

STATE OF NEW YORK

1959

2021-2022 Regular Sessions

IN SENATE

January 16, 2021

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

AN ACT in relation to creating a COVID-19 interim finance authority to restructure debt

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

1 Section 1. Legislative findings. It is hereby found, determined and
2 declared that there is an immediate need to establish a comprehensive,
3 coordinated approach to address the unexpected and unprecedented effects
4 of the worldwide COVID-19 pandemic on the economies and finances of the
5 counties throughout the state in order to ensure the continuation of
6 basic and essential services to the residents of the state.
7 § 2. A board, to be known as the COVID-19 interim finance authority,
8 is hereby created. Such board shall be a body corporate and politic
9 constituting a public benefit corporation. Such board shall consist of
10 the commissioner of health, the comptroller or one member appointed by
11 him or her who shall serve until his or her successor is appointed, the
12 director of the budget, one member appointed by the temporary president
13 of the senate, one member appointed by the speaker of the assembly, and
14 five members to be appointed by the governor, by and with the advice and
15 consent of the senate, for terms of three years. The governor shall also
16 fill any vacancy which may occur by reason of the death, disqualifica-
17 tion, resignation or removal of any member theretofore appointed. The
18 commissioner of health and the director of the budget each may appoint a
19 person or persons to represent such commissioner or director, respec-
20 tively, at all meetings of such board from which such commissioner or
21 director, as the case may be, may be absent. Any such representative so
22 designated shall have the power to attend and to vote at any meeting of
23 such board from which the officer so designating him or her as a repre-
24 sentative is absent with the same force and effect as if the officer
25 designating him or her were present and voting. The powers of the board

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

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1 shall be vested in and exercised by a majority of the whole number of
2 the members thereof. The members of the board shall serve without
3 compensation but shall be entitled to reimbursement of their actual and
4 necessary expenses incurred in the performance of their official duties.
5 The governor shall appoint a chair from among the members appointed by
6 him or her who shall serve as such until his or her successor is
7 appointed. At the first meeting of the board and at the first meeting
8 thereof in each fiscal year thereafter the members of the board shall
9 choose from their number a vice-chair and a secretary. The authority may
10 also use the facilities, employees, records and equipment of the depart-
11 ment of education with the consent of the regents.

12 a. Notwithstanding any other provision of law to the contrary, the
13 authority is hereby authorized until December 31, 2022 to issue upon the
14 request of an eligible New York county, village, town or school district
15 bonds, notes or other obligations in one or more series including bonds,
16 notes or other obligations issued to restructure or refinance general
17 obligation debt, to prepay pension amortization, to pay the cost of
18 issuance of such bonds, notes or other obligations, and bonds, notes or
19 other obligations issued to refund or otherwise repay such bonds, notes
20 or other obligations previously issued. Bonds of the authority may be
21 issued, amortized, redeemed and refunded without regard to the
22 provisions of the local finance law; provided, however, that the princi-
23 pal amount of outstanding bonds issued by the authority shall be deemed
24 to be indebtedness of the county, village, town or school district sole-
25 ly in ascertaining the amount of indebtedness the county, village, town
26 or school district may contract pursuant to the local finance law and
27 the state constitution and the authority shall not exceed such limita-
28 tion. Such bonds, notes or other obligations issued by the authority
29 shall not be a debt of the state, county, village, town or school
30 district and the state, county, village, town or school district shall
31 not be liable thereon, nor shall they be payable out of any funds other
32 than a sufficient portion of its sales and compensating use tax, or real
33 property taxes pledged to the authority to be apportioned or otherwise
34 to be made payable to the eligible county, village, town or school
35 district by the state of New York, for payments required under the
36 financing agreement between the eligible county, village, town or school
37 district and the authority as set forth in subdivision c of this section
38 or state aid pledged and assigned by a county, village, town or school
39 district to the authority for debt service payments and related expenses
40 pursuant to any financing agreement entered into pursuant to paragraph b
41 of this section.

42 b. Notwithstanding any other provision of law to the contrary, an
43 eligible county, village, town or school district is hereby authorized
44 to enter into one or more financing agreements with the authority upon
45 terms as set forth by a duly enacted resolution of the county legisla-
46 ture, village board of trustees, town council, or school board however,
47 the repayment period shall not exceed twenty years in duration; the
48 amount restructured and/or borrowed to prepay pension amortization shall
49 not exceed twenty percent of the eligible county, village, town or
50 school district's budget and principal payments shall begin no later
51 than the fifth year of the term. Only debt that is scheduled to mature
52 within twelve years may be restructured.

53 c. Whenever the authority enters into a financing agreement with an
54 eligible county, village, town or school district, each eligible county,
55 village, town or school district shall, in connection with the financing
56 agreement, assign and pledge to the authority a sufficient portion of

1 its sales and compensating use tax or real property tax to be appor-
2 tioned or otherwise to be made payable to the eligible county, village,
3 town or school district by the state of New York, for payments required
4 under the financing agreement between the eligible county and the
5 authority. The eligible county, village, town or school district shall
6 have no right, title, or interest in sales tax, state aid revenues, or
7 real property taxes which are paid directly by the state comptroller to
8 the authority's bond trustee to secure the authority's bonds.

9 d. All county, village, town, school district and state officers are
10 hereby authorized and required to pay all funds so assigned and pledged
11 pursuant to paragraphs a, b and c of this section to the authority or,
12 upon the direction of the authority, to any trustee of any authority
13 bond, note or other obligation issued pursuant to a certificate filed by
14 the authority pursuant to the provisions of this section.

15 e. The authority shall submit annually to the governor, and the chairs
16 of the senate finance committee and the assembly ways and means commit-
17 tee a report which shall include, but not be limited to, detailed infor-
18 mation on the financing activity pursuant to this section, and a
19 detailed summary of the financing agreements entered into with any poli-
20 tical subdivision.

21 § 3. This act shall take effect immediately.