



SPONSOR: Rep. D. Short & Sen. Richardson

HOUSE OF REPRESENTATIVES  
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 107

AN ACT TO AMEND THE CHARTER OF THE CITY OF SEAFORD RELATING TO THE CITY'S ABILITY TO BORROW MONEY AND ISSUE BONDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend Section 35 of the City of Seaford Charter by making deletions as shown by strike through and insertions as shown by underline as follows:

**Power To Borrow Money And Issue Bonds.**

**Section 35.**

The City Council may borrow money and issue bonds or certificates of indebtedness to secure the payment thereof on the faith and credit of the City of Seaford, to provide funds for the erection, the extension, the enlargement, the purchase or the repair of any plant, machinery, appliances, or equipment for the supply, or the manufacture and distribution of electricity or gas for light, heat or power purposes; for the furnishing of water to the public; for the construction, repair or improvements of highways, streets or lanes, or the paving, curbing or erection of gutters along the same; for the construction or repair of sewers or sewage disposal equipment; or to defray the cost or the share of the City of the cost of any permanent municipal improvements; provided, however, that the borrowing of the money therefor shall have been authorized by the City Council and shall have been approved by the electors in the manner and at the time following:

(A) Council by resolution shall propose to the electors of the City by resolution that the state amount of the money shall be borrowed for any of the above purposes. The resolution shall state the amount of the money desired to be borrowed, the purpose for which it is desired, the manner of securing the same, and other pertinent facts relating to the loan which are deemed pertinent by the City Council and in their possession, and shall fix a time and place for hearing on the said resolution.

(B) Notice of the time and place of the hearing on the resolution authorizing said loan shall be printed in a newspaper published in the City and or distributed in circular form at least one week before the time set for said hearing.

(C) A second resolution shall then be passed by Council ordering a special election to be held not less than thirty days and not more than sixty days after said hearing to borrow the said money, for the purpose of voting for or against the

22 proposed loan. The passing of the second resolution calling the special election shall ipso facto be considered Council's  
23 determination to proceed in the matter in issue.

24 (D) The notice of the time and place of holding the said special election shall be printed in two issues of a  
25 newspaper in the City within thirty days prior to the election, and or distributed in circular form at least fifteen days prior to  
26 the election or both at the discretion of the Council.

27 (E) At the Special Election, every owner of property, whether an individual, partnership or corporation, shall have  
28 one vote and every person who is a bona fide resident of The City of Seaford, but who is not an owner of property within  
29 the corporate limits of The City of Seaford shall have one vote. All votes may be cast either in person or by proxy. Any  
30 Special Election held pursuant to the provisions of this Section may be conducted by paper ballot or through the use of  
31 voting machines. The polling place shall be opened from 7:00 a.m. prevailing time, until 3:00 p.m. prevailing time, on the  
32 date set for the Special Election. Absentee voting shall be permitted in conformity with Chapter 75 of Title 15 of the  
33 Delaware Code.

34 (F) The Council shall cause to be prepared, printed and have available for distribution a sufficient number of  
35 ballots at not less than five days prior to the date of the special election.

36 (G) The Board of Election shall count the votes for and against the proposed loan; and shall announce the result  
37 thereof; shall make a certificate under their hands of the number of votes cast for and against the proposed loan, and shall  
38 deliver the same to the Council, which said certificates shall be entered on the minutes of the Council, and the original shall  
39 be filed with the papers of the Council.

40 The form of bond or certificate of indebtedness, the interest rate, the time or times of payment of interest, the  
41 classes, the time or times of maturity, provisions as to registration, any callable or redeemable provision, the denomination  
42 and name and other relative or pertinent matters shall all be determined by Council after said Special Election. The bond or  
43 bonds or certificate or certificates of indebtedness may be sold at either public or private sale. The Council shall provide in  
44 its budget, and in fixing the rate of tax, for the payment of interest and principal on said bonds at the maturity or maturities  
45 thereof, and may establish a sinking fund therefor. The faith and credit of the City of Seaford shall be deemed to be pledged  
46 for the due payment of the bonds and interest thereon issued under the provisions hereof, when the same have been properly  
47 executed and delivered for value. There shall be no limitation upon the amount which may be raised from the taxation of  
48 real estate for the payment of interest on and the principal of any bonded indebtedness whether hereinbefore or hereafter  
49 incurred.

50           The bonded indebtedness shall not at any time exceed in the aggregate the total sum Twenty-five (25) percent of  
51   the value of the real property situate within the limits of the City as shown by the last assessment preceding the creation of  
52   the said indebtedness.

53           In the event the City of Seaford should construct or acquire any plant, machinery, appliances, or equipment for the  
54   supply of electricity for gas, heat or power purposes, authority is hereby granted the City of Seaford to furnish electricity or  
55   gas for light, heat, or power purposes at retail within said City and within one-half mile of the corporate limits thereof, and  
56   to sell excess electric current at wholesale outside one-half mile of the corporate limits thereof, provided that the furnishing  
57   of said service will not incur indebtedness in excess of the bonded limit of said City and to do all things necessary to carry  
58   out this authority.

59           (H) All provisions of this Section and any other Section of this Charter limiting the amounts of indebtedness to be  
60   incurred or taxes to be levied by the City Council shall not apply to any indebtedness incurred or any special ad valorem  
61   taxes, special taxes, or ad valorem taxes levied pursuant to or in connection with Section 37A of this Charter.

62           (I) The Council shall be authorized to allow short or long-term debt incurred from state or federal government  
63   revolving loan funds for critical water, sewer, stormwater and wastewater treatment facilities to be exempt from the special  
64   election requirements set forth in Section 35 of this Charter. To exercise the power aforesaid, after two (2) Public Hearings  
65   related to the debt to be incurred, the council shall adopt a resolution to that effect by the affirmative vote of five (5) of the  
66   members of council. The indebtedness created under this provision shall be evidenced by notes or bonds of the city, and the  
67   full faith and credit of the city shall be deemed to be pledged thereby.

#### SYNOPSIS

          This bill authorizes the City of Seaford to incur short or long-term debt for state or federal revolving loan funds for critical water, sewer, stormwater, or wastewater treatment facilities or projects from state or federal revolving loan funds without having to meet special election requirements otherwise required by the charter for incurring such debt.