

7543

I N S E N A T E

June 1, 2012

Introduced by Sen. LIBOUS -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law and the public authorities law, in relation to limitations on state-funded debt; to repeal article 5-B of the state finance law relating to limitations on state-supported debt; and providing for the repeal of certain provisions of such law upon expiration thereof

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

1 Section 1. Article 5-B of the state finance law is REPEALED and a new
2 article 5-B is added to read as follows:

3 ARTICLE 5-B

4 LIMITATIONS ON STATE-FUNDED DEBT

5 SECTION 67-A. DEFINITIONS.

6 67-B. DUTIES WITH RESPECT TO STATE-FUNDED DEBT.

7 67-C. LIMITATIONS ON THE ISSUANCE OF STATE-SUPPORTED DEBT.

8 67-D. LIMITATIONS ON STATE-FUNDED DEBT.

9 67-E. PROHIBITION OF CONTINGENT OBLIGATION DEBT.

10 67-F. USE OF SURPLUS MONEYS.

11 67-G. NEW YORK STATE DEBT PLANNING COUNCIL; CREATION; PROCEDURE.

12 67-H. POWERS AND DUTIES OF THE DEBT PLANNING COUNCIL.

13 S 67-A. DEFINITIONS. AS USED IN THIS ARTICLE AND ARTICLE FIVE-C OF
14 THIS CHAPTER THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

15 1. "STATE DEBT" SHALL MEAN ALL BONDS, BOND ANTICIPATION NOTES, AND
16 REVENUE DEBT ISSUED BY THE COMPTROLLER PURSUANT TO ARTICLE FIVE OF THIS
17 CHAPTER.

18 2. "STATE-BACKED DEBT" SHALL MEAN ANY DEBT OR OBLIGATION, OTHER THAN
19 STATE DEBT, THAT IS SUPPORTED IN WHOLE OR IN PART BY ANY FINANCING
20 ARRANGEMENT WHEREBY THE STATE AGREES OR HAS IN THE PAST AGREED, WHETHER
21 BY LAW, CONTRACT OR OTHERWISE, TO MAKE PAYMENTS WHICH WILL BE USED,
22 DIRECTLY OR INDIRECTLY, FOR THE PAYMENT OF PRINCIPAL, INTEREST OR
23 RELATED PAYMENTS ON INDEBTEDNESS INCURRED OR CONTRACTED BY THE STATE
24 ITSELF FOR ANY PURPOSE, OR BY ANY STATE AGENCY, MUNICIPALITY, INDIVID-
25 UAL, PUBLIC AUTHORITY OR OTHER PUBLIC OR PRIVATE CORPORATION OR ANY

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

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1 OTHER ENTITY FOR STATE CAPITAL OR OPERATING PURPOSES OR TO FINANCE
2 GRANTS, LOANS OR OTHER ASSISTANCE PAYMENTS MADE OR TO BE MADE BY OR ON
3 BEHALF OF THE STATE FOR ANY PURPOSE. IF THE STATE AGREES OR HAS AGREED
4 ON OR AFTER APRIL FIRST, NINETEEN HUNDRED NINETY-SEVEN TO MAKE FUTURE
5 REVENUES FROM A SPECIFIC STATE SOURCE AVAILABLE FOR THE PURPOSE OF
6 SUPPORTING DEBT OF ANY MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR
7 OTHER PUBLIC OR PRIVATE CORPORATION OR ANY OTHER ENTITY, OR, IF ON OR
8 AFTER SUCH DATE, A PROGRAM OF DEBT IS AUTHORIZED TO BE ISSUED WHERE
9 STATE AID IS INTENDED TO BE THE SOLE SOURCE OF PAYMENT OF DEBT SERVICE,
10 SUCH DEBT SHALL BE CONSIDERED TO BE A DEBT FOR THE PURPOSE OF FINANCING
11 A STATE GRANT, LOAN OR OTHER ASSISTANCE PAYMENT AND SHALL BE A
12 "STATE-BACKED DEBT" FOR THE PURPOSES OF THIS ARTICLE. THE TERM
13 "STATE-BACKED DEBT" APPLIES TO ALL DEBT OR OBLIGATIONS DESCRIBED IN THIS
14 SUBDIVISION FOR WHICH THE STATE AGREES, OR HAS IN THE PAST AGREED, TO
15 MAKE PAYMENTS (A) WHETHER OR NOT THE OBLIGATION OF THE STATE TO MAKE
16 PAYMENTS IS SUBJECT TO APPROPRIATION, OR (B) WHETHER OR NOT DEBT SERVICE
17 IS TO BE PAID FROM A REVENUE STREAM TRANSFERRED BY THE STATE TO ANOTHER
18 PARTY THAT IS RESPONSIBLE FOR MAKING SUCH PAYMENTS.

19 3. "STATE-FUNDED DEBT" SHALL MEAN THE COMBINED TOTAL OF ALL STATE
20 DEBT, AS DEFINED IN SUBDIVISION ONE OF THIS SECTION, AND ALL
21 STATE-BACKED DEBT EXCEPT SHORT TERM DEBT INCURRED IN ACCORDANCE WITH
22 SECTION NINE OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT
23 INCURRED IN ACCORDANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTI-
24 TUTION, AND REFUNDING DEBT INCURRED IN ACCORDANCE WITH SECTION THIRTEEN
25 OF ARTICLE SEVEN OF THE CONSTITUTION AND SHALL INCLUDE ALL DEBT
26 OUTSTANDING ON THE EFFECTIVE DATE OF THIS SECTION.

27 4. "STATE-SUPPORTED DEBT" SHALL MEAN ANY BONDS OR NOTES, INCLUDING
28 BONDS OR NOTES ISSUED TO FUND RESERVE FUNDS AND COSTS OF ISSUANCE,
29 ISSUED BY THE STATE OR A STATE PUBLIC CORPORATION FOR WHICH THE STATE IS
30 CONSTITUTIONALLY OBLIGATED TO PAY DEBT SERVICE OR IS CONTRACTUALLY OBLI-
31 GATED TO PAY DEBT SERVICE SUBJECT TO AN APPROPRIATION, EXCEPT WHERE THE
32 STATE HAS A CONTINGENT CONTRACTUAL OBLIGATION.

33 5. "REVENUE DEBT" SHALL MEAN VOTER APPROVED STATE DEBT ISSUED BY THE
34 COMPTROLLER AND SUPPORTED BY FUTURE REVENUES FROM A SPECIFIC STATE
35 SOURCE.

36 6. "TOTAL PERSONAL INCOME OF THE STATE" SHALL MEAN THE MOST RECENTLY
37 PUBLISHED ESTIMATED DOLLAR AMOUNT DETERMINED AS TOTAL PERSONAL INCOME OF
38 THE STATE OF NEW YORK BY THE UNITED STATES DEPARTMENT OF COMMERCE OR ANY
39 SUCCESSOR AGENCY FOR THE FOUR MOST RECENT SUCCESSIVE CALENDAR QUARTERS
40 FOR WHICH INFORMATION IS AVAILABLE PRIOR TO OCTOBER THIRTY-FIRST OF EACH
41 YEAR. SUBSEQUENT REVISIONS OF THE PUBLISHED ESTIMATED DOLLAR AMOUNT FOR
42 SUCH CALENDAR QUARTERS SHALL NOT AFFECT THE VALIDITY OF THE DETERMI-
43 NATION MADE FOR ANY FISCAL YEAR.

44 7. "CAPITAL WORK OR PURPOSE" SHALL MEAN ANY PROJECT INVOLVING:

45 (A) THE ACQUISITION, CONSTRUCTION, DEMOLITION OR REPLACEMENT OF A
46 FIXED ASSET OR ASSETS;

47 (B) THE MAJOR REPAIR OR RENOVATION OF A FIXED ASSET, WHICH MATERIALLY
48 EXTENDS ITS USEFUL LIFE OR MATERIALLY IMPROVES OR INCREASES ITS CAPACI-
49 TY; OR

50 (C) THE PLANNING OR DESIGN OF THE ACQUISITION, CONSTRUCTION, DEMOLI-
51 TION, REPLACEMENT, MAJOR REPAIR OR RENOVATION OF A FIXED ASSET, INCLUD-
52 ING THE PREPARATION AND REVIEW OF PLANS AND SPECIFICATIONS INCLUDING
53 ENGINEERING AND OTHER SERVICES, FIELD SURVEYS AND SUB-SURFACE INVESTI-
54 GATIONS INCIDENTAL THERETO.

