

2008 -- H 8227 SUBSTITUTE A AS AMENDED

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LC02837/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

(I) AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, DEMOLITION, ALTERATION, REPAIR, ADDITIONS, PAVING, LANDSCAPING, FURNISHING AND EQUIPPING OF THE CHARIHO HIGH SCHOOL AND IMPROVEMENTS TO THE SWITCH ROAD CAMPUS, INCLUDING, BUT NOT LIMITED TO, A MAINTENANCE FACILITY, TRACK, PARKING AND UTILITY AND SECURITY UPGRADES BY THE ISSUANCE OF NOT MORE THAN \$17,847,000 BONDS AND/OR NOTES THEREFOR AND (II) PROVIDING THAT THE PRINCIPAL OF, REDEMPTION PREMIUM AND INTEREST ON BONDS AND NOTES ISSUED FOR THE PROJECT WILL BE BORNE BY THE MEMBER TOWNS IN EQUAL SHARES, WITH EACH TOWN PAYING ONE-THIRD OF THE COSTS AND SUBJECT TO APPROVAL OF STATE SCHOOL HOUSING AID

Introduced By: Representatives Scott, and Walsh

Date Introduced: April 30, 2008

Referred To: Placed on House Calendar

It is enacted by the General Assembly as follows:

1 SECTION 1. The regional school district incorporated pursuant to Chapter 55 of the
2 Public Laws of 1958, as amended, known as the Chariho Regional School District, is hereby
3 empowered, in addition to authority previously granted, to issue general obligation bonds and
4 notes to an amount not exceeding seventeen million, eight hundred forty-seven thousand dollars
5 (\$17,847,000) from time to time under its corporate name and seal; provided, however, that bonds
6 and notes shall not be issued unless the conditions of Section 4 hereof as to the level of state
7 school housing aid are met. The bonds of each issue may be issued in the form of serial bonds or
8 term bonds, zero coupon bonds, capital appreciation bonds, or compound interest bonds or a
9 combination thereof and shall be payable either by maturity of principal in the case of serial
10 bonds or by mandatory serial redemption in the case of term bonds, in annual installments of
11 principal, the first installment to be not later than five (5) years and the last installment not later
12 than thirty (30) years after the date of the bonds. The amount of principal appreciation each year
13 on any bonds, after the date of original issuance, shall not be considered to be principal
14 indebtedness for the purposes of any constitutional or statutory debt limit or any other limitation.

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

4 SECTION 2. The bonds shall be signed by the district treasurer and the chairperson of the
5 regional school district committee and shall be issued and sold in such amounts as the regional
6 school district committee may authorize. The manner of sale, denominations, maturities, interest
7 rates and other terms, conditions and details of any bonds or notes issued under this act may be
8 fixed by the proceedings of the regional school district committee authorizing the issue or by
9 separate resolution of the regional school district committee or, to the extent provisions for these
10 matters are not so made, they may be fixed by the officers authorized to sign the bonds or notes.
11 The proceeds derived from the sale of the bonds shall be delivered to the treasurer of the regional
12 school district committee, and such proceeds, exclusive of premiums and accrued interest, shall
13 be expended (a) to finance the construction, renovation, improvement, demolition, alteration,
14 repair, additions, paving, landscaping, furnishing and equipping of the Chariho High School and
15 improvements to the Switch Road Campus, including, but not limited to, a maintenance facility,
16 track, parking and utility and security upgrades (the "Project"), (b) in payment of the principal of
17 and/or interest on temporary notes issued under section three; (c) in repayment of advances made
18 pursuant to section four; (d) in payment of costs of issuance associated with the issuance of bonds
19 or notes hereunder, and/or (e) to finance capitalized interest. No purchaser of any bonds or notes
20 under this act shall be in any way responsible for the proper application of the proceeds derived
21 from the sale thereof. The proceeds of bonds or notes issued under this act, any applicable
22 federal or state assistance and the other moneys referred to in sections six and nine, shall be
23 deemed appropriated for the purpose of this act without further action than that required by this
24 act. This bond issue authorized by this act may be consolidated for the purpose of issuance and
25 sale with any other bond issue of the regional school district heretofore or hereafter authorized,
26 provided that, notwithstanding any such consolidation, the proceeds from the sale of the bonds
27 authorized by this act shall be expended for the purposes set forth above. The district treasurer
28 and the chairperson of the regional school district committee, on behalf of the regional school
29 district, are hereby authorized to execute such instruments, documents or other papers as either of
30 them deem necessary or desirable to carry out the intent of this act and are also authorized to take
31 all actions and execute all documents or agreements necessary to comply with federal tax and
32 securities laws, which documents or agreements may have a term coextensive with the maturity
33 of the bonds authorized hereby, including Rule 15c2-12 of the Securities and Exchange
34 Commission and to execute and deliver a continuing disclosure agreement or certificate in

