

4032

2011-2012 Regular Sessions

I N   S E N A T E

March 15, 2011

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Introduced by Sen. YOUNG -- (at request of the Division of Housing & Community Renewal) -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to an increase in bond and note authorization of the New York state housing finance agency; to amend chapter 514 of the laws of 1983, amending the private housing finance law and the real property tax law relating to the powers of the New York state housing finance agency to finance certain multi-family housing; to amend chapter 396 of the laws of 1984, amending the private housing finance law and the real property tax law relating to the powers of the New York state housing finance agency to finance certain multi-family housing, in relation to the effectiveness of such chapters; to amend chapter 915 of the laws of 1982 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effective date thereof; to amend the public authorities law, in relation to the powers of the state of New York mortgage agency; to amend chapter 555 of the laws of 1989 amending the public authorities law and other laws relating to establishing a New York state infrastructure trust fund, in relation to the effective date thereof; and to amend chapter 172 of the laws of 2002 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to extending the provisions thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Paragraph (c) of subdivision 1 of section 47 of the private  
2     housing finance law, as amended by chapter 407 of the laws of 2010, is  
3     amended to read as follows:

4     (c) The agency shall not issue bonds and notes other than state  
5     university construction bonds and state university construction notes,

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [ ] is old law to be omitted.

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1 hospital and nursing home project bonds and hospital and nursing home  
2 project notes, health facilities bonds and health facilities notes,  
3 youth facilities project bonds and youth facilities project notes,  
4 community mental health services and mental retardation services project  
5 bonds and community mental health services and mental retardation  
6 services project notes, community senior citizens services project notes  
7 or community senior citizens services project bonds and mental hygiene  
8 improvement bonds and mental hygiene improvement notes and bonds and  
9 notes for the housing program for any of its corporate purposes in an  
10 aggregate principal amount exceeding [fifteen] SIXTEEN billion two  
11 hundred eighty million dollars, excluding bonds and notes issued to  
12 refund outstanding bonds and notes.

13 S 2. Section 6 of chapter 514 of the laws of 1983, amending the  
14 private housing finance law and the real property tax law relating to  
15 the powers of the New York state housing finance agency to finance  
16 certain multi-family housing, as separately amended by chapters 76 and  
17 176 of the laws of 2009, is amended to read as follows:

18 S 6. This act shall take effect immediately and shall remain in full  
19 force and effect until [June 30, 2011] JULY 23, 2013 at which time it  
20 shall be repealed.

21 S 3. Section 7 of chapter 396 of the laws of 1984, amending the  
22 private housing finance law and the real property tax law relating to  
23 the powers of the New York state housing finance agency to finance  
24 certain multi-family housing, as amended by chapter 176 of the laws of  
25 2009, is amended to read as follows:

26 S 7. This act shall take effect immediately, except that sections one,  
27 three, four, five and six of this act shall remain in full force and  
28 effect until [June 30, 2011] JULY 23, 2013 at which time such sections  
29 shall be repealed.

30 S 4. Section 16 of chapter 915 of the laws of 1982 amending the public  
31 authorities law relating to the powers of the state of New York mortgage  
32 agency, as amended by chapter 218 of the laws of 2010, is amended to  
33 read as follows:

34 S 16. This act shall take effect immediately except that the amend-  
35 ments to law effected by sections one through ten of this act, as  
36 amended, shall cease to be of force and effect on and after July [16]  
37 23, [2011] 2013, on which date the provisions of the public authorities  
38 law amended by such sections shall be as they were in force and effect  
39 immediately prior to this act taking effect.

40 S 5. Section 2407 of the public authorities law, as amended by chapter  
41 218 of the laws of 2010, is amended to read as follows:

42 S 2407. Bond limits. (1) Except for notes issued in nineteen hundred  
43 seventy and nineteen hundred seventy-one, the agency shall not issue  
44 bonds and notes, the interest on which is not included in the gross  
45 income of the holders of the bonds and notes under the United States  
46 Internal Revenue Code of 1986, as amended, or any subsequent correspond-  
47 ing internal revenue law of the United States, in an aggregate principal  
48 amount exceeding [nine] TEN billion two hundred twenty million dollars,  
49 excluding from such limitation (a) an amount equal to any original issue  
50 discount from the principal amount of any bonds or notes issued, (b)  
51 bonds and notes issued to refund outstanding bonds and notes, and (c)  
52 bonds and notes not described in paragraph (b) of this subdivision  
53 issued to refund outstanding bonds and notes in accordance with the  
54 provisions of the Internal Revenue Code of 1986 or the Tax Reform Act of  
55 1986, as amended, where such bonds or notes are not included in the  
56 statewide volume cap on private purpose bonds under section 146 of such