55 8. "CONDUIT DEBT OBLIGATION" SHALL MEAN A DEBT OBLIGATION ISSUED BY A
56 PUBLIC AUTHORITY (THE "CONDUIT ISSUER") ON BEHALF OF A THIRD PARTY (THE

1 "CONDUIT BORROWER") OTHER THAN THE STATE OR A POLITICAL SUBDIVISION OF
2 THE STATE, WHERE PAYMENT OF THE OBLIGATION IS TO BE MADE FROM FUNDS OF
3 THE CONDUIT BORROWER, THE SECURITY FOR THE OBLIGATION IS THE CREDIT OF
4 THE CONDUIT BORROWER AND NO FUNDS OF THE CONDUIT ISSUER, THE STATE OR A
5 POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO SECURE THE OBLIGATION,
6 WHETHER OR NOT THE OBLIGATION OF THE CONDUIT ISSUER, THE STATE OR POLI-
7 TICAL SUBDIVISION OF THE STATE IS SUBJECT TO APPROPRIATION OR IS OTHER-
8 WISE CONTINGENT.

9 9. "CASH SURPLUS" SHALL MEAN THE AMOUNT GENERAL FUND RECEIPTS EXCEED
10 GENERAL FUND EXPENDITURES IN SUCH FISCAL YEAR.

11 10. "STATE AUTHORITY" SHALL MEAN A PUBLIC AUTHORITY OR PUBLIC BENEFIT
12 CORPORATION CREATED BY OR EXISTING UNDER THIS CHAPTER OR ANY OTHER LAW
13 OF THE STATE, WITH ONE OR MORE OF ITS MEMBERS APPOINTED BY THE GOVERNOR
14 OR WHO SERVE AS MEMBERS BY VIRTUE OF HOLDING A CIVIL OFFICE OF THE
15 STATE, OTHER THAN AN INTERSTATE OR INTERNATIONAL AUTHORITY OR PUBLIC
16 BENEFIT CORPORATION, INCLUDING SUBSIDIARIES OF SUCH PUBLIC AUTHORITY OR
17 PUBLIC BENEFIT CORPORATION.

18 S 67-B. DUTIES WITH RESPECT TO STATE-FUNDED DEBT. 1. ON OR BEFORE
19 OCTOBER THIRTY-FIRST, TWO THOUSAND TWENTY, THE DIVISION OF BUDGET SHALL
20 HAVE THE RESPONSIBILITY TO ANNUALLY DETERMINE THE TOTAL DEBT LIMIT OF
21 THE STATE BY CALCULATING THE DOLLAR AMOUNT EQUIVALENT TO FIVE PERCENT OF
22 THE TOTAL PERSONAL INCOME OF THE STATE.

23 2. ON OR BEFORE OCTOBER THIRTY-FIRST, TWO THOUSAND TWENTY-ONE AND
24 OCTOBER THIRTY-FIRST OF EACH YEAR THEREAFTER, THE DIVISION OF BUDGET
25 SHALL DETERMINE THE TOTAL DEBT LIMIT OF THE STATE, PURSUANT TO SECTION
26 ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION FOR THE NEXT FISCAL YEAR,
27 AND REPORT SUCH INFORMATION BY OCTOBER THIRTY-FIRST, TO THE TEMPORARY
28 PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRPERSON
29 AND RANKING MINORITY MEMBER OF THE SENATE FINANCE COMMITTEE, THE CHAIR-
30 PERSON AND RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND MEANS
31 COMMITTEE, AND THE COMPTROLLER. ON OR BEFORE SUCH DATE, THE DIVISION OF
32 BUDGET SHALL ISSUE A PUBLIC ANNOUNCEMENT OF SUCH LIMIT.

33 3. THE EXECUTIVE'S PROPOSED BUDGET FOR STATE FISCAL YEAR TWO THOUSAND
34 THIRTEEN--TWO THOUSAND FOURTEEN SHALL INCLUDE A PLAN SETTING FORTH THE
35 ANNUAL TARGET PERCENTAGES AND METHODOLOGY FOR THE IMPLEMENTATION OF THE
36 PROVISIONS OF SUBDIVISION ONE OF SECTION SIXTY-SEVEN-D OF THIS ARTICLE
37 BY APRIL FIRST, TWO THOUSAND TWENTY-TWO. A PROGRESS REPORT WITH RESPECT
38 TO MEETING ANNUAL TARGET PERCENTAGES IN THE PLAN SHALL BE ISSUED ANNUAL-
39 LY BY THE EXECUTIVE WITH RELEASE OF THE PROPOSED BUDGET AND, IN THE
40 EVENT THE ACTUAL PERCENTAGES DEVIATE FROM THE TARGET PERCENTAGES SET
41 FORTH IN THE INITIAL PLAN, SHALL INCLUDE AN EXPLANATION OF SUCH DEVI-
42 ATIONS AND THE PROPOSED REMEDIAL ACTIONS DEEMED NECESSARY TO MEET SUCH
43 TARGET PERCENTAGES BY APRIL FIRST, TWO THOUSAND TWENTY-TWO. THE PLAN,
44 AS WELL AS ANNUAL PROGRESS REPORTS, SHALL BE SUBJECT TO THE ANNUAL DEBT
45 AFFORDABILITY LEVEL ESTABLISHED IN SECTION SIXTY-SEVEN-H OF THIS ARTICLE
46 AND APPROVAL OF THE DEBT PLANNING COUNCIL ESTABLISHED IN SECTION SIXTY-
47 SEVEN-G OF THIS ARTICLE.

48 S 67-C. LIMITATIONS ON THE ISSUANCE OF STATE-SUPPORTED DEBT. 1. (A)
49 STATE-SUPPORTED DEBT MAY NOT BE CONTRACTED FOR UNLESS, AS OF OCTOBER
50 THIRTY-FIRST, TWO THOUSAND ONE AND AS OF EACH OCTOBER THIRTY-FIRST THER-
51 EAFTER, THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF SUCH DEBT, AS OF THE
52 LAST DAY OF THE IMMEDIATELY PRECEDING FISCAL YEAR, IS LESS THAN THE
53 DESIGNATED PERCENTAGE OF THE TOTAL PERSONAL INCOME OF THE STATE. NOTHING
54 SHALL PRECLUDE THE CONTRACTING OF STATE-SUPPORTED DEBT PRIOR TO OCTOBER
55 THIRTY-FIRST OF EACH YEAR IF, AS OF THE LAST DAY OF THE IMMEDIATELY
56 PRECEDING FISCAL YEAR, THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF SUCH

1 DEBT WAS LESS THAN THE DESIGNATED PERCENTAGE OF THE TOTAL PERSONAL
2 INCOME OF THE STATE. THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF DEBT
3 SHALL INCLUDE ALL STATE-SUPPORTED DEBT ISSUED ON AND AFTER APRIL FIRST,
4 TWO THOUSAND. SUCH DESIGNATED PERCENTAGE SHALL BE SEVEN AND
5 ONE-HALF-TENTHS OF ONE PERCENT FOR FISCAL YEAR TWO THOUSAND--TWO THOU-
6 SAND ONE, AND SHALL INCREASE BY FIVE-TENTHS OF ONE PERCENT IN FISCAL
7 YEAR TWO THOUSAND ONE--TWO THOUSAND TWO, BY AN ADDITIONAL FOUR-TENTHS OF
8 ONE PERCENT IN FISCAL YEAR TWO THOUSAND TWO--TWO THOUSAND THREE, AND BY
9 AN ADDITIONAL ONE-THIRD OF ONE PERCENT IN EACH OF THE SEVEN SUBSEQUENT
10 FISCAL YEARS. THE DESIGNATED PERCENTAGE FOR FISCAL YEAR TWO THOUSAND
11 TEN--TWO THOUSAND ELEVEN AND FOR EACH FISCAL YEAR THEREAFTER SHALL BE
12 FOUR PERCENT.

