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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2006

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A N A C T

AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE RENOVATIONS,
REMODELING, ADDITIONS, IMPROVEMENTS AND/OR RELATED EQUIPMENT FOR
SCHOOLS AND TO ISSUE NOT MORE THAN \$21,500,000 BONDS AND NOTES
THEREFOR

Introduced By: Representatives Lally, and D Caprio

Date Introduced: March 30, 2006

Referred To: House Finance

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 Twenty One Million Five Hundred
3 Thousand Dollars (\$21,500,000.00) 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 offices authorized to issue the bonds, or shall be arranged in accordance with
11 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 town
13 treasurer and the president of the Town Council and shall be issued and sold in such amounts as
14 the Town Council may authorize by resolution. The manner of sale, denominations, maturities,
15 interest rates and other terms, conditions and details of any bonds or notes issued under this act
16 may be fixed by the resolution of the Town Council authorizing the issue or by separate
17 resolution of the Town Council or, to the extent provisions for these matters are not so made, they

1 may be fixed by the officers authorized to sign the bonds or notes. The proceeds derived from the
2 sale of the bonds shall be delivered to the town treasurer, and such proceeds exclusive of
3 premiums and accrued interest shall be expended for (a) renovations, remodeling, additions,
4 improvements and/or related equipment for schools and all costs incidental thereto, (b) in
5 payment of the principal of or interest on temporary notes issued under Section 3 of this act or (c)
6 in repayment of advances under Section 4 of this act. No purchaser of any bonds or notes under
7 this act shall be in any way responsible for the proper application of the proceeds derived from
8 the sale thereof. The projects shall be carried out and all contracts made therefor on behalf of the
9 Town by a School Building Committee appointed by the Town Council or as may be otherwise
10 directed by the Town Council. The proceeds of bonds or notes issued under this act, any
11 applicable federal or state assistance and the other monies referred to in Section 6 of this act shall
12 be deemed appropriated for the purposes of this act without further action than that required by
13 this act. The bond issue authorized by this act may be consolidated for the purposes of issuance
14 and sale with any bond issue of the town heretofore or hereafter authorized, provided that,
15 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by
16 this act shall be expended for the purposes set forth above.

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

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

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

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

30 SECTION 7. All bonds or notes issued under this act and the debts evidenced thereby
31 shall be obligatory on the town in the same manner and to the same extent as other debts lawfully
32 contracted by it and shall be excepted from the operation of Section 45-12-2 of the General Laws.
33 No such obligation shall at any time be included in the debt of the town for the purpose of
34 ascertaining its borrowing capacity. The town shall annually appropriate a sum sufficient to pay

1 the principal and interest coming due within the year on bonds and notes issued hereunder to the
2 extent that moneys therefor are not otherwise provided. If such sum is not appropriated, it shall
3 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
4 notwithstanding any provision of law to the contrary, all taxable property in the town shall be
5 subject to ad valorem taxation by the town without limitation as to rate or amount.

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

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

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

27 SECTION 11. The question of the approval of this act shall be submitted to the electors
28 of the Town at an election on a date to be determined by the Town Council which occurs at least
29 thirty days after the passage of this act. The question shall be submitted in substantially the
30 following form: "Shall an act, passed at the 2006 session of the General Assembly, entitled 'AN
31 ACT AUTHORIZING THE TOWN OF NARRAGANSETT TO FINANCE RENOVATIONS,
32 REMODELING, ADDITIONS, IMPROVEMENTS AND/OR RELATED EQUIPMENT FOR
33 SCHOOLS AND TO ISSUE NOT MORE THAN \$21,500,000 BONDS AND NOTES
34 THEREFOR' be approved?" and the warning for the election shall contain the question to be

1 submitted. The Town Board of Canvassers may combine any two or more voting districts for the
2 election and when so combined shall be treated as a voting district. If so combined, the Town
3 Board of Canvassers shall advertise the combination of districts in a newspaper of general
4 circulation in the Town. From the time the election is warned and until it is held, it shall be the
5 duty of the Town Clerk to keep a copy of the act available at his or her office for public
6 inspection, but the validity of the election shall not be affected by this requirement.

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

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