

S. 2781

A. 4074

2011-2012 Regular Sessions

S E N A T E - A S S E M B L Y

February 1, 2011

IN SENATE -- Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

IN ASSEMBLY -- Introduced by M. of A. RUSSELL, BLANKENBUSH -- read once and referred to the Committee on Local Governments

AN ACT to legalize, validate, ratify and confirm certain actions taken by the village of Black River, in the county of Jefferson, with respect to refunding its low interest loans through the United States department of agriculture and the New York state environmental facilities corporation

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

1 Section 1. It is hereby found and determined that: (i) the village of
2 Black River, county of Jefferson, duly adopted on March 28, 2005, a bond
3 resolution authorizing issuance of a maximum of \$5,000,000.00 of serial
4 bonds in anticipation of financing the costs of a capital improvement
5 project for improvement of facilities of the village wastewater
6 collection and treatment system; (ii) pursuant to such bond resolution,
7 said village obtained financing from the United States Department of
8 Agriculture ("USDA") in the amount of \$1,271,000.00 in low interest
9 loans on June 26, 2008, and a \$500,000.00 grant for Phase I of the
10 project on May 21, 2009; (iii) pursuant to such bond resolution, said
11 village obtained grant financing of \$500,000.00 and \$100,000.00 in low
12 interest loans from the USDA for Phase II of the project; (iv) pursuant
13 to such bond resolution, said village also obtained short term financing
14 through the New York State Environmental Facilities Corporation ("EFC")
15 on May 8, 2008 in the amount of \$2,916,900.00; (v) the village also
16 obtained financing for the project totaling \$950,586.48 from contrib-
17 utions from Merit Corporation, the town of LeRoy, the town of Rutland
18 and a municipal contribution from the village of Black River; (vi) said

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

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1 village returned the USDA proceeds of \$1,271,000.00 to EFC in 2010
2 instead of 2008, as it was required to do under the terms of the EFC
3 short-term financing; (vii) said village now wishes to refund the
4 remaining financing at a zero percent (0%) interest rate with the EFC,
5 however, said village has exceeded the maximum project authorization
6 with the funding that it received from both the USDA and the EFC.

7 S 2. It is hereby further found and determined that: (i) the village
8 of Black River, county of Jefferson, exceeded its maximum project
9 authorization pursuant to section 32.00 of the local finance law during
10 a period from 2008 to 2010 where the money received on the long-term
11 USDA funding of \$1,271,000.00 was outstanding at the same time as it was
12 part of the short-term financing from EFC during which time the maximum
13 amount of financing that was outstanding on the project exceeded the
14 maximum project cost authorization of the \$5,000,000.00 bond resolution
15 dated March 28, 2005; (ii) the village made principal payments on the
16 EFC short-term financing bond anticipation note of \$80,451.00 in 2008,
17 \$19,491.75 in 2009, and \$19,000.00 in 2010; (iii) sections 21.00 and
18 23.00 of the local finance law state that no annual installment of bonds
19 or bond anticipation notes shall be more than fifty per centum of the
20 smallest prior installment; (iv) the village's underpayment on the EFC
21 note in 2009 and 2010 renders it incapable of amortizing any long-term
22 conversion of the short-term EFC financing to comply with the aforesaid
23 fifty per centum requirements of sections 21.00 and 23.00 of the local
24 finance law.

25 S 3. Notwithstanding the defects described in section one of this act,
26 to the extent that the village of Black River exceeded their maximum
27 project authorization, such amounts are hereby legalized, validated and
28 ratified.

29 S 4. Notwithstanding the defects described in section two of this act,
30 to the extent that the village of Black River underpaid the principal of
31 the note, such underpayment is hereby forgiven and the village shall be
32 authorized to pay the deficient amount during the balance of the life of
33 the loan.

34 S 5. Except as otherwise provided in this act, the bond notes issued
35 under authority of the bond resolutions described in section one of this
36 act shall be deemed to have been issued in accordance with the
37 provisions of the local finance law.

38 S 6. If any clause, sentence, subdivision, paragraph or part of this
39 act be adjudged by any court of competent jurisdiction to be invalid,
40 such judgment shall not affect, impair or invalidate the remainder there-
41 of, but shall be confined in its operation to the clause, sentence,
42 subdivision, paragraph, section or part thereof directly involved in the
43 controversy in which such judgment shall have been rendered.

44 S 7. This act shall take effect immediately.