13 (B) IF STATE-SUPPORTED DEBT IS ISSUED TO REFUND OR OTHERWISE AFFECT
14 THE REFUNDING, RETIREMENT OR DEFEASANCE OF STATE-SUPPORTED DEBT
15 ORIGINALLY ISSUED ON AND AFTER APRIL FIRST, TWO THOUSAND, PROVIDED SUCH
16 REFUNDINGS ARE CONDUCTED IN ACCORDANCE WITH SECTION THIRTEEN OF ARTICLE
17 SEVEN OF THE CONSTITUTION, THE CALCULATION OF THE TOTAL OUTSTANDING
18 PRINCIPAL AMOUNT OF DEBT SHALL EXCLUDE SUCH REFUNDING DEBT, AND SHALL
19 ONLY INCLUDE THE AMOUNT OF PRIOR REFUNDED DEBT, AS IF IT WERE STILL
20 OUTSTANDING, IN EACH YEAR UNTIL SUCH REFUNDING DEBT IS FINALLY RETIRED.
21 NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF SUCH SECTION THIRTEEN
22 OF ARTICLE SEVEN OF THE CONSTITUTION RELATING TO THE MAINTENANCE OR
23 MANAGEMENT OF ESCROW FUNDS AND SINKING FUNDS SHALL ONLY BE APPLICABLE TO
24 STATE-SUPPORTED DEBT ISSUED BY THE STATE COMPTROLLER. IF STATE-SUPPORTED
25 DEBT IS ISSUED TO REFUND OR OTHERWISE AFFECT THE REFUNDING, RETIREMENT
26 OR DEFEASANCE OF STATE-SUPPORTED DEBT ISSUED PRIOR TO APRIL FIRST, TWO
27 THOUSAND, THEN THE AMOUNT OF SUCH REFUNDING DEBT SHALL BE EXCLUDED FROM
28 THE CALCULATION OF THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF DEBT IN
29 EACH YEAR UNTIL SUCH REFUNDING DEBT IS FINALLY RETIRED. IN ADDITION, IF
30 STATE-SUPPORTED DEBT IS RETIRED OR DEFEASED WITH PAYMENTS IN ANY FISCAL
31 YEAR MADE BY THE STATE THAT ARE NOT REQUIRED BY MANDATORY PAYMENTS, SUCH
32 DEBT SHALL BE EXCLUDED FROM THE CALCULATION OF THE TOTAL OUTSTANDING
33 PRINCIPAL AMOUNT OF DEBT, INCLUDING RETIREMENTS OR DEFEASANCES ACCOM-
34 PLISHED ON AN ECONOMIC BASIS.

35 2. STATE-SUPPORTED DEBT MAY NOT BE CONTRACTED FOR UNLESS, AS OF OCTO-
36 BER THIRTY-FIRST, TWO THOUSAND ONE AND AS OF EACH OCTOBER THIRTY-FIRST
37 THEREAFTER, THE TOTAL AMOUNT OF INTEREST, INSTALLMENTS OF PRINCIPAL,
38 CONTRIBUTIONS TO SINKING FUNDS, AND RELATED PAYMENTS ON A CASH BASIS OF
39 ACCOUNTING FOR STATE-SUPPORTED DEBT IN THE IMMEDIATELY PRECEDING FISCAL
40 YEAR IS LESS THAN THE DESIGNATED PERCENTAGE OF TOTAL GOVERNMENTAL FUNDS
41 RECEIPTS FOR SUCH FISCAL YEAR. NOTHING SHALL PRECLUDE THE CONTRACTING OF
42 STATE-FUNDED DEBT PRIOR TO OCTOBER THIRTY-FIRST OF EACH YEAR IF, IN THE
43 IMMEDIATELY PRECEDING FISCAL YEAR, THE TOTAL AMOUNT OF INTEREST,
44 INSTALLMENTS OF PRINCIPAL, CONTRIBUTIONS TO SINKING FUNDS, AND RELATED
45 PAYMENTS WAS LESS THAN THE DESIGNATED PERCENTAGE OF TOTAL GOVERNMENTAL
46 FUNDS RECEIPTS. THIS SHALL INCLUDE THE TOTAL AMOUNT OF PAYMENTS ON SUCH
47 DEBT ISSUED ON AND AFTER APRIL FIRST, TWO THOUSAND, BUT SHALL NOT
48 INCLUDE PAYMENTS IN ANY FISCAL YEAR MADE BY THE STATE TO DEFEASE OR
49 RETIRE DEBT NOT REQUIRED BY MANDATORY PAYMENTS NOR PAYMENTS MADE BY THE
50 STATE FOR DEBT ISSUED TO REFUND DEBT THAT WAS ISSUED PRIOR TO APRIL
51 FIRST, TWO THOUSAND. IN ADDITION, IF STATE-SUPPORTED DEBT IS ISSUED TO
52 REFUND OR OTHERWISE AFFECT THE REFUNDING, RETIREMENT OR DEFEASANCE OF
53 STATE-FUNDED DEBT ORIGINALLY ISSUED ON AND AFTER APRIL FIRST, TWO THOU-
54 SAND, PROVIDED SUCH REFUNDINGS ARE CONDUCTED IN ACCORDANCE WITH SECTION
55 THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION, THE CALCULATION OF THE
56 TOTAL AMOUNT OF INTEREST, INSTALLMENTS OF PRINCIPAL, CONTRIBUTIONS TO

1 SINKING FUNDS, AND RELATED PAYMENTS SHALL EXCLUDE PAYMENTS MADE ON SUCH
2 REFUNDING DEBT, AND SHALL ONLY INCLUDE THE PAYMENTS ON THE PRIOR
3 REFUNDED DEBT, AS IF IT WERE STILL OUTSTANDING, IN EACH YEAR UNTIL SUCH
4 REFUNDING DEBT IS FINALLY RETIRED. SUCH DESIGNATED PERCENTAGE SHALL BE
5 SEVEN AND ONE-HALF-TENTHS OF ONE PERCENT FOR FISCAL YEAR TWO
6 THOUSAND--TWO THOUSAND ONE, AND SHALL INCREASE BY FIVE-TENTHS OF ONE
7 PERCENT IN FISCAL YEAR TWO THOUSAND ONE--TWO THOUSAND TWO, BY AN ADDI-
8 TIONAL FOUR-TENTHS OF ONE PERCENT IN FISCAL YEAR TWO THOUSAND TWO--TWO
9 THOUSAND THREE, AND BY AN ADDITIONAL ONE-THIRD OF ONE PERCENT IN EACH OF
10 THE TEN SUBSEQUENT FISCAL YEARS. THE DESIGNATED PERCENTAGE FOR FISCAL
11 YEAR TWO THOUSAND THIRTEEN--TWO THOUSAND FOURTEEN AND FOR EACH FISCAL
12 YEAR THEREAFTER SHALL BE FIVE PERCENT.

13 S 67-D. LIMITATIONS ON STATE-FUNDED DEBT. 1. NO ADDITIONAL
14 STATE-FUNDED DEBT SHALL BE INCURRED AFTER APRIL FIRST, TWO THOUSAND
15 TWENTY-TWO IF THE TOTAL PRINCIPAL AMOUNT OF SUCH ADDITIONAL DEBT,
16 TOGETHER WITH THE TOTAL PRINCIPAL AMOUNT OF STATE-FUNDED DEBT ALREADY
17 OUTSTANDING IS EQUAL TO OR GREATER THAN THE TOTAL DEBT LIMIT OF THE
18 STATE EXCLUDING SHORT TERM DEBT INCURRED IN ACCORDANCE WITH SECTION NINE
19 OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT INCURRED IN ACCORD-
20 ANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTITUTION, AND REFUND-
21 ING DEBT.

