1 validity of bonds and notes issued hereunder shall in no way depend upon the validity or  
2 occurrence of such action.

3 SECTION 11. After completion of the project, all or any portion of the authorized but  
4 unissued authority to issue bonds and notes under this act may be extinguished by resolution of  
5 the town council, without further action by the general assembly.

6 SECTION 12. The question of the approval of this act shall be submitted to the electors  
7 of the town of Jamestown at the general election to be held on November 6, 2018. The question  
8 shall be submitted in substantially the following form: "Shall an act, passed at the 2018 session of  
9 the General Assembly, entitled 'AN ACT AUTHORIZING THE TOWN OF JAMESTOWN TO  
10 ISSUE GENERAL OBLIGATION BONDS AND NOTES IN AN AMOUNT NOT TO  
11 EXCEED \$5,900,000 TO FINANCE REPLACEMENTS, RENOVATIONS AND  
12 IMPROVEMENTS AND RELATED EQUIPMENT AT THE JAMESTOWN PUBLIC  
13 SCHOOLS' be approved?" The warning for election shall contain the question to be submitted.  
14 The town board of canvassers may combine any two (2) or more voting districts for the election  
15 and when so combined shall be treated as a voting district. If so combined, the town board of  
16 canvassers shall advertise the combination of districts in a newspaper of general circulation in the  
17 town. From the time the election is warned and until it is held, it shall be the duty of the town  
18 clerk to keep a copy of this act available at the clerk's office for public inspection, but the validity  
19 of the vote taken at the election shall not be affected by this requirement.

20 SECTION 13. This section and section 12 shall take effect upon the passage of this act.  
21 The remainder of this act shall take effect upon the approval of the question listed in section 12  
22 hereof by a majority of those voting on the question at the election prescribed by the foregoing  
23 section.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF JAMESTOWN TO ISSUE GENERAL OBLIGATION  
BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$5,900,000 TO FINANCE  
REPLACEMENTS, RENOVATIONS AND IMPROVEMENTS AND RELATED EQUIPMENT  
AT THE JAMESTOWN PUBLIC SCHOOLS

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1           This act authorizes the town of Jamestown to issue not more than \$5,900,000 bonds and  
2 notes to finance various improvements and related equipment at the town of Jamestown's schools.

3           Sections 12 and 13 would take effect upon the passage. The remainder of this act would  
4 take effect upon the approval by the electors of the town of the question provided in section 12.

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