1 connection with the bonds or notes.

2 SECTION 3. The regional school district committee may by resolution authorize the
3 issue from time to time of interest bearing or discounted notes in anticipation of the issue of
4 bonds or in anticipation of the receipt of federal or state aid for the purposes of this act. The
5 amount of original notes issued in anticipation of bonds may not exceed the amount of bonds
6 which may be issued under this act and the amount of the original notes issued in anticipation of
7 federal or state aid may not exceed the amount of available federal or state aid as estimated by the
8 treasurer of the regional school district. Temporary notes issued hereunder shall be signed by the
9 district treasurer and by the chairman of the regional school district committee and shall be
10 payable within five (5) years from their respective dates, but the principal of and interest on notes
11 issued for a shorter period may be renewed or paid from time to time by the issue of other notes
12 hereunder, provided the period from the date of an original note to the maturity of any note issued
13 to renew or pay the same debt or the interest thereon shall not exceed five (5) years. Any
14 temporary notes in anticipation of bonds issued under this section may be refunded prior to the
15 maturity of the notes by the issuance of additional temporary notes, provided that no such
16 refunding shall result in any amount of such temporary notes outstanding at any one time in
17 excess of two hundred percent (200%) of the amount of bonds which may be issued under this
18 act, and provided further that if the issuance of any such refunding notes results in any amount of
19 such temporary notes outstanding at any one time in excess of the amount of bonds which may be
20 issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
21 established with the bank which is paying agent for the notes being refunded. Pending their use
22 to pay the notes being refunded, moneys in the funds shall be invested for the benefit of the
23 regional school district by the paying agent at the discretion of the treasurer of the regional school
24 district in any investment permitted under section five. The moneys in the fund and any
25 investments held as a part of the fund shall be held in trust and shall be applied by the paying
26 agent solely to the payment or prepayment of the principal of and interest on the notes being
27 refunded. Upon payment of all principal of and interest on the notes, any excess moneys in the
28 fund shall be distributed to the regional school district committee. The regional school district
29 committee may pay the principal of and interest on notes in full from sources other than the
30 issuance of refunding notes prior to the issuance of bonds pursuant to Section 1 hereof. In such
31 case, the regional school district committee's authority to issue bonds or notes in anticipation of
32 bonds under this act shall continue provided that 1) the regional school district committee passes
33 a resolution evidencing the regional school district committee's intent to pay off the notes without
34 extinguishing the authority to issue bonds or notes and 2) that the period from the date of an

1 original note to the maturity date of any other note shall not exceed five (5) years.

2 SECTION 4. Bonds and notes shall not be issued unless the Chariho Regional School
3 District has received a letter from the Rhode Island Department of Elementary and Secondary
4 Education confirming that the Board of Regents for Elementary and Secondary Education has
5 approved the facilities to be financed for school housing aid.

6 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
7 of any authorization or issue of notes hereunder, the district treasurer, with the approval of the
8 regional school district committee, may, to the extent that bonds or notes may be issued
9 hereunder, apply funds in the treasury of the regional school district committee to the purposes
10 specified in section two, such advances to be repaid without interest from the proceeds of bonds
11 or notes subsequently issued or from the proceeds of applicable federal or state assistance or from
12 other available funds.