22 2. WITH THE EXCEPTION OF SHORT TERM DEBT INCURRED IN ACCORDANCE WITH
23 SECTION NINE OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT
24 INCURRED IN ACCORDANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTI-
25 TUTION, AND REFUNDING DEBT, NO STATE-FUNDED DEBT SHALL BE INCURRED
26 EXCEPT TO FINANCE A CAPITAL WORK OR PURPOSE. NO SUCH STATE-FUNDED DEBT
27 SHALL BE INCURRED IF THE TOTAL PRINCIPAL AMOUNT OF SUCH DEBT TOGETHER
28 WITH THE TOTAL PRINCIPAL AMOUNT OF SUCH DEBT ALREADY OUTSTANDING IS
29 EQUAL TO OR GREATER THAN THE TOTAL DEBT LIMIT OF THE STATE.

30 3. ALL DEBT SUBJECT TO THE PROVISIONS OF THIS SECTION SHALL, IF
31 INCURRED ON OR AFTER THE FIRST DAY OF THE FIRST FISCAL YEAR BEGINNING AT
32 LEAST ONE YEAR AFTER THE EFFECTIVE DATE OF AN AMENDMENT ADDING A NEW
33 SUBDIVISION SIX TO SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION,
34 BE IN THE FORM OF OBLIGATIONS ISSUED BY THE COMPTROLLER.

35 4. NO STATE-FUNDED DEBT SHALL BE INCURRED IN THE FORM OF AN OBLIGATION
36 WITH A FINAL MATURITY EXCEEDING THE PROBABLE LIFE OF THE CAPITAL PROJECT
37 FINANCED BY SUCH DEBT, AS SPECIFIED IN SECTION SIXTY-ONE OF THIS CHAP-
38 TER. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO
39 STATE-FUNDED DEBT SHALL BE INCURRED IN THE FORM OF AN OBLIGATION WITH A
40 FINAL MATURITY OF MORE THAN THIRTY YEARS.

41 5. NO STATE-FUNDED DEBT OUTSTANDING ON THE EFFECTIVE DATE OF THIS
42 SUBDIVISION SHALL BE REFUNDED UNLESS SUCH REFUNDING IS CONDUCTED IN ALL
43 RESPECTS AS IF SUBJECT TO THE PROVISIONS OF SECTION THIRTEEN OF ARTICLE
44 SEVEN OF THE CONSTITUTION. SUCH OUTSTANDING DEBT OBLIGATIONS SHALL BE
45 INCLUDED IN THE DETERMINATION OF THE DEBT LIMIT. FOR THE PURPOSES OF
46 THIS SUBDIVISION AND SECTION SIXTY-SEVEN-C OF THIS ARTICLE, ANY REFUND-
47 ING DEBT THAT DOES NOT EXTEND BEYOND THE FINAL MATURITY OF THE DEBT
48 BEING REFUNDED SHALL BE DEEMED TO BE IN COMPLIANCE WITH THE PROVISIONS
49 OF SUBDIVISION SIX OF SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITU-
50 TION MADE APPLICABLE BY THIS SUBDIVISION IF THERE IS AN ACTUAL DEBT
51 SERVICE SAVINGS IN EVERY YEAR TO MATURITY AS A RESULT OF THE ISSUANCE OF
52 THE REFUNDING DEBT.

53 6. ANY REFUNDING OBLIGATIONS ISSUED PURSUANT TO SUBDIVISION FIVE OF
54 THIS SECTION ON OR AFTER THE FIRST DAY OF THE FIRST FISCAL YEAR BEGIN-
55 NING AT LEAST ONE YEAR AFTER THE EFFECTIVE DATE OF AN AMENDMENT TO

SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION IMPOSING A LIMIT ON THE TOTAL AMOUNT OF STATE DEBT SHALL BE ISSUED BY THE COMPTROLLER.

S 67-E. PROHIBITION OF CONTINGENT OBLIGATION DEBT. AFTER THE EFFECTIVE DATE OF THIS SECTION, THE STATE SHALL NOT, EXCEPT AS SPECIFICALLY AUTHORIZED BY A PROVISION OF THE CONSTITUTION OTHER THAN SECTION ELEVEN OF ARTICLE SEVEN, AGREE TO MAKE PAYMENTS, DIRECTLY OR INDIRECTLY, WHETHER OR NOT SUBJECT TO APPROPRIATION, THAT ARE TO BE AVAILABLE TO PAY DEBT SERVICE ON ANY DEBT INCURRED BY A MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR OTHER PUBLIC OR PRIVATE CORPORATION OR ANY OTHER ENTITY, FOR ANY PURPOSE, IF SUCH PAYMENTS ARE EXPECTED TO BE USED TO PAY DEBT SERVICE ONLY IF OTHER SOURCES AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ARE INADEQUATE. ANY PROVISION REQUIRING THE STATE TO REPLACE MONIES USED TO PAY DEBT SERVICE SHALL BE INCLUDED IN THE PROHIBITION SET FORTH IN THIS SUBDIVISION. OUTSTANDING DEBT THAT WOULD BE PROHIBITED BY THIS SECTION IF SUCH DEBT HAD BEEN INCURRED AFTER THE EFFECTIVE DATE OF THIS SECTION MAY BE REFUNDED BY THE ENTITY THAT INCURRED THE OUTSTANDING DEBT.

S 67-F. USE OF SURPLUS MONEYS. AT THE CLOSE OF EACH FISCAL YEAR, SEVENTY-FIVE PERCENT OF ANY CASH SURPLUS REMAINING IN THE GENERAL FUND AFTER THE TRANSFER PURSUANT TO SECTION NINETY-TWO OF THIS CHAPTER SHALL BE DEPOSITED TO THE RAINY DAY FUND ESTABLISHED IN SECTION NINETY-TWO-CC OF THIS CHAPTER UNTIL THE FUND REACHES THE MAXIMUM BALANCE. THE REMAINING TWENTY-FIVE PERCENT SHALL BE TRANSFERRED TO THE DEBT REDUCTION RESERVE FUND ESTABLISHED BY SECTION NINETY-SEVEN-RRR, AS AMENDED BY SECTION FORTY-FIVE OF PART H OF CHAPTER FIFTY-SIX OF THE LAWS OF TWO THOUSAND, OF THIS CHAPTER. IF THE RAINY DAY FUND HAS REACHED ITS MAXIMUM BALANCE THEN ALL CASH SURPLUS SHALL BE DEPOSITED IN THE DEBT REDUCTION RESERVE FUND.

S 67-G. NEW YORK STATE DEBT PLANNING COUNCIL; CREATION; PROCEDURE. 1. THE NEW YORK STATE DEBT PLANNING COUNCIL IS HEREBY CREATED WITHIN THE DEPARTMENT OF AUDIT AND CONTROL TO HAVE AND EXERCISE THE POWERS, DUTIES AND PREROGATIVES PROVIDED BY THE PROVISIONS OF THIS ARTICLE AND ANY OTHER PROVISION OF LAW. THE COUNCIL SHALL BE CREATED NO LATER THAN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS ARTICLE.

