
BOND ELECTIONS - DELAWARE

Nichols v. City of Rehoboth Beach

United States Court of Appeals, Third Circuit - September 7, 2016 - F.3d - 2016 WL 4651383

Taxpayer brought action against city challenging special election for approval of bond issue and the resultant issuance of bonds.

The United States District Court for the District of Delaware dismissed. Taxpayer appealed.

The Court of Appeals held that:

- Taxpayer's challenge to bond was insufficient to confer municipal taxpayer standing on her;
- City's expenditure of municipal funds to hold a special election for approval of bond issue was not sufficient to establish municipal taxpayer standing on taxpayer; and
- City's purchase of advertisement in local newspaper to inform voters of special election was not sufficient to establish municipal taxpayer standing on taxpayer.

Municipal taxpayer's challenge to debt incurred by city from $52.5 million bond issue approved by special election that allegedly violated the Fourteenth Amendment with regard to requirements to vote in election was insufficient to confer municipal taxpayer standing on taxpayer in her action against city, where city did not expend funds from bond on the allegedly illegal elements of the special election.

City's expenditure of municipal funds to hold a special election for approval of bond issue was not sufficient to establish municipal taxpayer standing on taxpayer who sought to challenge certain voting procedures used in special election under Fourteenth Amendment in her action against city, where taxpayer did not assert that city expended funds on the allegedly unconstitutional aspects of the special election, special election itself would have been held regardless of procedures city employed in holding election, causing city to expend the funds regardless of voting requirements used, and funds expended on special election were de minimis.

City's purchase of advertisement in local newspaper to inform voters of special election for approval of bond issue was not sufficient to establish municipal taxpayer standing on taxpayer who sought to challenge certain voting procedures use in special election under Fourteenth Amendment in her action against city, where purported illegality of election procedures had nothing to do with expenditure of funds for advertisement, and cost of advertisement was de minimis.

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