13 SECTION 6. 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 district
15 treasurer in demand deposits, time deposits or savings deposits in banks which are members of
16 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United
17 States of America or by any agency or instrumentality thereof ("Government Obligations") or as
18 may be provided in any other applicable law of the state of Rhode Island or resolution of the
19 regional school district committee or pursuant to an investment policy of the regional school
20 district committee. Any bank deposits or investments, other than investments in Government
21 Obligations, must either be directly insured by the Federal Deposit Insurance Corporation or be
22 collateralized by Government Obligations which have a value equal to or greater than 102% of
23 the deposit or investment amount.

24 SECTION 7. 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 shall, in the discretion of the district treasurer, be applied to the
27 cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise
28 provided, to the payment of the cost of the Projects, to the payment of the principal of or interest
29 on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing,
30 issuing and marketing bonds or notes issued hereunder may also, in the discretion of the district
31 treasurer, be met from bond or note proceeds exclusive of accrued interest or from other moneys
32 available therefor. If, upon completion of any of the Projects, there shall be any balance of bond
33 or note proceeds remaining not required for the payment of the costs of such Projects, such funds
34 shall be applied to the payment of the principal of or interest on bonds or notes issued hereunder.

1 To the extent permitted by applicable federal laws, any earnings or net profit realized from the
2 deposit or investment of funds hereunder may, upon receipt, be added to and dealt with as part of
3 the revenues of the regional school district from the member towns. In exercising any discretion
4 under this section, the treasurer shall be governed by any instructions adopted by resolution of the
5 regional school district committee.

6 SECTION 8. All bonds and notes issued under this act and the debts evidenced thereby
7 shall be obligatory on the regional school district committee in the same manner and to the same
8 extent as other debts are obligatory under the laws of this state on incorporated towns of this state
9 and such debt evidenced by said bonds or notes shall not be construed at any time to form a part
10 of the debt of any individual town which is a member of the regional school district for the
11 purpose of ascertaining the borrowing capacity of such town, nor shall said debt contracted by the
12 regional school district in any way apply to the operation of section 45-12-2 of the general laws,
13 as amended, with respect to any member town. The regional school district shall annually
14 appropriate a sum sufficient to pay the principal and interest coming due within the year on bonds
15 and notes issued hereunder until such bonds and notes and the interest thereon are paid in full.

16 SECTION 9. Any bonds or notes issued under the provisions of this act, if properly
17 executed by officers of the regional school district in office on the date of execution, shall be
18 valid and binding according to their terms notwithstanding that before the delivery thereof and
19 payment therefor any or all of such officers shall for any reason have ceased to hold office.

20 SECTION 10. The regional school district, acting by resolution of its regional school
21 district committee, is authorized to apply for, contract for and expend any federal or state
22 advances or other grants or assistance which may be available for the purposes of this act, and
23 any such expenditures may be in addition to other moneys provided in this act. To the extent of
24 any inconstancy between any law of this state and any applicable federal law or regulation, the
25 latter shall prevail. Federal and state advances, with interest where applicable, whether
26 contracted for prior to or after the effective date of this act, may be repaid as Project costs under
27 section two.

28 SECTION 11. 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 assessment or other charges permitted by
33 law on account of such Project, all action shall be taken which is necessary to meet constitutional
34 requirements whether or not such action is otherwise required by statute; but the validity of bonds

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

2 SECTION 12. All or any portion of the authority to issue bonds and notes under this act
3 may be extinguished by resolution of the regional school district committee, without further
4 action by the general assembly, seven (7) years after the effective date of this act.

5 SECTION 13. Notwithstanding the provisions of Section 15 of Chapter 55 of the Public
6 Laws of 1958 as heretofore amended, including amendments made by Chapter 490 of the Public
7 Laws of 2006, the principal of, redemption premium and interest on the bonds and or notes
8 authorized by this act, shall be borne by the member towns in equal shares, with each member
9 town paying one-third of the costs.