2. THE MEMBERSHIP OF THE COUNCIL SHALL CONSIST OF SEVEN PERSONS, INCLUDING ONE APPOINTED BY THE GOVERNOR, THE COMPTROLLER, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY. THE COMPTROLLER, TEMPORARY PRESIDENT OF THE SENATE AND SPEAKER OF THE ASSEMBLY SHALL EACH NOMINATE TWO NON-GOVERNMENTAL EXPERTS IN THE FIELD OF PUBLIC FINANCE FROM WHICH THE REMAINING THREE MEMBERS OF THE DEBT PLANNING COUNCIL SHALL BE APPOINTED BY THE GOVERNOR. THE THREE PUBLIC FINANCE EXPERTS SHALL SERVE TERMS OF THREE YEARS; THE MEMBERS APPOINTED BY THE GOVERNOR, COMPTROLLER, TEMPORARY PRESIDENT OF THE SENATE AND SPEAKER OF THE ASSEMBLY SHALL SERVE INITIAL TERMS OF THREE YEARS. UPON EXPIRATION OF INITIAL TERMS FOR MEMBERS APPOINTED BY THE GOVERNOR, COMPTROLLER, TEMPORARY PRESIDENT OF THE SENATE AND SPEAKER OF THE ASSEMBLY, EACH SUBSEQUENT TERM SHALL BE FOUR YEARS. REPRESENTATIVES FROM THE COUNCIL SHALL ELECT A CHAIRPERSON. IN THE EVENT OF A VACANCY OCCURRING IN THE COUNCIL OF A MEMBER APPOINTED BY THE COMPTROLLER, THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE OR THE SPEAKER OF THE ASSEMBLY BY DEATH, RESIGNATION OR OTHERWISE, THE SUCCESSOR SHALL BE APPOINTED BY THE SAME APPOINTING OFFICIAL TO SERVE FOR THE BALANCE OF THE UNEXPIRED TERM. IN THE EVENT OF A VACANCY OCCURRING IN THE COUNCIL OF A NON-GOVERNMENTAL MEMBER BY DEATH, RESIGNATION OR OTHERWISE, THE COMPTROLLER, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY SHALL EACH NOMINATE ONE NON-GOVERNMENTAL EXPERT IN THE FIELD OF PUBLIC FINANCE,

1 FROM WHICH THE GOVERNOR SHALL APPOINT ONE AS SUCCESSOR TO SERVE FOR THE
2 BALANCE OF THE UNEXPIRED TERM. THE COUNCIL SHALL ACT BY MAJORITY OF ALL
3 OF THE MEMBERS OF THE COUNCIL. ANY ACTION BY THE COUNCIL SHALL BE
4 EVIDENCED BY A CERTIFICATION THEREOF SIGNED BY A MAJORITY OF ALL THE
5 MEMBERS, EXCEPT THAT ALL MEMBERS SHALL SIGN A CERTIFICATION OF ANY
6 ACTION REQUIRING UNANIMOUS APPROVAL. EACH MEMBER OF THE COUNCIL SHALL BE
7 ENTITLED TO DESIGNATE A REPRESENTATIVE TO ATTEND MEETINGS OF THE BOARD
8 IN HIS OR HER PLACE, AND TO VOTE OR OTHERWISE ACT ON HIS OR HER BEHALF
9 IN HIS OR HER ABSENCE. NOTICE OF SUCH DESIGNATION SHALL BE FURNISHED IN
10 WRITING TO THE COUNCIL BY THE DESIGNATING MEMBER. A REPRESENTATIVE SHALL
11 SERVE AT THE PLEASURE OF THE DESIGNATING MEMBER DURING THE MEMBER'S TERM
12 OF OFFICE. A REPRESENTATIVE SHALL NOT BE AUTHORIZED TO DELEGATE ANY OF
13 HIS OR HER DUTIES OR POWERS TO ANY OTHER PERSON. THE COUNCIL MAY REQUEST
14 AND RECEIVE FROM ANY STATE OR LOCAL AUTHORITY, AGENCY, DEPARTMENT OR
15 DIVISION OF THE STATE OR POLITICAL SUBDIVISION SUCH ASSISTANCE, PERSON-
16 NEL, INFORMATION, BOOKS, RECORDS, OTHER DOCUMENTATION AND COOPERATION AS
17 MAY BE NECESSARY TO PERFORM ITS DUTIES.

18 3. THE COMPTROLLER, GOVERNOR, TEMPORARY PRESIDENT OF THE SENATE AND
19 SPEAKER OF THE ASSEMBLY MAY REMOVE ANY MEMBER APPOINTED BY HIM OR HER
20 FOR INEFFICIENCY, NEGLECT OF DUTY OR MISCONDUCT IN OFFICE AFTER GIVING
21 HIM OR HER A COPY OF THE CHARGES AGAINST HIM OR HER, AND AN OPPORTUNITY
22 TO BE HEARD, IN PERSON OR BY COUNSEL, IN HIS OR HER DEFENSE, UPON NOT
23 LESS THAN TEN DAYS' NOTICE. IF ANY SUCH MEMBER SHALL BE REMOVED, THE
24 GOVERNOR SHALL FILE IN THE OFFICE OF THE DEPARTMENT OF STATE A COMPLETE
25 STATEMENT OF CHARGES MADE AGAINST SUCH MEMBER AND HIS OR HER FINDINGS
26 THEREON, TOGETHER WITH A COMPLETE RECORD OF THE PROCEEDING.

27 4. ALL THE MEMBERS OF THE COUNCIL SHALL BE ENTITLED TO REIMBURSEMENT
28 FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF OFFI-
29 CIAL DUTIES PURSUANT TO THIS SECTION OR OTHER PROVISION OF LAW.

30 5. THE COUNCIL SHALL MEET QUARTERLY OR MORE FREQUENTLY AT THE CALL OF
31 THE CHAIRPERSON. MEETINGS OF THE BOARD SHALL BE SUBJECT TO THE OPEN
32 MEETINGS LAW ESTABLISHED BY ARTICLE SEVEN OF THE PUBLIC OFFICERS LAW.

33 6. THE PROVISIONS OF THIS SECTION SHALL BE CONTROLLING, ANY OTHER
34 GENERAL, SPECIAL OR LOCAL LAW INCONSISTENT THEREWITH NOTWITHSTANDING,
35 UNLESS THIS SECTION IS EXPRESSLY AND SPECIFICALLY REFERRED TO IN SUCH
36 OTHER GENERAL, SPECIAL OR LOCAL LAW.

37 S 67-H. POWERS AND DUTIES OF THE DEBT PLANNING COUNCIL. 1. THE COUN-
38 CIL SHALL HAVE THE POWER AND THE DUTY TO:

39 (A) ON OR BEFORE OCTOBER THIRTY-FIRST OF TWO THOUSAND THIRTEEN AND
40 EACH YEAR THEREAFTER, THE COUNCIL SHALL PRESCRIBE THE DEBT AFFORDABILITY
41 LEVEL OF THE STATE FOR THE NEXT FISCAL YEAR, AND REPORT THE LEVEL TO THE
42 TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE
43 CHAIRPERSON AND RANKING MINORITY MEMBER OF THE SENATE FINANCE COMMITTEE,
44 AND THE CHAIRPERSON AND RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND
45 MEANS COMMITTEE. ON OR BEFORE SUCH DATE, THE COUNCIL SHALL ISSUE A
46 PUBLIC ANNOUNCEMENT OF SUCH LEVEL. WITHIN THE LIMITATION ESTABLISHED BY
47 THE TOTAL DEBT LIMIT OF THE STATE, THE DEBT AFFORDABILITY LEVEL OF THE
48 STATE SHALL BE BASED UPON THE COUNCIL'S EVALUATION OF THE TOTAL AMOUNT
49 OF ADDITIONAL DEBT THAT MAY BE INCURRED AND THE TOTAL DEBT SERVICE OBLI-
50 GATIONS AND RELATED PAYMENTS THAT MAY BE UNDERTAKEN BY THE STATE WITHOUT
51 OVERBURDENING PRESENT OR FUTURE GENERATIONS, TAKING INTO ACCOUNT THE
52 CURRENT AND EXPECTED REVENUES AND EXPENSES OF THE STATE, THE CURRENT AND
53 EXPECTED TRENDS AFFECTING THE ECONOMY OF THE STATE, AND SUCH OTHER
54 FACTORS AS THE BOARD DEEMS RELEVANT. IN ADDITION TO THE DEBT AFFORDABIL-
55 ITY LEVEL OF THE STATE FOR THE NEXT FISCAL YEAR, THE COUNCIL'S REPORT TO
56 THE LEGISLATURE AND ANNOUNCEMENT TO THE PUBLIC SHALL INCLUDE THE COUN-

1 CIL'S FORECAST OF THE DEBT AFFORDABILITY LEVELS EXPECTED FOR THE TWO
2 SUCCEEDING FISCAL YEARS. FOLLOWING THE COUNCIL'S ESTABLISHMENT OF A
3 DEBT AFFORDABILITY LEVEL OF THE STATE FOR A FISCAL YEAR, THERE SHALL BE
4 NO CHANGE IN SUCH LEVEL (OTHER THAN A DEBT AFFORDABILITY LEVEL FORECAST
5 FOR A FISCAL YEAR AFTER THE NEXT FISCAL YEAR) EXCEPT WITH THE UNANIMOUS
6 APPROVAL OF THE MEMBERS OF THE COUNCIL; AND

7 (B) PUBLICLY PROVIDE AN ANNUAL DETAILED REPORTING OF CURRENT AND
8 PROJECTED STATE-FUNDED DEBT LEVELS AND OTHER FACTORS THAT AFFECT THE
9 COST OF STATE-FUNDED DEBT.

