

2022 --

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$5,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE ACQUISITION AND DEVELOPMENT OF OPEN
SPACE IN THE CITY

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Introduced By:

Date Introduced:

Referred To:

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Warwick is hereby empowered, in addition to authority
2 previously granted, to issue bonds to an amount not exceeding five million dollars (\$5,000,000)
3 from time to time under its corporate name and seal. The bonds of each issue may be issued in the
4 form of serial bonds or term bonds or a combination thereof and shall be payable either by maturity
5 of principal in the case of serial bonds or by mandatory sinking fund redemption in the case of
6 term bonds, in annual installments of principal, the first installment to be not later than five (5)
7 years and the last installment not later than thirty (30) years after the date of the bonds. All such
8 bonds of a particular issue may be issued in the form of zero coupon bonds, capital appreciation
9 bonds, serial bonds or term bonds or any combination thereof. The amount of principal

1 appreciation each year on any bonds, after the date of original issuance, shall not be considered to
2 be principal indebtedness for the purposes of any constitutional or statutory debt limit or any other
3 limitation. The appreciation of principal after the date of original issue shall be considered interest.
4 Only the original principal amount shall be counted in determining the principal amount so issued
5 and any interest component shall be disregarded.

6 SECTION 2. The bonds shall be signed by the city treasurer and by the manual or facsimile
7 signature of the mayor and be issued and sold in such amounts as the city council may determine
8 by resolution. The manner of sale, denominations, maturities, interest rates and other terms,
9 conditions and details of any bonds or notes issued under this act may be fixed by the proceedings
10 of the city council authorizing the issue or by separate resolution of the city council or, to the extent
11 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
12 the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to the city
13 treasurer, and such proceeds exclusive of premiums and accrued interest shall be expended: (1)
14 For acquiring and developing open space in the city of Warwick all subject to the
15 favorable recommendation of and in accordance with the procedures of the Warwick Land Trust
16 established pursuant to chapter 60 of the public laws of 2000 and chapter 51, article III of the code
17 of ordinances of the city, with all such open space to be held in the name of the Warwick Land
18 Trust, (2) For payment of the principal or interest on temporary notes issued under section three,
19 (3) In payment of capitalized interest on bonds or notes (4) In repayment of advances under section
20 four, or (5) In payment of related costs of issuance of any bonds or notes. No purchaser of any
21 bonds or notes under this act shall be in any way responsible for the proper application of the
22 proceeds derived from the sales thereof. The proceeds of bonds or notes issued under this act,
23 any applicable federal or state assistance and other monies referred to in section six and nine, shall

1 be deemed appropriated for the purposes of this act without further action than that required by
2 this act. The bond issue authorized by this act may be consolidated for the purposes of issuance
3 and sale with any other bond issue of the city heretofore or hereafter authorized, provided that,
4 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by this
5 act shall be expended for the purposes set forth above. The city treasurer and the mayor, on behalf
6 of the city, are hereby authorized to execute such instruments, documents or other papers as either
7 of them deem necessary or desirable to carry out the intent of this act and are also authorized to
8 take all actions and execute all documents or agreements necessary to comply with federal tax and
9 securities laws, which documents or agreements may have a term coextensive with the maturity of
10 the bonds authorized hereby.

11 SECTION 3. The city council may by resolution authorize the issuance from time to time
12 of interest bearing or discounted notes in anticipation of the issue of bonds or in anticipation of the
13 receipt of federal or state aid for the purposes of this act. The amount of original notes issued in
14 anticipation of bonds may not exceed the amount of bonds which may be issued under this act and
15 the amount of original notes issued in anticipation of federal or state aid may not exceed the amount
16 of available federal or state aid as estimated by the city treasurer. Temporary notes issued
17 hereunder shall be signed by the manual or facsimile signatures of the city treasurer and by the
18 mayor and shall be payable within five (5) years from their respective dates, but the principal of
19 and interest on notes issued for a shorter period may be renewed or paid from time to time by the
20 issue of other notes hereunder, provided the period from the date of an original note to the maturity
21 of any note issued to renew or pay the same debt or the interest thereon shall not exceed five (5)
22 years. Any temporary notes in anticipation of bonds issued under this section may be refunded
23 prior to the maturity of the notes by the issuance of additional temporary notes, provided that no

