

2024 -- S 3097

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN \$137,200,000 OF BONDS AND NOTES FOR CONSTRUCTION, IMPROVEMENT, RENOVATION, DEMOLITION, REMEDIATION, FURNISHING, EQUIPPING AND OTHER CAPITAL IMPROVEMENTS OF SCHOOL FACILITIES THROUGHOUT THE TOWN, INCLUDING BUT NOT LIMITED TO A NEW WICKFORD MIDDLE SCHOOL

Introduced By: Senators Valverde, and DiMario

Date Introduced: May 29, 2024

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 authority
2 previously granted, to issue bonds to an amount not exceeding One Hundred Thirty-Seven Million
3 Two Hundred Thousand Dollars (\$137,200,000) from time to time under its corporate name and
4 seal or a facsimile of such seal. The bonds of each issue may be issued in the form of serial bonds
5 or term bonds or a combination thereof and shall be payable either by maturity of principal in the
6 case of serial bonds or by mandatory serial redemption in the case of term bonds, in annual
7 installments of principal, the first installment to be not later than five years and the last installment
8 not later than thirty years after the date of the bonds.
- 9 SECTION 2. This act shall constitute an enabling act of the general assembly that is
10 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
11 this act for school projects shall not be eligible for state housing aid reimbursement pursuant to §
12 16-7-44 unless the school projects described herein shall have been approved by the Rhode Island
13 department of education. Notwithstanding any other provision of the general laws governing school
14 housing aid reimbursement rates or share ratios or any school-related regulations, for any project
15 financed with proceeds of bonds issued pursuant to this act, the school housing aid ratio for such
16 project shall be increased by the percentages provided in § 16-7-40 as it may be amended from time
17 to time, so long as the construction of the project commences by December 30, 2024 and is

1 completed by December 30, 2029, or such later dates as set forth in § 16-7-40, as amended from
2 time to time.

3 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of the town
4 treasurer and the president of the Town Council and shall be issued and sold in such amounts as
5 the Town Council may authorize by resolution, which resolution may authorize any and all actions
6 to be taken under this act by the president of the Town Council to be taken by the president pro tem
7 of the Town Council or other member of the Town Council. The manner of sale, denominations,
8 maturities, interest rates and other terms, conditions and details of any bonds or notes issued under
9 this act may be fixed by the resolution of the Town Council authorizing the issue or by separate
10 resolution of the Town Council or, to the extent provisions for these matters are not so made, they
11 may be fixed by the officers authorized to sign the bonds or notes. Notwithstanding anything
12 contained in this act to the contrary, the town may enter into financing agreements with the Rhode
13 Island health and educational building corporation pursuant to chapter 7 of title 16 and chapter 38.1
14 of title 45 and, with respect to bonds or notes issued in connection with such financing agreements,
15 if any, the town acting by said officers may elect to have the provisions of chapter 38.1 of title 45
16 apply to the issuance of bonds or notes issued hereunder to the extent the provisions of said chapter
17 are inconsistent herewith. In addition, the town may enter into financing agreements with the Rhode
18 Island infrastructure bank pursuant to the provision of chapter 12.2 of title 46 and, with respect to
19 bonds or notes issued in connection with such financing agreements, if any, the town acting by said
20 officers may elect to have the provisions of chapter 12.2 of title 46 apply to the issuance of bonds
21 or notes issued hereunder to the extent the provisions of said chapter are inconsistent herewith.

22 SECTION 4. The proceeds derived from the sale of the bonds shall be delivered to the
23 treasurer, and such proceeds exclusive of premiums and accrued interest shall be expended (a) for
24 construction, improvement, renovation, demolition, remediation, furnishing, equipping and other
25 capital improvements of school facilities throughout the Town, including but not limited to a new
26 Wickford Middle School and all expenses incidental thereto, (collectively, the “projects”), (b) in
27 payment of the principal of or interest on temporary notes issued under section 5 of this act or (c)
28 in repayment of advances under section 6 of this act. No purchaser of any bonds or notes under this
29 act shall be in any way responsible for the proper application of the proceeds derived from the sale
30 thereof. The projects shall be carried out and all contracts made therefor on behalf of the Town by
31 the Town Council or as may be otherwise directed by the Town Council. The proceeds of bonds or
32 notes issued under this act, any applicable federal or state assistance and the other monies referred
33 to in Sections 8 and 11 of this act shall be deemed appropriated for the purposes of this act without
34 further action than that required by this act. The bond issue, and any issue of notes, authorized by

1 this act may be consolidated for the purposes of issuance and sale with any other bond and/or note
2 issue of the town heretofore or hereafter authorized, provided that, notwithstanding any such
3 consolidation, the proceeds from the sale of the bonds and notes authorized by this act shall be
4 expended for the purposes set forth above.

