



SPONSOR: Rep. Osienski & Sen. Mantzavinos
Reps. Baumbach, Heffernan, Mitchell; Sens. Ennis,
Hansen, Sokola

HOUSE OF REPRESENTATIVES
151st GENERAL ASSEMBLY

HOUSE BILL NO. 286

AN ACT TO AMEND TITLE 9 OF THE DELAWARE CODE TO EXTEND THE PERMITTED MATURITIES OF BONDS FOR SEWER AND WASTEWATER TREATMENT IN NEW CASTLE COUNTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Section 1163 of Title 9 of the Delaware Code by making deletions as shown by strikethrough
2 and additions as shown by underline as follows:

3 (a)(4) The bonds authorized by each ordinance shall mature as may be determined by the County Council but in
4 any event not later than 30 years after the date of the bonds; provided, however, that the last maturity of bonds issued to
5 finance any single water, sewer or wastewater improvement costing over \$5,000,000 may mature not later than 40 years
6 after the date of such bonds.

7 (5) Bonds issued pursuant to this chapter shall be sold by the County Executive at public sale upon sealed
8 proposals after at least 10 days' notice published at least once in 1 newspaper of general circulation published in New
9 Castle County and ~~in a financial journal published in the City of New York~~ on the website of New Castle County, at
10 such price and upon such terms, conditions and regulations as the County Council may prescribe; provided, that the
11 County Council may authorize the County Executive to sell such bonds at public or private sale upon such terms,
12 conditions and regulations as it may prescribe.

13 Section 2. Amend Chapter 23 of Title 9 of the Delaware Code by making deletions as shown by strikethrough and
14 additions as shown by underline as follows:

15 § 2311. Bonds; power to issue; terms; authority of County Executive.

16 (a) The County Council may issue bonds of New Castle County to finance the cost of constructing sewage
17 disposal facilities in any sanitary sewer district. The moneys raised by the issuance of such bonds shall be held in a separate
18 account and shall be expended only for the construction of sewage disposal facilities in the sanitary sewer district for which
19 the bonds are issued.

20 (b) The bonds shall bear interest at the most advantageous rate attainable by the County Council and the income
21 therefrom shall not be subject to state taxation. Each issue of such bonds shall be payable within ~~30~~ 40 years after the date
22 of the bonds of such issue. The interest coupons and face amount of the bonds shall be payable at such place or places as

23 the County Council may prescribe. The reasonable expenses of issuing such bonds shall be deemed a part of the cost of
24 constructing the sewer facilities. The full faith and credit of New Castle County shall be pledged to the payment of such
25 bonds and the interest thereon. Debt incurred by the County Council pursuant to this chapter may be represented by
26 uncertificated obligations of the County Council which may be authorized in accordance with the same procedures
27 applicable to bonds which are permitted to be issued under this chapter, and the County Council by resolution may
28 determine, or it may delegate authority to the County Executive to determine, all procedures appropriate to the
29 establishment of a system of issuing uncertificated debt.

30 (c) The County Council may authorize the County Executive to sell such bonds at public or private sale upon such
31 terms, conditions and regulations as it may prescribe.

32 § 2312. Notice of Advertising sale of bonds; bonds. authority of County Executive.

33 The County Council shall advertise provide notice of its intent to sell the bonds ~~for sale~~ in at least 2 issues in each
34 ~~of 2~~ 1 newspaper newspapers, ~~1 of which shall be a newspaper~~ of general circulation published in New Castle County the
35 ~~City of Wilmington, and the other a newspaper of general circulation published in the City of New York, inviting bids for~~
36 ~~the bonds at least ten days prior to the sale of the bonds.~~ The advertisements notice shall state the total amount of the
37 proposed issue, the interest rate, the purpose of the bonds and provide a County website where more information can be
38 found. ~~the denominations of the bonds, the place of payment of the bonds and interest, the place and date of opening bids,~~
39 ~~and the conditions under which the bonds are to be sold~~ ~~The County Council may give notice of the sale of the bonds in~~
40 ~~such other manner as it may decide. In addition, the County Council may authorize the County Executive to sell such bonds~~
41 ~~at public or private sale upon such terms, conditions and regulations as it may prescribe.~~

SYNOPSIS

According to the American Society of Civil Engineers, the useful life of the components of typical sewer and wastewater systems ranges from 15 years to 100 years. In light of the long life of sewer and wastewater infrastructure, longer maturities are appropriate for bonds issued to fund such infrastructure. This bill extends the maturity of bonds permitted to be issued by New Castle County from 30 years to 40 years for both sewer and wastewater projects, recognizing the long life of such assets. Extending the maturities of sewer and wastewater infrastructure-related bonds will enable New Castle County to access federal programs that allow for longer-duration repayment periods, such as the Water Infrastructure and Innovation Act and the U.S. Department of Agriculture loan program for sewer, solid waste and stormwater drainage in eligible rural areas. Furthermore, longer maturities reduce the debt service burden on the County's operating budget.

Additionally, this bill removes the requirement that New Castle County advertise bond sales in newspapers, while retaining an obligation to provide published notice of bond sales to New Castle County residents. Municipal bond sales are advertised through national and international electronic platforms that are monitored by institutional investors, rendering print advertising of such sales obsolete and unnecessary.