10 2. THE COUNCIL SHALL MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE
11 LEGISLATURE OF POLICIES TO GOVERN THE ISSUANCE OF ALL STATE-FUNDED DEBT
12 AND OTHER CAPITAL FINANCING MATTERS.

13 3. THE COUNCIL SHALL MAINTAIN AND POST ON THE COMPTROLLER'S PUBLICLY
14 AVAILABLE INTERNET WEBSITE A LISTING OF ALL BONDS ISSUED PURSUANT TO
15 SECTION SIXTY-SEVEN-A OF THIS ARTICLE. INFORMATION ON NEW ISSUANCES
16 SHALL BE ADDED TO THE LISTING ON AN ONGOING BASIS AS SOON AS POSSIBLE
17 AFTER THE DATE ON WHICH THE BONDS ARE SOLD, BUT NO LATER THAN THIRTY
18 DAYS AFTER SUCH DATE. SUCH LISTING SHALL INCLUDE, BUT NOT BE LIMITED TO,
19 THE FOLLOWING ITEMS:

20 (A) A GENERAL DESCRIPTION OF THE BOND CONSISTING OF:

21 (I) THE NAME OF THE SERIES;

22 (II) SOURCES AND USES OF THE SERIES; AND

23 (III) PROJECTED PAYMENTS OF PRINCIPAL AND INTEREST;

24 (B) AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT OF THE BOND ISSUE;

25 (C) OTHER INFORMATION USED BY THE DEBT PLANNING COUNCIL TO ESTABLISH
26 ANNUAL DEBT AFFORDABILITY LEVELS INCLUDING, BUT NOT LIMITED TO ECONOMIC
27 AND BUDGET FORECASTS; AND

28 (D) ANNUAL DEBT AFFORDABILITY STUDIES AND REPORTING OF CURRENT AND
29 PROJECTED STATE-FUNDED DEBT LEVELS AND DEBT SERVICE REQUIREMENTS.

30 S 2. Paragraph i of subdivision 3 of section 22 of the state finance
31 law, as amended by chapter 1 of the laws of 2007, is amended to read as
32 follows:

33 i. A statement setting forth state involvement in the fiscal oper-
34 ations of those public authorities and public benefit corporations which
35 may be part of the development of a comprehensive state budget system
36 and provided therefor in the state financial plan. Such statement shall
37 include those public authorities and public benefit corporations with
38 disbursements which are not currently reflected in the state central
39 accounting system from proceeds of any notes or bonds issued by any
40 public authority, and which bonds or notes would be considered as
41 [state-supported] STATE-FUNDED debt as defined in section sixty-seven-a
42 of this chapter. Such statement shall set forth the amount of all of the
43 bonds, notes and other obligations of each public authority, public
44 benefit corporation and all other agencies and instrumentalities of the
45 state for which the full faith and credit of the state has been pledged
46 or on account of which the state has by law given its pledge or assur-
47 ance for the continued operation and solvency of the authority, public
48 corporation, or other agency or instrumentality of the state, as the
49 case may be. Such statement shall also set forth all proposed appropri-
50 ations to be made to any public authority, public benefit corporation,
51 and any other agency or instrumentality of the state which has been
52 created or continued by law and which is separate and distinct from the
53 state itself.

54 S 3. Paragraph b of subdivision 15 of section 22 of the state finance
55 law, as added by chapter 1 of the laws of 2007, is amended to read as
56 follows:

1 b. The capital program and financing plan submitted pursuant to
2 section twenty-two-c of this article, and the update thereto required
3 pursuant to section twenty-three of this article, shall include a report
4 on the management of [state-supported] STATE-FUNDED debt. Such report
5 may include, but is not limited to: (1) an assessment of the affordabil-
6 ity of state debt, including debt as a percent of personal income, debt
7 per capita, and debt service costs as a percent of the budget; (2) a
8 summary and analysis of the interest rate exchange agreements and vari-
9 able rate exposure; and (3) an assessment of financing opportunities
10 related to the state's debt portfolio.

11 S 4. The opening paragraph and paragraph (f) of subdivision 1, and
12 subparagraphs (iv), (v), (vi), (vii) and (viii) of paragraph (c) of
13 subdivision 3 of section 22-c of the state finance law, as amended by
14 section 3 of part F of chapter 389 of the laws of 1997, are amended to
15 read as follows:

16 The governor shall annually submit to the legislature a capital
17 program and financing plan concurrent with the executive budget, in
18 addition to the information required by section twenty-two of this arti-
19 cle. The plan shall contain a comprehensive assessment of the capital
20 assets and program needs of all state agencies, a review and analysis of
21 how such requirements would be financed, an analysis of the affordabili-
22 ty of [state-supported] STATE-FUNDED debt, and an analysis of all costs
23 related to the financing of such plan.

24 (f) "[State-supported] STATE-FUNDED debt" shall [mean any bonds or
25 notes issued by the state or a state public corporation for which the
26 state is constitutionally obligated to pay debt service or is contractu-
27 ally obligated to pay debt service subject to an appropriation, except
28 where the state has a contingent contractual obligation] HAVE THE SAME
29 MEANING AS SET FORTH IN SECTION SIXTY-SEVEN-A OF THIS CHAPTER.

30 (iv) schedules of the projected annual [state-supported] STATE-FUNDED
31 bond issuances, proposed for each capital program, by agency, by issuer,
32 and an analysis of existing debt authorizations and the need for any
33 additional authorizations;

34 (v) schedules of projected outstanding bonds, including retirements by
35 year identified separately for [state-supported] STATE-FUNDED bond issu-
36 ances by issuer, and by capital program by agency, where practicable;

37 (vi) schedules of the projected personal income of the state and the
38 projected ratio of outstanding [state-supported] STATE-FUNDED bonds to
39 personal income;

40 (vii) schedules of projected [state-supported] STATE-FUNDED debt
41 service costs by issuer, and by capital program by agency, where practi-
42 cable; and

43 (viii) an analysis of trends in municipal bond interest rates and an
44 explanation of the interest rate assumptions, timing of principal and
45 interest payments, and the timing and size of projected [state-support-
46 ed] STATE-FUNDED bond sales used in the debt service projections.

47 S 5. Subdivision 4 of section 23 of the state finance law, as amended
48 by chapter 1 of the laws of 2007, is amended to read as follows:

49 4. Financial plan updates. Quarterly, throughout the fiscal year, the
50 governor shall submit to the comptroller, the chairs of the senate
51 finance and the assembly ways and means committees, within thirty days
52 of the close of the quarter to which it shall pertain, a report which
53 summarizes the actual experience to date and projections for the remain-
54 ing quarters of the current fiscal year and for each of the next two
55 fiscal years of receipts, disbursements, tax refunds, and repayments of
56 advances presented in forms suitable for comparison with the financial

1 plan submitted pursuant to subdivisions one, four, and five, of section
2 twenty-two of this article and revised in accordance with the provisions
3 of subdivision three of this section. The governor shall submit with the
4 budget a similar report that summarizes revenue and expenditure experi-
5 ence to date in a form suitable for comparison with the financial plan
6 submitted pursuant to subdivision two of section twenty-two of this
7 article and revised in accordance with the provisions of subdivision
8 three of this section. Such reports shall provide an explanation of the
9 causes of any major deviations from the revised financial plans and,
10 shall provide for the amendment of the plan or plans to reflect those
11 deviations. The governor may, if he determines it advisable, provide
12 more frequent reports to the legislature regarding actual experience as
13 compared to the financial plans. The quarterly financial plan update
14 most proximate to October thirty-first of each year shall include the
15 calculation of the limitations on the issuance of [state-supported]
16 STATE-FUNDED debt computed pursuant to the provisions of [subdivisions
17 one and two of] section sixty-seven-b of this chapter.

