S T A T E O F N E W Y O R K

4308

2009-2010 Regular Sessions

I N A S S E M B L Y

February 3, 2009

Introduced by M. of A. CANESTRARI, McENENY, ORTIZ -- Multi-Sponsored by -- M. of A. COOK, MAGNARELLI, TOWNS -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to authorizing regional transportation authorities to borrow lines of credit

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

Section 1. Section 1299-i of the public authorities law, as added by chapter 717 of the laws of 1967, paragraph (a) of subdivision 1 as amended by chapter 972 of the laws of 1969, is amended to read as follows:

S 1299-i. Notes [and], bonds AND OTHER OBLIGATIONS of the authority. 1. (a) The authority shall have power and is hereby authorized from time to time to issue its negotiable bonds [and], notes AND OTHER OBLIGATIONS OF THE AUTHORITY in conformity with applicable provisions of the uniform commercial code in such principal amount as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving its purposes, including the acquisition, establishment, construction, effectuation, operation, maintenance, renovation, improvement, extension, REHABILITATION or repair of any transportation facility, the payment of PRINCIPAL, REDEMPTION PREMIUM AND interest on bonds [and], notes AND OTHER OBLIGATIONS of the authority, establishment of reserves to secure such bonds and notes, the provision of working capital and all other expenditures of the authority and its subsidiary corporations incident to and necessary or convenient to carry out their purposes and powers;

(b) The authority shall have power, from time to time, to issue renewal notes, to issue bonds to REFUND, REDEEM OR OTHERWISE pay, INCLUDING BY PURCHASE OR TENDER, notes OF THE AUTHORITY and whenever it deems refunding, REDEMPTION OR PAYMENT expedient, to refund, REDEEM OR OTHERWISE PAY, INCLUDING BY PURCHASE OR TENDER, any bonds OF THE AUTHORITY by the issuance of new bonds, whether the bonds to be refunded, REDEEMED OR OTHERWISE PAID have or have not matured, and to issue bonds partly [to refund bonds then outstanding] FOR SUCH PURPOSE and partly

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

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for any other purpose. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded;

(c) Except as may otherwise be expressly provided by the authority, every issue of its notes [or], bonds OR OTHER OBLIGATIONS shall be general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes [or], bonds OR OTHER OBLIGATIONS pledging any particular receipts or revenues;

2. The notes [and], bonds AND OTHER OBLIGATIONS shall be authorized by resolution approved by not less than a majority of the whole number of members of the authority then in office, shall bear such date or dates, and shall mature at such time or times, in the case of any such note or any renewals thereof not exceeding five years from the date of issue of such original note, and in the case of any such bond not exceeding fifty years from the date of issue, as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS of the authority may be sold by the authority, at public or private sale, at such price or prices as the authority shall determine. No notes [or], bonds OR OTHER OBLIGATIONS of the authority may be sold by the authority at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

3. Any resolution or resolutions authorizing any notes or bonds or any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY, may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(a) pledging all or any part of the fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations, and other moneys received or to be received, to secure the payment of the notes or bonds or of any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY subject to such agreements with bondholders [or], noteholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY, as may then exist;

(b) pledging all or any part of the assets of the authority or of any of its subsidiary corporations to secure the payment of the notes or bonds or of any issue of notes or bonds, OR ANY OTHER OBLIGATION OF THE AUTHORITY, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY as may then exist;

(c) the use, and disposition of REVENUES, INCLUDING fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations;

(d) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(e) limitations on the purpose to which the proceeds of sale of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof OR OF ANY OTHER OBLIGATIONS;

(f) limitations on the issuance of additional notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY; the terms upon which additional

notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be issued and secured; the refunding of outstanding or other notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY;

(g) the procedure, if any, by which the terms of any contract with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY may be amended or abrogated, the amount of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY the holders of which must consent thereto, and the manner in which such consent may be given;

(h) limitations on the amount of moneys to be expended by the authority or any of its subsidiary corporations for operating, administrative or other expenses of the authority or any of its subsidiary corporations;

(i) vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY pursuant to this title, and limiting or abrogating the right of the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY to appoint a trustee under this article or limiting the rights, powers and duties of such trustee;

(j) any other matters, of like or different character, which in any way affect the security or protection of the notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY.