1 code provided, however, that upon any refunding pursuant to this para-  
2 graph or paragraph (b) of this subdivision, such exclusion shall apply  
3 only to the extent that the amount of the refunding bonds or notes does  
4 not exceed (i) the outstanding amount of the refunded bonds or notes,  
5 plus (ii) to the extent permitted by applicable federal tax law, costs  
6 of issuance of the refunding bonds or notes to be financed from the  
7 proceeds of the refunding bonds or notes. No such bond or note shall be  
8 issued by the agency on or after July [sixteenth] TWENTY-THIRD, two  
9 thousand [eleven] THIRTEEN, excluding bonds and notes issued to refund  
10 outstanding bonds and notes. No more than five hundred million dollars  
11 of proceeds of bonds or notes issued by the agency pursuant to this  
12 subdivision shall be used for mortgage purposes by blending with  
13 proceeds of bonds issued pursuant to subdivision two of this section.

14 (2) In connection with the issuance of bonds for the purpose of  
15 furthering programs described in this title, the agency is authorized to  
16 covenant and consent that the interest on any of its bonds, notes or  
17 other obligations shall be includable, under the United States Internal  
18 Revenue Code of 1986, as amended or any subsequent corresponding inter-  
19 nal revenue law of the United States, in the gross income of the holders  
20 of the bonds to the same extent and in the same manner that the interest  
21 on bills, bonds, notes or other obligations of the United States is  
22 includable in the gross income of the holders thereof under said Inter-  
23 nal Revenue Code or any such subsequent law. Pursuant to this subdivi-  
24 sion, the agency shall not issue bonds, notes or other obligations in an  
25 aggregate principal amount exceeding eight hundred million dollars,  
26 excluding from such limitation bonds, notes or other obligations issued  
27 to refund outstanding bonds, notes or other obligations. No such bond,  
28 note or other obligation shall be issued by the agency on or after July  
29 [sixteenth] TWENTY-THIRD, two thousand [eleven] THIRTEEN, excluding  
30 bonds, notes or other obligations issued to refund outstanding bonds,  
31 notes or other obligations and no mortgages shall be purchased with the  
32 proceeds of such bonds, notes or other obligations after such date. The  
33 board of directors of the agency shall establish program guidelines for  
34 purposes of bonds, notes or other obligations issued pursuant to this  
35 subdivision. The board of directors shall establish from time to time  
36 maximum income limits of persons eligible to receive mortgages financed  
37 by bonds, notes or other obligations issued pursuant to this subdivi-  
38 sion, which income limits with respect to one-third of the total princi-  
39 pal amount of mortgages authorized to be so financed shall not exceed  
40 one hundred twenty-five percent of the latest maximum income limits  
41 permitted under the Internal Revenue Code of 1986, as amended, for mort-  
42 gagers financed by mortgage revenue bonds, with respect to one-third of  
43 such principal amount authorized to be so financed, shall not exceed one  
44 hundred thirty-five percent of such income limits, and with respect to  
45 one-third of such principal amount authorized to be so financed, shall  
46 not exceed one hundred fifty percent of such limits.

47 (3) The fixing of the statutory maximums in this section shall not be  
48 construed as constituting a contract between the agency and the holders  
49 of its bonds or notes that additional bonds and notes may not be issued  
50 subsequently by the agency in the event that such statutory maximums  
51 shall subsequently be increased by law.

52 S 6. Section 19 of chapter 555 of the laws of 1989 amending the public  
53 authorities law and other laws relating to establishing a New York state  
54 infrastructure trust fund, as amended by chapter 192 of the laws of  
55 2009, is amended to read as follows:

1 S 19. This act shall take effect immediately and shall be deemed to  
2 have been in full force and effect on and after June 15, 1989 provided  
3 that the amendments to law effected by sections six and nine through  
4 seventeen of this act, as amended, shall cease to be of force and effect  
5 on and after July [16], 23 [2011] 2013, on which date the provisions of  
6 the public authorities law amended by such sections shall be as they  
7 were in force and effect immediately prior to this act taking effect,  
8 and provided however that the amendments to law effected by sections six  
9 and nine through seventeen of this act, as amended, shall continue to  
10 apply to all commitments issued or policies or development corporation  
11 credit support in force on or before July [16] 23, [2011] 2013, and  
12 provided further that the amendments to section 2429-b of the public  
13 authorities law made by section 13 of chapter 3 of the laws of 2004  
14 which amended this section shall not cease to be of force and effect  
15 prior to the time that full payment of all development corporation cred-  
16 it support obligations has been made or provided for.

17 S 7. Section 2 of chapter 172 of the laws of 2002 amending the public  
18 authorities law relating to the powers of the state of New York mortgage  
19 agency, as amended by chapter 162 of the laws of 2010, is amended to  
20 read as follows:

21 S 2. This act shall take effect immediately and shall remain in full  
22 force and effect until July 23, [2012] 2013, whereupon such date the  
23 provisions of this act shall expire and be deemed repealed.

24 S 8. This act shall take effect immediately.