

2014 -- S 2967

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

AUTHORIZING THE CITY OF PAWTUCKET TO PROVIDE FOR THE RECONSTRUCTION OF BRIDGES IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUANCE OF NOT MORE THAN \$200,000 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS THEREFOR

Introduced By: Senators Doyle, Crowley, Nesselbush, and Conley

Date Introduced: May 01, 2014

Referred To: Senate 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, notes and other evidences of indebtedness (hereinafter
3 "bonds") up to an amount not exceeding two hundred thousand dollars (\$200,000) from time to
4 time under its corporate name and seal or a facsimile of such. The bonds of each issue may be
5 issued in the form of serial bonds or term bonds or a combination thereof and shall be payable
6 either by maturity of principal in the case of serial bonds or by mandatory sinking fund
7 installments in the case of term bonds, in annual installments of principal, the first installment to
8 be not later than three (3) years and the last installment not later than thirty (30) years after the
9 date of the bonds.

10 SECTION 2. The bonds shall be signed by the city treasurer and by the manual or
11 facsimile signature of the mayor and be issued and sold in such amounts as the city council may
12 determine by resolution. The manner of sale, denominations, maturities, interest rates and other
13 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
14 proceedings of the city council authorizing the issue or by separate resolution of the city council
15 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
16 authorized to sign the bonds or notes. Notwithstanding anything contained in this act, the city
17 may enter into financing agreements with the Rhode Island Clean Water Finance Agency in

1 accordance with chapter 18 of title 24 to evidence loans from the municipal road and bridge
2 revolving fund. The proceeds derived from the sale of the bonds shall be delivered to the city
3 treasurer, and such proceeds exclusive of premiums and accrued interest shall be expended: (1)
4 For the reconstruction of bridges in the city of Pawtucket (the "project"); (2) In payment of the
5 principal of or interest on temporary notes issued under section 3; (3) In repayment of advances
6 under section 4; (4) In payment of related costs of issuance of any bonds or notes; and/or (5) in
7 payment of capitalized interest during construction of the project. 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 proceeds of bonds or notes issued under this act, any applicable
10 federal or state assistance and the other monies referred to in sections 6 and 9 shall be deemed
11 appropriated for the purposes of this act without further action than that required by this act.

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

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

11 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
12 of any authorization or issue of notes hereunder, the city treasurer, with the approval of the city
13 council may, to the extent that bonds or notes may be issued hereunder, apply funds in the general
14 treasury of the city to the purposes specified in section 2, such advances to be repaid without
15 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
16 applicable federal or state assistance or from other available funds.

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

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

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

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

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

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

31 SECTION 10. Bonds and notes may be issued under this act without obtaining the
32 approval of any governmental agency or the taking of any proceedings or the happening of any
33 conditions except as specifically required by this act for such issue. In carrying out any project
34 financed in whole or in part under this act, including where applicable the condemnation of any

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

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

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

21 SECTION 13. The question of the approval of this act shall be submitted to the electors
22 of the city at the next general election but if a special city-wide election or special state election,
23 in either case other than a primary, is called for a date earlier than the date of such general
24 election, the mayor may direct that the question of the approval of this act be submitted at such
25 special election. The question shall be submitted in substantially the following form: "Shall an act
26 passed at the 2014 session of the general assembly entitled 'An act authorizing the city of
27 Pawtucket to provide for the reconstruction of bridges in the city of Pawtucket and authorizing
28 the financing thereof, including the issuance of not more than \$200,000 bonds, notes and other
29 evidences of indebtedness therefor' be approved?" and the warning for the election shall contain
30 the question to be submitted. From the time the election is warned and until it is held, it shall be
31 the duty of the city clerk to keep a copy of the act available at his or her office for public
32 inspection, but the validity of the election shall not be affected by this requirement. To the extent
33 of any inconsistency between this act and the city charter or any law of special applicability to the
34 city, this act shall prevail.

- 1 SECTION 14. This section and Section 13 shall take effect upon the passage of this act.
- 2 The remainder of this act shall take effect upon the approval of this act by a majority of those
- 3 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 RECONSTRUCTION OF BRIDGES IN THE CITY OF PAWTUCKET AND AUTHORIZING THE FINANCING THEREOF, INCLUDING THE ISSUANCE OF NOT MORE THAN \$200,000 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS THEREFOR

1 This act would authorize the city of Pawtucket to issue not more than \$200,000 general
2 obligation bonds, notes and other evidences of indebtedness to finance the reconstruction of
3 bridges in the city of Pawtucket.

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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