18 S 6. Subdivision 2 of section 68-a of the state finance law, as
19 amended by section 36 of part U of chapter 59 of the laws of 2012, is
20 amended to read as follows:

21 2. "Authorized purpose" for purposes of this article and section nine-
22 ty-two-z of this chapter shall mean any [purposes] PURPOSE for which
23 [state-supported] STATE-FUNDED debt, as defined by section sixty-seven-a
24 of this chapter, may or has been issued except debt for which the state
25 is constitutionally obligated thereunder to pay debt service and related
26 expenses, and except (a) as authorized in paragraph (b) of subdivision
27 one of section three hundred eighty-five of the public authorities law,
28 (b) as authorized for the department of health of the state of New York
29 facilities as specified in paragraph a of subdivision two of section
30 sixteen hundred eighty of the public authorities law, (c) state univer-
31 sity of New York dormitory facilities as specified in subdivision eight
32 of section sixteen hundred seventy-eight of the public authorities law,
33 and (d) as authorized for mental health services facilities by section
34 nine-a of section one of chapter three hundred ninety-two of the laws of
35 nineteen hundred seventy-three constituting the New York state medical
36 care facilities financing act. Notwithstanding the provisions of clause
37 (d) of this subdivision, for the period April first, two thousand nine
38 through March thirty-first, two thousand thirteen, mental health
39 services facilities, as authorized by section nine-a of section one of
40 chapter three hundred ninety-two of the laws of nineteen hundred seven-
41 ty-three constituting the New York state medical care facilities financ-
42 ing act, shall constitute an authorized purpose.

43 S 7. Section 69-a of the state finance law, as added by section 38 of
44 part K of chapter 81 of the laws of 2002, subdivision 6 as amended by
45 section 9 of part A of chapter 63 of the laws of 2005 and subdivision 7
46 as amended by section 35 of part T of chapter 57 of the laws of 2007, is
47 amended to read as follows:

48 S 69-a. Definitions. As used throughout this article, the following
49 terms shall have the following meanings:

50 1. "Variable rate bonds" shall mean any [State-supported] STATE-FUNDED
51 debt which bears interest at a rate or rates which varies from time to
52 time.

53 2. "Interest rate exchange or similar agreement" shall mean a written
54 contract entered into in connection with the issuance of [State-support-
55 ed] STATE-FUNDED debt, or in connection with such [State-supported]
56 STATE-FUNDED debt already outstanding, with a counterparty to provide

1 for an exchange of payments based upon fixed and/or variable interest
2 rates, and shall be for exchanges in currency of the United States of
3 America only.

4 3. "[State-supported] STATE-FUNDED debt" shall mean all debt included
5 in subdivision [one] THREE of section sixty-seven-a of this chapter.

6 4. "Authorized issuer" shall mean the state or any state public corpo-
7 ration which is authorized to issue [State-supported] STATE-FUNDED debt.

8 5. "Governing board" shall mean, for each state public corporation
9 which is authorized to issue [State-supported] STATE-FUNDED debt, its
10 board of directors or, in the absence of a board of directors, its other
11 appropriate supervising body and, in relation to state general obli-
12 gation debt, the state comptroller.

13 6. "Variable rate debt instruments" shall mean, for any calculation
14 purpose, (i) variable rate bonds or (ii) any [state-supported]
15 STATE-FUNDED debt and related interest rate exchange or similar agree-
16 ments which, when considered together, result in an authorized issuer
17 effectively paying interest at a rate or rates which varies from time to
18 time, but shall not include any variable rate bonds, or any [state-sup-
19 ported] STATE-FUNDED debt considered together with related interest rate
20 exchange or similar agreements issued on or before July first, two thou-
21 sand five, during any period that such instrument or instruments provide
22 for payment by the authorized issuer of a fixed rate throughout the then
23 current fiscal year of the state.

24 7. "Excluded agreements" shall mean the total notional amount of
25 interest rate exchange or similar agreements entered into for the
26 purpose of reducing or eliminating a situation of risk or exposure under
27 an existing interest rate exchange or similar agreement, including, but
28 not limited to a counterparty downgrade, default, or other actual or
29 potential economic loss; provided, however, that for agreements entered
30 into on and after April first, two thousand seven "excluded agreements"
31 shall mean the total notional amount of interest rate exchange or simi-
32 lar agreements entered into for the purpose of reducing or eliminating a
33 situation of imminent risk under an existing interest rate exchange or
34 similar agreement, including, but not limited to a counterparty down-
35 grade, default, or other actual or imminent economic loss.

36 S 8. Section 69-b of the state finance law, as amended by section 57-d
37 of part BB of chapter 58 of the laws of 2011, is amended to read as
38 follows:

39 S 69-b. Limitation on amount of variable rate debt instruments. As of
40 the initial date of each issuance of variable rate bonds or the date of
41 entering into any other variable rate debt instruments, or for debt
42 issued on or before July first, two thousand five upon conversion of any
43 [state-supported] STATE-FUNDED debt to variable rate debt instruments,
44 the total of the principal and notional amounts of such variable rate
45 debt instruments outstanding and in effect shall not exceed an amount
46 equal to fifteen percent of the total principal amount of [state-sup-
47 ported] STATE-FUNDED debt outstanding.

48 S 9. The opening paragraph of section 69-c of the state finance law,
49 as amended by section 35 of part PP of chapter 56 of the laws of 2009,
50 is amended to read as follows:

51 Notwithstanding any other provision of law to the contrary, any
52 [State-supported] STATE-FUNDED debt may be issued as variable rate
53 bonds.

54 S 10. The opening paragraph and paragraph (d) of subdivision 1 of
55 section 69-d of the state finance law, as amended by section 33 of part
56 P2 of chapter 62 of the laws of 2003, are amended to read as follows:

1 In connection with the issuance of [State-supported] STATE-FUNDED
2 debt, or in connection with such [State-supported] STATE-FUNDED debt
3 already outstanding, an authorized issuer shall have the power to:

4 (d) the state, acting through the director of the budget or other
5 state officials who are so authorized by applicable law with respect to
6 such bonds, notes or other obligations, shall also be authorized to
7 enter into or amend agreements related to such [State-supported] STATE-
8 FUNDED debt to provide for payment, subject to appropriation, to such
9 authorized issuer of any amounts required to be paid by such authorized
10 issuer under any such interest rate exchange or similar agreement;

11 S 11. Paragraphs (c) and (d) of subdivision 2 of section 69-d of the
12 state finance law, paragraph (c) as amended by section 57-e of part BB
13 of chapter 58 of the laws of 2011 and paragraph (d) as added by section
14 38 of part K of chapter 81 of the laws of 2002, are amended to read as
15 follows:

16 (c) the total notional amount of all interest rate exchange or similar
17 agreements for all authorized issuers to be in effect shall not exceed
18 an amount equal to fifteen percent of the total amount of [state-sup-
19 ported] STATE-FUNDED debt outstanding as of the initial date of entering
20 into each new agreement; provided, however, that such total notional
21 amount shall not include any excluded agreements.

22 (d) no interest rate exchange or similar agreement shall have a matu-
23 rity exceeding the maturity of the related [State-supported] STATE-FUND-
24 ED debt;

25 S 12. Section 69-e of the state finance law, as added by section 38 of
26 part K of chapter 81 of the laws of 2002, is amended to read as follows:

27 S 69-e. Applicability. Nothing in this article shall be construed as
28 to apply to or limit any debt obligation or related instrument of the
29 state, state public corporations, or any other issuers except those
30 obligations or instruments which are or relate to [State-supported]
31 STATE-FUNDED debt.

