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MANAGEMENT AUTHORITIES ACT - RHODE ISLAND

Bronhard v. Thayer Street District Management Authority

Supreme Court of Rhode Island - November 27, 2024 - A.3d - 2024 WL 4901769

Owner of property serviced by district management authority filed complaint against authority for declaratory and injunctive relief, fraud, unjust enrichment, negligence, and violation of takings and due process clauses, and claiming district imposed and collected taxes on property without authority, and engaged in extreme and outrageous conduct under the color of state law.

The Superior Court granted authority's motion for summary judgment, and denied owner's cross-motion for summary judgment. Owner appealed.

The Supreme Court held that:

- Factor considering whether dissolution provision of the District Management Authorities Act was aimed at public officers weighed in favor of finding that provision was directory, rather than mandatory;
- Factor considering whether dissolution provision of the District Management Authorities Act contained sanction weighed in favor of finding that provision was directory, rather than mandatory; and
- Factor considering whether dissolution provision of the District Management Authorities Act was essence of statute weighed in favor of finding that provision was directory, rather than mandatory.

Factor considering whether a statutory provision was aimed at public officers weighed in favor of finding that the dissolution provision of the District Management Authorities Act, which stated that a district management authority would automatically terminate at the end of the third full fiscal year after its creation unless its continued existence was approved in writing, was directory, rather than mandatory, in action against authority brought by owner of property in district for negligence, unjust enrichment, and other relief, alleging authority collected taxes on property without authority; authority performed public and essential municipal functions, and its officers and directors were qualified members of the public body for purposes of liability.

Factor considering whether a statutory provision contained a sanction weighed in favor of finding that the dissolution provision of the District Management Authorities Act, which stated that a district management authority would automatically terminate at the end of the third fiscal year after its creation unless its continued existence was approved in writing, was directory, rather than mandatory, in action against authority brought by owner of property in district for negligence, unjust enrichment, and other relief, alleging authority collected taxes on property without authority; provision was merely related to a matter of procedure, and provision's time constraint was not the essence of the statute, but rather, merely operated to prevent inactive authorities from continuing operations.

Factor considering whether a statutory provision was the essence of the statute weighed in favor of finding that the dissolution provision of the District Management Authorities Act, which stated that a district management authority would automatically terminate at the end of the third full fiscal year

after its creation unless its continued existence was approved in writing, was directory, rather than mandatory, in action against authority brought by owner of property in district for negligence, unjust enrichment, and other relief, alleging authority collected taxes on property without authority; Act's purpose was to have active authorities serve the state's communities, which authority had done for more than ten years before owner filed suit, and without jeopardizing anyone's rights.