5 SECTION 5. The Town Council may by resolution authorize the issue from time to time
6 of interest bearing or discounted notes in anticipation of the authorization or issue of bonds or in
7 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
8 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
9 under this act and the amount of original notes issued in anticipation of federal or state aid may not
10 exceed the amount of available federal or state aid as estimated by the treasurer. Temporary notes
11 issued hereunder shall be signed by the treasurer and by the president of the Town Council and
12 shall be payable within five years from their respective dates, but the principal of and interest on
13 notes issued for a shorter period may be renewed or paid from time to time by the issue of other
14 notes hereunder, provided the period from the date of an original note to the maturity of any note
15 issued to renew or pay the same debt or the interest thereon shall not exceed five years. Any
16 temporary notes in anticipation of bonds issued under this section may be refunded prior to maturity
17 of the notes by the issuance of additional temporary notes; provided that no such refunding shall
18 result in any amount of temporary notes outstanding at any one time in excess of two hundred
19 percent (200%) of the amount of bonds that may be issued under this act; and provided further that,
20 if the issuance of any such refunding notes results in excess of the amount of bonds that may be
21 issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
22 established with the paying agent which is the paying agent for the notes being refunded. Pending
23 their use to pay the notes being refunded, monies in the fund shall be invested for the benefit of the
24 town by the paying agent at the direction of the treasurer in any investment permitted under section
25 7. The monies in the fund and any investments held as a part of the fund shall be held in trust and
26 shall be applied by the paying agent solely to the payment or prepayment of the principal and
27 interest on the notes being refunded. Upon payment of all principal and interest on the notes being
28 refunded, any excess monies in the fund shall be distributed by the paying agent to the town. The
29 town may pay the principal of and interest on the notes in full or in part from other than the issuance
30 of refunding notes prior to the issuance of bonds pursuant to section 1 hereof. In such case the
31 town's authority to issue bonds or notes in anticipation of bonds under this act shall continue:
32 provided that (1) the town council passes a resolution evidencing the town's intent to pay off the
33 notes without extinguishing the authority to issue bonds or notes; and (2) that the period from the
34 date of the original note to the maturity of any other note shall not exceed five (5) years.

1 SECTION 6. Pending any authorization or issue of bonds hereunder or pending or in lieu
2 of any authorization or issue of notes hereunder, the treasurer, with the approval of the Town
3 Council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the treasury
4 of the Town to the purposes specified in Section 4, such advances to be repaid without interest from
5 the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal or
6 state assistance or from other available funds.

7 SECTION 7. Any proceeds of bonds or notes issued hereunder or of any applicable federal
8 or state assistance, pending their expenditure may be deposited or invested by the treasurer, in
9 demand deposits, time deposits or savings deposits in banks which are members of the Federal
10 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
11 America or by any agency or instrumentality thereof or as may be provided in any other applicable
12 law of the State of Rhode Island or resolution of the town council or pursuant to an investment
13 policy of the town.

14 SECTION 8. Any accrued interest received upon the sale of bonds or notes hereunder shall
15 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
16 bonds or notes hereunder and any earnings or net profit realized from the deposit or investment of
17 funds hereunder shall, in the discretion of the treasurer, be applied (1) to the cost of preparing,
18 issuing and marketing bonds or notes hereunder to the extent not otherwise provided, (2) to the cost
19 of capitalized interest on temporary notes issued under Section 5 of this act not otherwise provided,
20 (3) to the payment of the cost of the projects for which such bonds were issued or to the cost of
21 additional improvements coming within the description of the projects in Section 4 of this act for
22 which such bonds were issued, and/or (4) to the payment of the principal of or interest on bonds or
23 notes issued hereunder; or to any one or more of the foregoing. The cost of preparing, issuing and
24 marketing bonds or notes hereunder may also, in the discretion of the treasurer, be met from bond
25 or note proceeds exclusive of accrued interest or from other monies available therefor. Any balance
26 of bond or note proceeds remaining after payment of the cost of the projects and said additional
27 improvements and the cost of preparing, issuing and marketing bonds or notes hereunder shall be
28 applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the
29 extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or
30 investment of fund hereunder may, upon receipt, be added to and dealt with as part of the revenues
31 of the town from property taxes. In exercising any discretion under this Section, the treasurer shall
32 be governed by any instructions adopted by resolution of the Town Council. The treasurer is
33 authorized to take any action deemed by him or her necessary (1) to assure that interest on the
34 bonds or notes issued hereunder remains excludable from gross income of the recipients thereof for