4. In addition to the powers herein conferred upon the authority to secure its notes [and], bonds AND OTHER OBLIGATIONS, the authority shall have power in connection with the issuance of notes [and], bonds AND OTHER OBLIGATIONS to enter into such agreements as the authority may deem necessary, convenient or desirable concerning the use or disposition of its monies or property or the monies or property of any of its subsidiary corporations, including the mortgaging of any such property and the entrusting, pledging or creation of any other security interest in any such monies or property and the doing of any act (including refraining from doing any act) which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of the notes [and], bonds AND ANY OTHER OBLIGATIONS of the authority.

5. It is the intention hereof that any pledge, mortgage or security instrument made by the authority shall be valid and binding from the time when the pledge, mortgage or security instrument is made; that the monies or property so pledged, mortgaged and entrusted and thereafter received by the authority shall immediately be subject to the lien of such pledge, mortgage or security instrument without any physical delivery thereof or further act; and that the lien of any such pledge, mortgage or security instrument shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any mortgage, security instrument or other instrument by which a pledge, mortgage lien or other security is created need be recorded or filed and the authority shall not be required to comply with any of the provisions of the uniform commercial code.

6. Neither the members of the authority nor any person executing the notes [or], bonds, OR OTHER OBLIGATIONS shall be liable personally on

the notes [or], bonds OR OTHER OBLIGATIONS or be subject to any personal liability or accountability by reason of the issuance thereof.

7. The authority, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS as may then exist, shall have power out of any funds available therefor to purchase notes [or], bonds OR OTHER OBLIGATIONS of the authority[, which shall thereupon be cancelled, at a price not exceeding (a) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date]. THE AUTHORITY MAY HOLD, CANCEL OR SELL SUCH BONDS, NOTES AND OTHER OBLIGATIONS, SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH SUCH HOLDERS.

8. The state shall not be liable on notes [or], bonds OR OTHER OBLIGATIONS of the authority and such notes [and], bonds AND OTHER OBLIGATIONS shall not be a debt of the state, and such notes [and], bonds AND OTHER OBLIGATIONS shall contain on the face thereof, OR IN AN EQUALLY PROMINENT PLACE, a statement to such effect.

S 2. Section 1299-kk of the public authorities law, as added by chapter 1124 of the laws of 1969, subdivision 2 as amended by chapter 1115 of the laws of 1971, is amended to read as follows:

S 1299-kk. Notes [and], bonds AND OTHER OBLIGATIONS of the authority. 1. (a) The authority shall have power and is hereby authorized from time to time to borrow money and issue its negotiable bonds [and], notes AND OTHER OBLIGATIONS OF THE AUTHORITY IN CONFORMITY WITH APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE in such principal amount, as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving its purposes, including the acquisition, establishment, construction, effectuation, operation, maintenance, renovation, improvement, extension, REHABILITATION or repair of any transportation facility, the payment of PRINCIPAL, REDEMPTION PREMIUM AND interest on bonds [and], notes AND OTHER OBLIGATIONS of the authority, establishment of reserves to secure such bonds and notes, the provision of working capital and all other expenditures of the authority and its subsidiary corporations incident to and necessary or convenient to carry out their purposes and powers;

(b) The authority shall have power, from time to time, to issue renewal notes, to issue bonds to REFUND, REDEEM OR OTHERWISE pay, INCLUDING BY PURCHASE OR TENDER, notes OF THE AUTHORITY and whenever it deems refunding, REDEMPTION OR PAYMENT expedient, to refund, REDEEM OR OTHERWISE PAY, INCLUDING BY PURCHASE OR TENDER, any bonds OF THE AUTHORITY by the issuance of new bonds, whether the bonds to be refunded, REDEEMED OR OTHERWISE PAID have or have not matured, and to issue bonds partly [to refund bonds then outstanding] FOR SUCH PURPOSE and partly for any other purpose. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded;