32 S 13. Paragraph (a) of subdivision 3 of section 97-rrr of the state
33 finance law, as amended by section 45 of part H of chapter 56 of the
34 laws of 2000, is amended to read as follows:

35 (a) for the payment of principal, interest, and related expenses on
36 general obligation bonds, lease purchase payments, or special contractu-
37 al obligation payments, or for the purposes of retiring or defeasing
38 bonds previously issued, including any accrued interest thereon, for any
39 [state-supported] STATE-FUNDED bonding program or programs, and;

40 S 14. Subdivision 2 of section 50 of the public authorities law, as
41 amended by chapter 838 of the laws of 1983, is amended to read as
42 follows:

43 2. The membership of the board shall consist of [five] SIX persons
44 appointed by the governor AND ONE UPON THE RECOMMENDATION OF THE DEBT
45 PLANNING COUNCIL ESTABLISHED IN SECTION SIXTY-SEVEN-H OF THE STATE
46 FINANCE LAW, of which one shall be upon the recommendation of the tempo-
47 rary president of the senate, one upon the recommendation of the speaker
48 of the assembly, one upon the recommendation of the minority leader of
49 the senate and one upon the recommendation of the minority leader of the
50 assembly. The members appointed by the governor upon the recommendation
51 of the minority leader of the senate and the minority leader of the
52 assembly shall be non-voting members whose comments shall be entered
53 upon any official record of board proceedings in the same manner as
54 voting members' comments, unless objection is raised by any of the
55 voting members in which case, notwithstanding any provision of law to
56 the contrary, such comments by non-voting members shall not be so

1 entered. The term of the members first appointed shall continue until
2 January thirty-first, nineteen hundred seventy-seven, except that the
3 term of the members first appointed upon the recommendations of the
4 minority leader of the senate and the minority leader of the assembly
5 shall continue until January thirty-first, nineteen hundred eighty-four,
6 and thereafter their successors shall serve for a term of one year
7 ending on January thirty-first in each year. Upon recommendation of the
8 nominating party, the governor may replace any member in accordance with
9 the provision contained herein for the appointment of members. The
10 governor shall designate one of the members to serve as chairman. The
11 board shall act by unanimous vote of the voting members of the board.
12 Any determination of the board shall be evidenced by a certification
13 thereof executed by all the voting members. Each member of the board
14 shall be entitled to designate a representative to attend meetings of
15 the board in his place, and to vote or otherwise act on his behalf in
16 his absence. Notice of such designation shall be furnished in writing to
17 the board by the designating member. A representative shall serve at the
18 pleasure of the designating member during the member's term of office. A
19 representative shall not be authorized to delegate any of his duties or
20 functions to any other person.

21 S 15. Subdivision 1 of section 51 of the public authorities law, as
22 added by chapter 838 of the laws of 1983, paragraph k as added by chap-
23 ter 506 of the laws of 1995, paragraph l as added by chapter 468 of the
24 laws of 2004, paragraph m as added by section 10 of part E of chapter
25 494 of the laws of 2009 and paragraph n as added by chapter 533 of the
26 laws of 2010, is amended to read as follows:

27 1. [The] SUBJECT TO (A) THE COMPTROLLER'S CONSTITUTIONAL AUTHORITY TO
28 SUPERVISE THE ACCOUNTS OF PUBLIC AUTHORITIES, (B) THE COMPTROLLER'S
29 STATUTORY AUTHORITY TO APPROVE THE TERMS AND CONDITIONS OF DEBT OBLI-
30 GATIONS ISSUED BY PUBLIC AUTHORITIES, AND (C) THE POLICY STANDARDS
31 RECOMMENDED BY THE DEBT POLICY COUNCIL PURSUANT TO SECTION SIXTY-SEVEN-G
32 OF THE STATE FINANCE LAW IN RELATION TO PUBLIC AUTHORITY DEBT, THE New
33 York state public authorities control board shall have the power and it
34 shall be its duty to receive applications for approval of the financing
35 and construction of any project proposed by any of the following state
36 public benefit corporations:

- 37 a. New York state environmental facilities corporation
- 38 b. New York state housing finance agency
- 39 c. New York state medical care facilities finance agency
- 40 d. Dormitory authority
- 41 e. New York state urban development corporation
- 42 f. Job development authority
- 43 g. Battery park city authority
- 44 h. New York state project finance agency
- 45 i. State of New York mortgage agency
- 46 j. New York state energy research and development authority
- 47 k. Long Island Power Authority
- 48 l. Albany Convention Center Authority
- 49 m. State of New York Municipal Bond Bank Agency for bonds issued
- 50 pursuant to section two thousand four hundred thirty-six-b of this chap-
51 ter
- 52 n. North Country Power Authority
- 53 o. Any other state authority.

54 Any application made concerning a project shall include the terms,
55 conditions and dates of the repayment of state appropriations authorized
56 by law pursuant to a repayment agreement, AND A CURRENT LISTING OF ALL

1 OUTSTANDING DEBT AND DEBT SERVICE OBLIGATIONS OF THE APPLICANT. Any
2 subsidiary of, or corporation with the same members or directors as, a
3 public benefit corporation subject to the provisions of this section
4 shall also be subject to the provisions of this section. All applica-
5 tions and submissions to the board required to be made by a subsidiary
6 shall be made on behalf of such subsidiary by the public benefit corpo-
7 ration which created the subsidiary. No public benefit corporation
8 subject to the provisions of this section shall make any commitment,
9 enter into any agreement or incur any indebtedness for the purpose of
10 acquiring, constructing, or financing any project unless prior approval
11 has been received from the board by such public benefit corporation as
12 provided herein.

13 S 16. Section 51 of the public authorities law is amended by adding a
14 new subdivision 6 to read as follows:

15 6. NOT LATER THAN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR, THE
16 BOARD SHALL SUBMIT TO THE GOVERNOR, THE COMPTROLLER, THE TEMPORARY PRES-
17 IDENT AND THE MINORITY LEADER OF THE SENATE, AND THE SPEAKER AND THE
18 MINORITY LEADER OF THE ASSEMBLY, AN ANNUAL REPORT DETAILING:

19 (A) THE AGGREGATE AMOUNT OF DEBT APPROVED BY THE BOARD DURING SUCH
20 FISCAL YEAR;

21 (B) A LIST OF THE INDIVIDUAL PROJECTS APPROVED BY THE BOARD FOR EACH
22 PUBLIC AUTHORITY DURING SUCH FISCAL YEAR; AND

23 (C) THE TOTAL AMOUNT OF NEW DEBT OBLIGATIONS THE BOARD HAS APPROVED
24 DURING SUCH FISCAL YEAR FOR ISSUANCE BY EACH PUBLIC AUTHORITY. THE BOARD
25 SHALL PUBLISH SUCH REPORT BY POSTING SUCH REPORT ON THE BOARD'S INTERNET
26 WEBSITE. EACH SUCH REPORT POSTED ON THE BOARD'S INTERNET WEBSITE SHALL
27 BE MAINTAINED ON SUCH WEBSITE FOR AT LEAST TWELVE MONTHS OR UNTIL THE
28 NEXT SUCH REPORT IS POSTED ON SUCH WEBSITE, WHICHEVER IS LATER. THE
29 BOARD SHALL ISSUE A NEWS RELEASE ANNOUNCING SUCH REPORT TO NEWSPAPERS OF
30 GENERAL CIRCULATION AND RADIO AND TELEVISION NEWS BUREAUS WITHIN THE
31 STATE.

32 S 17. This act shall take effect immediately, provided, however, that
33 section 67-c of the state finance law, as added by section one of this
34 act, shall expire and be deemed repealed March 31, 2021; provided,
35 further, however, that subdivisions 3 and 6 of section 67-d of the state
36 finance law, as added by section one of this act, shall take effect on
37 the same date as the amendments to article 7 of the state constitution
38 relating to the authorization of multiple general obligation issuances
39 and revenue backed bonds on the ballot and restricting the use of debt
40 to capital purposes with strict limitations on exceptions for specific
41 purposes, as proposed in a concurrent resolution of the Senate and
42 Assembly entitled "CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY
43 proposing amendments to article 7 of the constitution, in relation to
44 authorization of debt in times of public emergency, a limit on the total
45 amount of state-funded debt, and the refunding of state debts", takes
46 effect.