1 such refunding shall result in any amount of such temporary notes outstanding at any one time in
2 excess of two hundred percent (200%) of the amount of bonds which may be issued under this act,
3 and provided further that if the issuance of any such refunding notes results in any amount of such
4 temporary notes outstanding at any one time in excess of the amount of bonds which may be issued
5 under this act, the proceeds of such refunding notes shall be deposited in a separate fund
6 established with the bank which is paying agent for the notes being refunded. Pending their use
7 to pay the notes being refunded, monies in the fund shall be invested for the benefit of the city by
8 the paying agent at the direction of the city treasurer in any investment permitted under section
9 five. The monies in the fund and any investments held as a part of the fund shall be held in trust
10 and shall be applied by the paying agent solely to the payment or prepayment of the principal of
11 and interest on the notes being refunded. Upon payment of all principal of and interest on the
12 notes, any excess monies in the fund shall be distributed to the city. The city may pay the principal
13 of and interest on notes in full from other than the issuance of refunding notes prior to the issuance
14 of bonds pursuant to Section 1 hereof. In such case, the city's authority to issue bonds or notes in
15 anticipation of bonds under this act shall continue provided that 1) the city council passes a
16 resolution evidencing the city's intent to pay off the notes without extinguishing the authority to
17 issue bonds or notes and 2) that the period from the date of an original note to the maturity date of
18 any other note shall not exceed five (5) years.

19 SECTION 4. Pending any authorization or issue of bonds hereunder or pending or in lieu
20 of any authorization or issue of notes hereunder, the city treasurer, with the approval of the city
21 council, may, to the extent that bonds or notes may be issued hereunder, apply funds in the general
22 treasury of the city to the purposes specified in section two, such advances to be repaid without

1 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
2 federal or state assistance or from other available funds.

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

10 SECTION 6. Any accrued interest received upon the sale of bonds or notes hereunder shall
11 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
12 bonds or notes hereunder may, in the discretion of the city treasurer, be applied to the cost of
13 preparing, issuing, and marketing bonds or notes hereunder to the extent not otherwise provided
14 and, notwithstanding any other provisions of the general laws regarding the use of premium, shall
15 not be applied to costs of the projects other than costs of issuance. Any premium in excess of
16 the amounts to be applied to costs of issuance shall be applied to reduce the principal amount of
17 the bonds or notes issued. The cost of preparing, issuing, and marketing bonds or notes
18 hereunder may also, in the discretion of the city treasurer, be met from bond or note proceeds
19 exclusive of premium and accrued interest or from other monies available therefor. Any balance
20 of bond or note proceeds remaining after payment of the cost of the projects and the cost of
21 preparing, issuing and marketing bonds or notes hereunder shall be applied to the payment of the
22 principal of or interest on bonds or notes issued hereunder. To the extent permitted by applicable
23 federal laws, any earnings or net profit realized from the deposit or investment of funds hereunder

1 may, upon receipt, be added to and dealt with as part of the revenues of the city from property
2 taxes. In exercising any discretion under this section, the city treasurer shall be governed by
3 any instructions adopted by resolution of the city council.

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

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

18 SECTION 9. The city, acting by resolution of its city council is authorized to apply for,
19 contract for and expend any federal or state advances or other grants of assistance which may be
20 available for the purposes of this act, and any such expenditures may be in addition to other monies
21 provided in this act. To the extent of any inconsistency between any law of this state and any
22 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with

1 interest where applicable, whether contracted for prior to or after the effective date of this act, may
2 be repaid as a cost of the projects under section two.

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

12 SECTION 11. All or any portion of the authority to issue bonds and notes under this act
13 may be extinguished by resolution of the city council, without further action by the general
14 assembly, seven (7) years after the effective date of this act.

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

23 SECTION 13. The question of the approval of this act shall be submitted to the electors

1 of the city at the general election to be held on November 8, 2022. The question shall be submitted
2 in substantially the following form: "Shall an act passed at the 2022 session of the general assembly
3 entitled 'AN ACT AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO
4 EXCEED \$5,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES
5 OF INDEBTEDNESS TO FINANCE THE ACQUISITION AND DEVELOPMENT OF OPEN
6 SPACE IN THE CITY ' be approved?" and the warning for the election shall contain the question
7 to be submitted. From the time the election is warned and until it is held, it shall be the duty of the
8 city clerk to keep a copy of the act available at the clerk's office for public inspection, but the
9 validity of the election shall not be affected by this requirement. To the extent of any inconsistency
10 between this act and the city charter or any law of special applicability to the city, this act shall
11 prevail.

12 SECTION 14. Sections 13 and 14 shall take effect upon the passage of this act. The
13 remainder of this act shall take effect upon the approval of this act by a majority of those voting
14 on the question at the election prescribed by section 13.

EXPLANATION

OF

AN ACT

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$5,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE ACQUISITION AND DEVELOPMENT OF OPEN
SPACE IN THE CITY

1 This act authorizes the city of Warwick to issue not more than \$5,000,000 bonds, notes
2 and other evidences of indebtedness to finance the acquisition and development of open space in
3 the city of Warwick, all subject to the favorable recommendation of and in accordance with the
4 procedures of the Warwick Land Trust established pursuant to chapter 60 of the public laws of
5 2000 and chapter 51, article III of the code of ordinances of the city, with all such open space to
6 be held in the name of the Warwick Land Trust,

7 Sections 13 and 14 shall take effect upon passage. The remainder of the act would take
8 effect upon approval of the question provided for in Section 13.

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A N A C T

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-----Presented by