(c) Except as may otherwise be expressly provided by the authority, every issue of its notes [or], bonds OR OTHER OBLIGATIONS shall be general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes [or], bonds OR OTHER OBLIGATIONS pledging any particular receipts or revenues;

(d) Whether or not the notes or bonds are of such form and character as to be negotiable instruments under article eight of the uniform

commercial code, the notes or bonds shall be and hereby are made negotiable instruments within the meaning of and for all the purposes of article eight of the uniform commercial code, subject only to the provisions of the notes or bonds for registration.

2. The notes [and], bonds AND OTHER OBLIGATIONS shall be authorized by resolution approved by not less than a majority vote of the authority, shall bear such date or dates, and shall mature at such time or times, as specified therein, and in the case of any such bond not exceeding fifty years from the date of issue, as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS of the authority may be sold by the authority, at public or private sale, at such price or prices as the authority shall determine. No notes [or], bonds OR OTHER OBLIGATIONS of the authority may be sold by the authority at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

3. Any resolution or resolutions authorizing any notes or bonds or any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY, may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(a) pledging all or any part of the fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations, and other moneys received or to be received, to secure the payment of the notes or bonds or of any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY subject to such agreements with bondholders [or], noteholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY, as may then exist;

(b) pledging all or any part of the assets of the authority or of any of its subsidiary corporations to secure the payment of the notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY or of any issue of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY, as may then exist;

(c) the use, and disposition of REVENUES, INCLUDING fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations;

(d) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(e) limitations on the purpose to which the proceeds of sale of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof OR OF ANY OTHER OBLIGATIONS;

(f) limitations on the issuance of additional notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY; the terms upon which additional notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be issued and secured; the refunding of outstanding or other notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY;

(g) the procedure, if any, by which the terms of any contract with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY may be amended or abrogated, the amount of notes [or], bonds

OR ANY OTHER OBLIGATION OF THE AUTHORITY the holders of which must consent thereto, and the manner in which such consent may be given;

(h) limitations on the amount of moneys to be expended by the authority or any of its subsidiary corporations for operating, administrative or other expenses of the authority or any of its subsidiary corporations;

(i) vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY pursuant to this title, and limiting or abrogating the right of the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY to appoint a trustee under this article or limiting the rights, powers and duties of such trustee;

(j) any other matters, of like or different character, which in any way affect the security or protection of the notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY.

4. In addition to the powers herein conferred upon the authority to secure its notes [and], bonds AND OTHER OBLIGATIONS, the authority shall have power in connection with the issuance of notes [and], bonds AND OTHER OBLIGATIONS to enter into such agreements as the authority may deem necessary, convenient or desirable concerning the use or disposition of its monies or property or the monies or property of any of its subsidiary corporations, including the mortgaging of any such property and the entrusting, pledging or creation of any other security interest in any such monies or property and the doing of any act (including refraining from doing any act) which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of the notes [and], bonds AND ANY OTHER OBLIGATIONS of the authority.

5. It is the intention hereof that any pledge, mortgage or security instrument made by the authority shall be valid and binding from the time when the pledge, mortgage or security instrument is made; that the monies or property so pledged, mortgaged and entrusted and thereafter received by the authority shall immediately be subject to the lien of such pledge, mortgage or security instrument without any physical delivery thereof or further act; and that the lien of any such pledge, mortgage or security instrument shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any mortgage, security instrument or other instrument by which a pledge, mortgage lien or other security is created need be recorded or filed and the authority shall not be required to comply with any of the provisions of the uniform commercial code.

