

6786

I N S E N A T E

March 11, 2014

Introduced by Sen. O'MARA -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT in relation to making certain findings and determinations with respect to bond anticipation notes issued by the town of Campbell, county of Steuben, validating such notes, and authorizing the issuance of obligations of such with respect thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Legislative Findings. (a) It is hereby found and determined
2 that the town board of the town of Campbell, in the county of Steuben,
3 undertook the following described actions in relation to the formation
4 of Water District No. 2 within said town and the issuance of bond antic-
5 ipation notes to finance the improvements included in said water
6 district:
7 (1) By an order adopted on September 14, 2009, and recorded in the
8 office of the Steuben County Clerk on November 11, 2009 in book 2262 at
9 page 87, as amended and corrected by an amended order adopted on Novem-
10 ber 8, 2010, and recorded in the office of the Steuben County Clerk on
11 November 16, 2010 in book 2311 at page 288, pursuant to article 12 of
12 the town law, said town board approved the establishment of said Water
13 District No. 2 and the construction of the improvements to be included
14 in said water district at a maximum cost not to exceed \$225,080.00.
15 (2) Pursuant to a resolution adopted by said town board on August 10,
16 2009, said town issued its note, dated September 4, 2009 in the princi-
17 pal amount of \$225,080 maturing on September 4, 2010 to finance the
18 improvements to be included as part of said Water District No. 2. Ther-
19 eafter, pursuant to a bond resolution adopted by said town board on
20 September 13, 2010 and a certificate of the Supervisor of said town,
21 dated September 20, 2010, said note was refinanced by the issuance of a
22 bond anticipation note dated September 20, 2010 in the principal amount
23 of \$225,080 maturing on September 20, 2011. Thereafter, pursuant to a
24 resolution adopted by said town board on September 12, 2011 and a
25 certificate of the supervisor of said town dated September 20, 2011, a
26 principal payment of \$10,000 was made on said bond anticipation note and

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 said note was renewed by the issuance of a renewal bond anticipation
2 note dated September 20, 2011 in the principal amount of \$215,080,
3 maturing on September 20, 2012. Thereafter, pursuant to a certificate of
4 the supervisor of said town dated September 20, 2012, a principal
5 payment of \$10,080 was made on said renewal bond anticipation note and
6 said note was again renewed by the issuance of a renewal bond antic-
7 ipation note dated September 20, 2012 in the principal amount of
8 \$205,000 maturing on September 20, 2013. Thereafter, pursuant to a
9 certificate of the supervisor of said town dated September 20, 2013, a
10 principal payment of \$5,000 was made on said renewal bond anticipation
11 note and said note was again renewed by the issuance of a renewal bond
12 anticipation note dated September 20, 2013 in the principal amount of
13 \$200,000, maturing on September 19, 2014.

14 (b) It is hereby further found and determined that the note and the
15 bond anticipation notes described in subdivision (a) of this section
16 were not issued in compliance with the applicable provisions of the
17 local finance law, in that: (i) the initial note dated September 4, 2009
18 was issued prior to the date that said Water District No. 2 was estab-
19 lished by the town board of said town of Campbell pursuant to the order
20 dated September 14, 2009, as amended and corrected by the amended order
21 dated November 8, 2010, and as such, under section 10.00 of the local
22 finance law, said town did not have the authority to contract such
23 indebtedness; (ii) said note dated September 4, 2009 was issued prior to
24 the adoption by said town board a bond resolution in accordance with
25 sections 31.00 and 32.00 of the local finance law; (iii) said note dated
26 September 4, 2009 was not renewed until after September 4, 2010 maturity
27 date thereof; and (iv) a portion of the principal amount of said bond
28 anticipation notes was not redeemed from a source other than the
29 proceeds of bonds within two years of the date of issuance of the said
30 note dated September 4, 2009, and further portions of said bond antic-
31 ipation notes were not redeemed by September 4 of each subsequent year,
32 as required by section 23.00 of the local finance law.

33 S 2. Notwithstanding the defects described in section one of this act,
34 the bond anticipation notes and renewals thereof issued by the Town of
35 Campbell, as described in section one of this act, and all resolution,
36 acts and proceedings heretofore adopted or taken by the town board and
37 the supervisor of said town in relation thereto, are hereby validated,
38 ratified and confirmed. Subject to the adoption by the town board of the
39 town of Campbell of an amending bond resolution in accordance with
40 sections 31.00 and 32.00 of the local finance law determining that the
41 period of probable usefulness of the object or purpose for which the
42 said bond anticipation notes were issued is 40 years, said town is here-
43 by authorized to hereinafter issue bonds or renewal bond anticipation
44 notes in the aggregate principal amount of \$195,000 for the purpose of
45 refinancing the outstanding bond anticipation note issued for the object
46 or purpose described in section one, provided that, notwithstanding the
47 provisions of paragraph (b-1) of section 23.00 of the local finance law,
48 a portion of any such renewal bond application notes hereafter issued
49 shall be redeemed from a source other than the proceeds of bonds not
50 later than September 19, 2015 and each September 19 thereafter for so
51 long as any such renewal bond anticipation notes remain outstanding; and
52 provided further that, in the event that the renewal bond anticipation
53 note, dated September 20, 2013 described in paragraph 2 of subdivision
54 (a) of section one of this act has, prior to the effective date of this
55 act, been amended to extend the maturity date thereof, been renewed by
56 another renewal bond anticipation note, or been redeemed in full, said

1 town, following enactment of this act, shall have the authority,
2 notwithstanding any such extension, renewal or redemption, to issue the
3 bonds or renewal bond anticipation notes authorized by this section for
4 the purpose of refinancing such extended or renewed bond anticipation
5 note for the purpose of reborrowing the principal amount of such
6 redeemed bond anticipation note up to the maximum principal amount
7 authorized by this section.

8 S 3. Except as otherwise set forth in this act, the bonds and bond
9 anticipation notes, and renewals thereof, issued pursuant to this act
10 shall be issued in accordance with the provisions of the local finance
11 law.

12 S 4. If any clause, sentence, subdivision, paragraph, section or part
13 of this act be adjudged by any court of competent jurisdiction, to be
14 invalid, such judgment shall not affect, impair or invalidate the
15 remainder thereof, but shall be confined in its operation to the clause,
16 sentence, subdivision, paragraph, section or part thereof directly
17 involved in the controversy in which such judgment shall have been
18 rendered.

19 S 5. This act shall take effect immediately.