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I N   S E N A T E

March 11, 2014

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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.