6. Neither the members of the authority nor any person executing the notes or bonds shall be liable personally on the notes [or], bonds OR OTHER OBLIGATIONS or be subject to any personal liability or accountability by reason of the issuance thereof.

7. The authority, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS as may then exist, shall have power out of any funds available therefor to purchase notes [or], bonds OR OTHER OBLIGATIONS of the authority[, which shall thereupon be cancelled, at a price not exceeding (a) if the notes or bonds are then

redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date]. THE AUTHORITY MAY HOLD, CANCEL OR SELL SUCH BONDS, NOTES AND OTHER OBLIGATIONS, SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH SUCH HOLDERS.

8. The state shall not be liable on notes [or], bonds OR OTHER OBLIGATIONS of the authority and such notes [and], bonds AND OTHER OBLIGATIONS shall not be a debt of the state, and such notes [and], bonds AND OTHER OBLIGATIONS shall contain on the face thereof, OR IN AN EQUALLY PROMINENT PLACE, a statement to such effect.

S 3. Section 1310 of the public authorities law, as added by chapter 460 of the laws of 1970, is amended to read as follows:

S 1310. Notes [and], bonds AND OTHER OBLIGATIONS of the authority. 1. (a) The authority shall have power and is hereby authorized from time to time to borrow money and issue its negotiable bonds [and], notes AND OTHER OBLIGATIONS OF THE AUTHORITY IN CONFORMITY WITH APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE in such principal amount, as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving its purposes, including the acquisition, establishment, construction, effectuation, operation, maintenance, renovation, improvement, extension, REHABILITATION or repair of any transportation facility, the payment of PRINCIPAL, REDEMPTION PREMIUM AND interest on bonds [and], notes AND OTHER OBLIGATIONS of the authority, establishment of reserves to secure such bonds [and], notes AND OTHER OBLIGATIONS, the provision of working capital and all other expenditures of the authority and its subsidiary corporations incident to and necessary or convenient to carry out their purposes and powers;

(b) The authority shall have power, from time to time, to issue renewal notes, to issue bonds to REFUND, REDEEM OR OTHERWISE pay, INCLUDING BY PURCHASE OR TENDER, notes OF THE AUTHORITY and whenever it deems refunding, REDEMPTION OR PAYMENT expedient, to refund, REDEEM OR OTHERWISE PAY, INCLUDING BY PURCHASE OR TENDER, any bonds OF THE AUTHORITY by the issuance of new bonds, whether the bonds to be refunded, REDEEMED OR OTHERWISE PAID have or have not matured, and to issue bonds partly [to refund bonds then outstanding] FOR SUCH PURPOSE and partly for any other purposes. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded;

(c) Except as may otherwise be expressly provided by the authority, every issue of its notes [or], bonds OR OTHER OBLIGATIONS shall be general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes [or], bonds OR OTHER OBLIGATIONS pledging any particular receipts or revenues;

(d) Whether or not the notes or bonds are of such form and character as to be negotiable instruments under article eight of the uniform commercial code, the notes or bonds shall be and hereby are made negotiable instruments within the meaning of and for all the purposes of article eight of the uniform commercial code, subject only to the provisions of the notes or bonds for registration.

2. The notes [and], bonds AND OTHER OBLIGATIONS shall be authorized by resolution approved by not less than a majority of the whole number of members of the authority then in office, shall bear such date or dates, and shall mature at such time or times, as specified therein and in the

case of any such bond not exceeding fifty years from the date of issue, as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS of the authority may be sold by the authority, at public or private sale, at such price or prices as the authority shall determine. No notes [or], bonds OR OTHER OBLIGATIONS of the authority may be sold by the authority at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

3. Any resolution or resolutions authorizing any notes or bonds or any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY, may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(a) pledging all or any part of the fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations, and other moneys received or to be received, to secure the payment of the notes or bonds or of any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY subject to such agreements with bondholders [or], noteholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY, as may then exist;

(b) pledging all or any part of the assets of the authority or of any of its subsidiary corporations to secure the payment of the notes or bonds or of any issue of notes or bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY as may then exist;

