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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2023**

A N A C T

AUTHORIZING THE TOWN OF SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$125,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF A NEW HIGH SCHOOL, ATHLETIC FACILITY, AND OTHER SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING AND ALL ATTENDANT EXPENSES, INCLUDING ENGINEERING, ARCHITECTURAL AND OTHER PROJECT-RELATED CONSULTING COSTS, 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: Senators Sosnowski, Gu, and Valverde

Date Introduced: May 15, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The town of South Kingstown is hereby empowered, in addition to  
2           authority previously granted, to issue bonds (hereinafter “bonds”) up to an amount not  
3           exceeding one hundred twenty-five million dollars (\$125,000,000) from time to time under  
4           its corporate name and seal or a facsimile of such seal. 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  
6           payable either by maturity of principal in the case of serial bonds or by sinking fund  
7           installments in the case of term bonds, in annual installments of principal, the first  
8           installment to be not later than five (5) years and the last installment not later than thirty  
9           (30) years after the date of the bonds. All such bonds of a particular issue may be issued in  
10          the form of zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a  
11          combination thereof. The amount of principal appreciation each year on any bonds, after  
12          the date of original issuance, shall not be considered to be principal indebtedness for the  
13          purposes of any constitutional or statutory debt limit or any other limitation. The

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

4 SECTION 2. The town may be eligible for school housing aid reimbursement on  
5 debt service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance  
6 from proceeds of bonds issued by the State of Rhode Island (the "State"), from the Rhode  
7 Island department of education ("RIDE") or from the Rhode Island school building  
8 authority. The amount of borrowing authorized pursuant to this act shall be reduced by the  
9 amount of certain grants actually received by the town from State bond proceeds, from  
10 RIDE or from the Rhode Island school building authority.

11 SECTION 3. The bonds shall be signed by the manual or facsimile signatures of  
12 the town director of finance and the president of the town council and shall be issued and  
13 sold in such amounts as the town council may authorize by resolution. The manner of sale,  
14 denominations, maturities, interest rates and other terms, conditions and details of any  
15 bonds or notes issued under this act may be fixed by the resolutions of the town council  
16 authorizing the issue or by separate resolution of the town council or, to the extent  
17 provisions for these matters are not so made, they may be fixed by the officers authorized  
18 to sign the bonds or notes. Notwithstanding anything contained in this act to the contrary,  
19 the town may enter into financing agreements with the Rhode Island health and educational  
20 building corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and, with  
21 respect to bonds or notes issued in connection with such financing agreements, if any, the  
22 town may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of  
23 the bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45  
24 are inconsistent herewith. In addition, the town may enter into financing agreements with  
25 the Rhode Island infrastructure bank pursuant to the provisions of chapter 12.2 of title 46  
26 and, with respect to bonds or notes issued in connection with such financing agreements,  
27 if any, the town may elect to have the provisions of chapter 12.2 of title 46 apply to the  
28 issuance of the bonds or notes issued hereunder to the extent the provisions of chapter 12.2  
29 of title 46 are inconsistent herewith. Such election may be fixed by the proceedings of the  
30 town council authorizing such issuance or by separate resolution of the town council, or,  
31 to the extent provisions for these matters are not so made, they may be fixed by the officers  
32 authorized to sign the bonds or notes. The proceeds derived from the sale of the bonds shall  
33 be delivered to the town director of finance, and such proceeds exclusive of premiums and  
34 accrued interest shall be expended: (1) To finance the acquisition, construction,

1 improvement, renovation, furnishing and equipping of a new high school, athletic facility,  
2 and other school facilities in the town and all expenses incident thereto, including, but not  
3 limited to, costs of design, demolition, athletic fields, landscaping and parking, and all  
4 attendant expenses including, but not limited to, engineering, architectural and other  
5 project-related consulting costs; (2) In payment of the principal of or interest on temporary  
6 notes issued under section 4; (3) In repayment of advances under section 5; (4) In payment  
7 of related costs of issuance of any bonds or notes; and/or (5) In payment of capitalized  
8 interest during construction of the project (the "project"). No purchaser of any bonds or  
9 notes under this act shall be in any way responsible for the proper application of the  
10 proceeds derived from the sale thereof. The project shall be carried out and all contracts  
11 made therefor on behalf of the town by the town council with due regard to any  
12 recommendation of the school building committee. The town council and the school  
13 building committee and their agents are authorized to enter, without delay and at reasonable  
14 times, any public school buildings and other public school property for the purpose of  
15 accomplishing the project and to do all acts and deeds necessary or convenient in  
16 connection with the project. The proceeds of bonds or notes issued under this act, any  
17 applicable federal or state assistance and the other monies referred to in sections 7 and 10  
18 shall be deemed appropriated for the purposes of this act without further action than that  
19 required by this act. The bonds authorized by this act may be consolidated for the purpose  
20 of issuance and sale with any other bonds of the town heretofore or hereafter authorized,  
21 provided that, notwithstanding any such consolidation, the proceeds from the sale of the  
22 bonds authorized by this act shall be expended for the purposes set forth above.