1 federal income tax purposes, including, without limitation, paying to the federal government any
2 rebate of earnings derived from the deposit or investment of the proceeds of such bonds or notes
3 that may be required therefor, (2) to comply with the requirements of federal law, including without
4 being limited to regulations and other requirements of the Securities and Exchange Commission
5 and the Municipal Securities Rulemaking Board, imposed directly on the Town or on the
6 underwriters of such bonds and notes and/or (3) to comply with the provisions of §§ 16-7-35 to 16-
7 7-47 of the Rhode Island General Laws, 1956,as amended; including making all necessary contracts
8 and agreements to issue said bonds and/or notes through the Rhode Island Health and Educational
9 Building Corporation.

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

20 SECTION 10. Any bonds or notes issued under the provisions of this act, if properly
21 executed by officers of the town 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 any
23 or all of such officers shall for any reason have ceased to hold office.

24 SECTION 11. The town, acting by resolution of its Town Council is authorized to apply
25 for, contract for and expend any federal or state advances or other grants or assistance which may
26 be available for the purposes of this act, and any such expenditures may be in addition to other
27 moneys 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, may
30 be repaid as project costs under Section 4.

31 SECTION 12. Bonds and notes may be issued under this act without obtaining the approval
32 of any governmental agency or the taking of any proceedings or the happening of any conditions
33 except as specifically required by this act for such issue. In carrying out any project financed in
34 whole or in part under this act, including where applicable the condemnation of any land or interest

1 in land, and in the levy and collection of assessments or other charges permitted by law on account
2 of any such project, all action shall be taken which is necessary to meet constitutional requirements
3 whether or not such action is otherwise required by statute; but the validity of bonds and notes
4 issued hereunder shall in no way depend upon the validity or occurrence of such action. To the
5 extent of any inconsistency between this act and the Town Charter, this act shall prevail.

6 SECTION 13. All of any portion of the authority to issue bonds and notes under this act
7 may be extinguished by resolution of the town council, without further action by the general
8 assembly seven (7) years after the effective date of this act.

9 SECTION 14. The question of the approval of this act shall be submitted to the electors of
10 the town at an election on a date to be determined by the Town Council which occurs at least sixty
11 days after the passage of this act. The question shall be submitted in substantially the following
12 form: The question shall be submitted in substantially the following form: "Shall an act, passed at
13 the 2024 session of the General Assembly, entitled 'AN ACT AUTHORIZING THE TOWN OF
14 NORTH KINGSTOWN TO ISSUE NOT MORE THAN \$137,200,000 BONDS AND NOTES
15 FOR CONSTRUCTION, IMPROVEMENT, RENOVATION, DEMOLITION, REMEDIATION,
16 FURNISHING, EQUIPPING AND OTHER CAPITAL IMPROVEMENTS OF SCHOOL
17 FACILITIES THROUGHOUT THE TOWN, INCLUDING BUT NOT LIMITED TO A NEW
18 WICKFORD MIDDLE SCHOOL' be approved?" and the warning for the election shall contain
19 the question to be submitted. The Town Board of Canvassers may combine any two or more voting
20 districts for the election and when so combined shall be treated as a voting district. If so combined,
21 the Town Board of Canvassers shall advertise the combination of districts in a newspaper of general
22 circulation in the Town. From the time the election is warned and until it is held, it shall be the duty
23 of the Town Clerk to keep a copy of the act available at his or her office for public inspection, but
24 the validity of the election shall not be affected by this requirement.

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

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EXPLANATION

OF

A N A C T

AUTHORIZING THE TOWN OF NORTH KINGSTOWN TO ISSUE NOT MORE THAN
\$137,200,000 OF BONDS AND NOTES FOR CONSTRUCTION, IMPROVEMENT,
RENOVATION, DEMOLITION, REMEDIATION, FURNISHING, EQUIPPING AND OTHER
CAPITAL IMPROVEMENTS OF SCHOOL FACILITIES THROUGHOUT THE TOWN,
INCLUDING BUT NOT LIMITED TO A NEW WICKFORD MIDDLE SCHOOL

1 This act would authorize the town of North Kingstown to issue not more than \$137,200,000
2 bonds and notes for construction, improvement, renovation, demolition, remediation, furnishing
3 and equipping and other capital improvements of school facilities throughout the town, including
4 a new Wickford middle school in the town.

5 Sections 14 and 15 of this act would 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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