(c) the use, and disposition of REVENUES, INCLUDING fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations;

(d) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(e) limitations on the purpose to which the proceeds of sale of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof OR OF ANY OTHER OBLIGATIONS;

(f) limitations on the issuance of additional notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY; the terms upon which additional notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be issued and secured; the refunding of outstanding or other notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY;

(g) the procedure, if any, by which the terms of any contract with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY may be amended or abrogated, the amount of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY the holders of which must consent thereto, and the manner in which such consent may be given;

(h) limitations on the amount of moneys to be expended by the authority or any of its subsidiary corporations for operating, administrative or other expenses of the authority or any of its subsidiary corporations;

(i) vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the

bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY pursuant to this title, and limiting or abrogating the right of the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY to appoint a trustee under this article or limiting the rights, powers and duties of such trustee;

(j) any other matters, of like or different character, which in any way affect the security or protection of the notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY.

4. In addition to the powers herein conferred upon the authority to secure its notes [and], bonds AND OTHER OBLIGATIONS, the authority shall have power in connection with the issuance of notes [and], bonds AND OTHER OBLIGATIONS to enter into such agreements as the authority may deem necessary, convenient or desirable concerning the use or disposition of its moneys or property or the moneys or property of any of its subsidiary corporations, including the mortgaging of any such property and the entrusting, pledging or creation of any other security interest in any such moneys or property and the doing of any act (including refraining from doing any act) which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of the notes [and], bonds AND ANY OTHER OBLIGATIONS of the authority.

5. It is the intention hereof that any pledge, mortgage or security instrument made by the authority shall be valid and binding from the time when the pledge, mortgage or security instrument is made; that the moneys or property so pledged, mortgaged and entrusted and thereafter received by the authority shall immediately be subject to the lien of such pledge, mortgage or security instrument without any physical delivery thereof or further act; and that the lien of any such pledge, mortgage or security instrument shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any mortgage, security instrument or other instrument by which a pledge, mortgage lien or other security is created need be recorded or filed and the authority shall not be required to comply with any of the provisions of the uniform commercial code.

6. Neither the members of the authority nor any person executing the notes or bonds shall be liable personally on the notes [or], bonds OR OTHER OBLIGATIONS or be subject to any personal liability or accountability by reason of the issuance thereof.

7. The authority, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS as may then exist, shall have power out of any funds available therefor to purchase notes [or], bonds OR OTHER OBLIGATIONS of the authority[, which shall thereupon be cancelled, at a price not exceeding (a) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date]. THE AUTHORITY MAY HOLD, CANCEL OR SELL SUCH BONDS, NOTES AND OTHER OBLIGATIONS, SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH SUCH HOLDERS.

8. The state shall not be liable on notes [or], bonds OR OTHER OBLIGATIONS of the authority and such notes [and], bonds AND OTHER OBLI-

GATIONS shall not be a debt of the state, and such notes [and], bonds AND OTHER OBLIGATIONS shall contain on the face thereof, OR IN AN EQUALLY PROMINENT PLACE, a statement to such effect.

S 4. Section 1335 of the public authorities law, as added by chapter 714 of the laws of 1970, is amended to read as follows:

S 1335. Notes [and], bonds AND OTHER OBLIGATIONS of the authority. 1. (a) The authority shall have power and is hereby authorized from time to time to borrow money and issue its negotiable bonds [and], notes AND OTHER OBLIGATIONS OF THE AUTHORITY IN CONFORMITY WITH APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE in such principal amount, as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving its purposes, including the acquisition, establishment, construction, effectuation, operation, maintenance, renovation, improvement, extension, REHABILITATION or repair of any transportation facility, the payment of PRINCIPAL, REDEMPTION PREMIUM AND interest on bonds [and], notes AND OTHER OBLIGATIONS of the authority, establishment of reserves to secure such bonds [and], notes OR OTHER OBLIGATIONS, the provision of working capital and all other expenditures of the authority and its subsidiary corporations incident to and necessary or convenient to carry out their purposes and powers;