10 SECTION 14. The question of the approval of this act shall be submitted to the electors
11 of the towns of Charlestown, Richmond and Hopkinton at an election (other than a primary
12 election) to be held on a date to be set by the regional school district committee. The question
13 shall be submitted in substantially the following form: "Shall an act, passed at the 2008 session of
14 the general assembly, entitled 'AN ACT (I) AUTHORIZING THE CHARIHO REGIONAL
15 SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, RENOVATION,
16 IMPROVEMENT, DEMOLITION, ALTERATION, REPAIR, ADDITIONS, PAVING,
17 LANDSCAPING, FURNISHING AND EQUIPPING OF THE CHARIHO HIGH SCHOOL
18 AND IMPROVEMENTS TO THE SWITCH ROAD CAMPUS, INCLUDING, BUT NOT
19 LIMITED TO, A MAINTENANCE FACILITY, TRACK, PARKING AND UTILITY AND
20 SECURITY UPGRADES BY THE ISSUANCE OF NOT MORE THAN \$17,847,000 BONDS
21 AND/OR NOTES THEREFOR AND (II) PROVIDING THAT THE PRINCIPAL OF,
22 REDEMPTION PREMIUM AND INTEREST ON BONDS AND NOTES ISSUED FOR THE
23 PROJECT WILL BE BORNE BY THE MEMBER TOWNS IN EQUAL SHARES, WITH
24 EACH TOWN PAYING ONE-THIRD OF THE COSTS AND SUBJECT TO APPROVAL OF
25 STATE SCHOOL HOUSING AID be approved?" and the warning for the election shall contain
26 the question to be submitted. From the time the election is warned and until it is held, it shall be
27 the duty of the town clerks of the respective towns of Charlestown, Richmond and Hopkinton to
28 keep a copy of the act available at their offices for public inspection, but the validity of the
29 election shall not be affected by this requirement. To the extent of any inconsistency between
30 this act and the home rule charter of any member town, this act shall prevail.

1 SECTION 15. Sections 14 and 15 shall take effect upon passage of this act. The
2 remainder of this act shall take effect upon the approval of this act by a majority in each town of
3 those voting on the question at the election prescribed by the foregoing section.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

(I) AUTHORIZING THE CHARIHO REGIONAL SCHOOL DISTRICT TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, DEMOLITION, ALTERATION, REPAIR, ADDITIONS, PAVING, LANDSCAPING, FURNISHING AND EQUIPPING OF THE CHARIHO HIGH SCHOOL AND IMPROVEMENTS TO THE SWITCH ROAD CAMPUS, INCLUDING, BUT NOT LIMITED TO, A MAINTENANCE FACILITY, TRACK, PARKING AND UTILITY AND SECURITY UPGRADES BY THE ISSUANCE OF NOT MORE THAN \$17,847,000 BONDS AND/OR NOTES THEREFOR AND (II) PROVIDING THAT THE PRINCIPAL OF, REDEMPTION PREMIUM AND INTEREST ON BONDS AND NOTES ISSUED FOR THE PROJECT WILL BE BORNE BY THE MEMBER TOWNS IN EQUAL SHARES, WITH EACH TOWN PAYING ONE-THIRD OF THE COSTS AND SUBJECT TO APPROVAL OF STATE SCHOOL HOUSING AID

1 This act would authorize the Chariho Regional School District to finance the
2 construction, renovation, improvement, demolition, alteration, repair, additions, paving,
3 landscaping, furnishing and equipping of construction of the Chariho High School and
4 improvements to the Switch Road Campus, including, but not limited to, a maintenance facility,
5 track, parking, and utility and security upgrades by the issuance of not more than \$17,847,000
6 bonds and/or notes therefor and providing that the principal of, redemption premium and interest
7 on bonds and notes issued for the project will be borne by the member towns in equal shares, with
8 each town paying one-third of the costs. Issuance of bonds and notes would be conditioned on
9 the School District's receipt of a letter from the Department of Elementary and Secondary
10 Education confirming that the Board of Regents for Elementary and Secondary Education has
11 approved the facilities to be financed for state school housing aid.

12 Sections 14 and 15 would take effect upon passage of this act. The remainder of this act
13 would take effect upon the approval of this act by a majority in each town of those voting on the
14 question at the election prescribed by the foregoing section

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