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

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

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

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

1 or as may be provided in any other applicable law of the State of Rhode Island or resolution  
2 of the town council or pursuant to an investment policy of the town.

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

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

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

1 have ceased to hold office.

2 SECTION 10. The town, acting by resolution of its town council, is authorized to  
3 apply for, contract for and expend any federal or state advances or other grants or assistance  
4 which may be available for the purposes of this act, and any such expenditures may be in  
5 addition to the monies provided in this act. To the extent of any inconsistency between any  
6 law of this state and any applicable federal law or regulation, the latter shall prevail. Federal  
7 and state advances, with interest where applicable, whether contracted for prior to or after  
8 the effective date of this act, may be repaid as project costs under section 3.

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

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

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

32 SECTION 14. The question of the approval of this act shall be submitted to the  
33 electors of the town at a local election, other than a primary, to be held on November 7,  
34 2023 or on another date determined by resolution of the town council. The question shall

1 be submitted in substantially the following form: “Shall an act passed at the 2023 session  
2 of the general assembly entitled ‘AN ACT AUTHORIZING THE TOWN OF SOUTH  
3 KINGSTOWN TO ISSUE NOT TO EXCEED \$125,000,000 GENERAL OBLIGATION  
4 BONDS AND NOTES TO FINANCE THE ACQUISITION, CONSTRUCTION,  
5 IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF A NEW  
6 HIGH SCHOOL, ATHLETIC FACILITY, AND OTHER SCHOOL FACILITIES IN THE  
7 TOWN AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT  
8 LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS,  
9 LANDSCAPING AND PARKING AND ALL ATTENDANT EXPENSES, INCLUDING  
10 ENGINEERING, ARCHITECTURAL AND OTHER PROJECT-RELATED  
11 CONSULTING COSTS, PROVIDED THAT THE AUTHORIZATION SHALL BE  
12 REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE  
13 BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION  
14 OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY’ be approved?”  
15 and the warning for the election shall contain the question to be submitted. From the time  
16 the election is warned and until it is held, it shall be the duty of the town clerk to keep a  
17 copy of this act available at the clerk’s office for public inspection, but the validity of the  
18 election shall not be affected by this requirement. To the extent of any inconsistency  
19 between this act and the town charter, this act shall prevail.

20 SECTION 15. This section and section 14 shall take effect upon the passage of this  
21 act. The remainder of this act shall take effect upon the approval of this act by a majority  
22 of those voting 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 SOUTH KINGSTOWN TO ISSUE NOT TO EXCEED \$125,000,000 GENERAL OBLIGATION BONDS AND NOTES TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF A NEW HIGH SCHOOL, ATHLETIC FACILITY, AND OTHER SCHOOL FACILITIES IN THE TOWN AND ALL EXPENSES INCIDENT THERETO, INCLUDING, BUT NOT LIMITED TO, COSTS OF DESIGN, DEMOLITION, ATHLETIC FIELDS, LANDSCAPING AND PARKING AND ALL ATTENDANT EXPENSES, INCLUDING ENGINEERING, ARCHITECTURAL AND OTHER PROJECT-RELATED CONSULTING COSTS, 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

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1           This act authorizes the town of South Kingstown to issue not more than \$125,000,000  
2 bonds and notes to finance the acquisition, construction, improvement, renovation, furnishing and  
3 equipping of a new high school, athletic facility, and other school facilities in the town and all  
4 expenses incident thereto, including, but not limited to, costs of design, demolition, athletic fields,  
5 landscaping and parking and all attendant expenses, including engineering, architectural and other  
6 project-related consulting costs, provided that the authorization shall be reduced by the amount of  
7 certain grants received from state bond proceeds, from the Rhode Island department of education  
8 or from the Rhode Island school building authority.

9           Sections 14 and 15 of this act shall take effect upon passage. The remainder of the act  
10 would take effect upon approval by the electors of the town of the question provided for in section  
11 14. The amount of borrowing authorized pursuant to this act shall be reduced by the amount of  
12 certain grants actually received by the town from State bond proceeds, from RIDE or from the  
13 Rhode Island school building authority.

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