

STATE OF NEW YORK

8397

2017-2018 Regular Sessions

IN ASSEMBLY

June 13, 2017

Introduced by M. of A. OTIS -- read once and referred to the Committee on Environmental Conservation

AN ACT to amend the public authorities law, in relation to the special powers of the New York state environmental facilities corporation; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 6 of section 1285-j of the public authorities
2 law, as amended by chapter 307 of the laws of 2005, is amended to read
3 as follow:

4 6. Moneys in the water pollution control revolving fund may be
5 invested as provided in subdivision four of section twelve hundred
6 eighty-four of this title and may be further invested (a) in investment
7 agreements continuously secured by obligations with any insurance or
8 reinsurance company or corporate affiliate thereof rated by a nationally
9 recognized rating agency in one of its two highest categories, any bank,
10 trust company or broker or dealer, as defined by the securities exchange
11 act of 1934, which is a dealer in government bonds, which reports to,
12 trades with and is recognized as a primary dealer by a federal reserve
13 bank and is a member of the securities [~~investors~~] investor protection
14 corporation, if, (i) such obligations securing such investment agree-
15 ments are obligations as set forth in section ten of the general munici-
16 pal law, (ii) such obligations are delivered to a trustee for the bene-
17 fit of the corporation or, with respect to moneys pledged under an
18 indenture of trust relating to bonds or notes of the corporation, to the
19 trustee under such indenture, or are supported by a safe keeping receipt
20 issued by a depository satisfactory to the corporation as applicable,
21 provided that such investment agreements must provide that the value of
22 the underlying obligations shall be maintained at a current market
23 value, calculated no less frequently than monthly, of not less than the
24 amount deposited thereunder, (iii) a prior perfected security interest

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

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1 in the obligations which are securing such agreement has been granted to
2 the corporation, as applicable, and (iv) such obligations are free and
3 clear of adverse third party claims, ~~[or]~~ (b) in obligations as set
4 forth in section ten of the general municipal law that are rated by a
5 nationally recognized rating agency in one of its two highest rating
6 categories, or (c) in obligations of governmental entities of another
7 state that are backed by the full faith and credit of that state and
8 rated in one of the two highest rating categories by at least one
9 nationally recognized rating organization.

10 § 2. Subdivision 6 of section 1285-m of the public authorities law, as
11 amended by chapter 307 of the laws of 2005, is amended to read as
12 follows:

13 6. Moneys in the drinking water revolving fund may be invested as
14 provided in subdivision four of section twelve hundred eighty-four of
15 this title and may be further invested:

16 (a) in investment agreements continuously secured by obligations with
17 any insurance company or reinsurance company or corporate affiliate
18 thereof rated by a nationally recognized rating agency in one of its two
19 highest categories, any bank, trust company or broker or dealer, as
20 defined by the securities exchange act of 1934, which is a dealer in
21 government bonds, which reports to, trades with and is recognized as a
22 primary dealer by a federal reserve bank and is a member of the securi-
23 ties ~~[investors]~~ investor protection corporation, if such investment
24 agreement provides that:

25 (i) such obligations securing such investment agreements are obli-
26 gations as set forth in section ten of the general municipal law;

27 (ii) such obligations are to be delivered to a trustee for the benefit
28 of the corporation or, with respect to moneys pledged under an indenture
29 of trust or trust agreement relating to bonds or notes of the corpo-
30 ration, to the trustee under such indenture or trust agreement, or are
31 supported by a safe keeping receipt issued by a depository satisfactory
32 to the corporation as applicable, provided that such investment agree-
33 ments must provide that the value of the underlying obligations shall be
34 maintained at a current market value, calculated no less frequently than
35 monthly, of not less than the amount deposited thereunder;

36 (iii) a prior perfected security interest in the obligations which are
37 securing such agreement has been granted to the corporation, such trustee
38 or such depository as applicable; and

39 (iv) such obligations are free and clear of adverse third party
40 claims; ~~[or]~~

41 (b) in obligations as set forth in section ten of the general municip-
42 al law that are rated by a nationally recognized rating agency in one
43 of its two highest rating categories; or

44 (c) in obligations of governmental entities of another state that are
45 backed by the full faith and credit of that state and rated in one of
46 the two highest rating categories by at least one nationally recognized
47 rating organization.

48 § 3. This act shall take effect immediately; provided, however that
49 the amendments to subdivision 6 of section 1285-j and subdivision 6 of
50 section 1285-m of the public authorities law made by sections one and
51 two of this act shall not affect the expiration and reversion of such
52 subdivisions and shall expire and deemed repealed therewith.