(b) The authority shall have power, from time to time, to issue renewal notes, to issue bonds to REFUND, REDEEM OR OTHERWISE pay, INCLUDING BY PURCHASE OR TENDER, notes OF THE AUTHORITY and whenever it deems refunding, REDEMPTION OR PAYMENT expedient, to refund, REDEEM OR OTHERWISE PAY, INCLUDING BY PURCHASE OR TENDER, any bonds OF THE AUTHORITY by the issuance of new bonds, whether the bonds to be refunded, REDEEMED OR OTHERWISE PAID have or have not matured, and to issue bonds partly [to refund bonds then outstanding] FOR SUCH PURPOSE and partly for any other purposes. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded;

(c) Except as may otherwise be expressly provided by the authority, every issue of its notes [or], bonds OR OTHER OBLIGATIONS shall be general obligations of the authority payable out of any revenues or moneys of the authority, subject only to any agreements with the holders of particular notes [or], bonds OR OTHER OBLIGATIONS pledging any particular receipts or revenues;

(d) Whether or not the notes or bonds are of such form and character as to be negotiable instruments under article eight of the uniform commercial code, the notes or bonds shall be and hereby are made negotiable instruments within the meaning of and for all the purposes of article eight of the uniform commercial code, subject only to the provisions of the notes or bonds for registration.

2. The notes [and], bonds AND OTHER OBLIGATIONS shall be authorized by resolution approved by not less than a majority of the whole number of members of the authority then in office, shall bear such date or dates, and shall mature at such time or times, as specified therein and in the case of any such bond not exceeding fifty years from the date of issue, as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places and be subject to such terms of redemption as such resolution or resolutions may provide. The notes [and], bonds AND OTHER OBLIGATIONS of the authority may be sold by the authority, at public or private sale, at such price or prices as the

authority shall determine. No notes [or], bonds OR OTHER OBLIGATIONS of the authority may be sold by the authority at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget where such sale is to the comptroller.

3. Any resolution or resolutions authorizing any notes or bonds or any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY, may contain provisions, which shall be a part of the contract with the holders thereof, as to: (a) pledging all or any part of the fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations, and other moneys received or to be received, to secure the payment of the notes or bonds or of any issue thereof, OR ANY OTHER OBLIGATION OF THE AUTHORITY subject to such agreements with bondholders [or], noteholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY, as may then exist;

(b) pledging all or any part of the assets of the authority or of any of its subsidiary corporations to secure the payment of the notes or bonds or of any issue of notes or bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY as may then exist;

(c) the use, and disposition of REVENUES, INCLUDING fares, tolls, rentals, rates, charges and other fees made or received by the authority or any of its subsidiary corporations;

(d) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(e) limitations on the purpose to which the proceeds of sale of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be applied and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof OR OF ANY OTHER OBLIGATIONS;

(f) limitations on the issuance of additional notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY; the terms upon which additional notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY may be issued and secured; the refunding of outstanding or other notes [or], bonds OR OTHER OBLIGATIONS OF THE AUTHORITY;

(g) the procedure, if any, by which the terms of any contract with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY may be amended or abrogated, the amount of notes [or], bonds OR ANY OTHER OBLIGATION OF THE AUTHORITY the holders of which must consent thereto, and the manner in which such consent may be given;

(h) limitations on the amount of moneys to be expended by the authority or any of its subsidiary corporations for operating, administrative or other expenses of the authority or any of its subsidiary corporations;

(i) vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY pursuant to this title, and limiting or abrogating the right of the bondholders, NOTEHOLDERS, OR HOLDERS OF OTHER OBLIGATIONS OF THE AUTHORITY to appoint a trustee under this article or limiting the rights, powers and duties of such trustee;

(j) any other matters, of like or different character, which in any way affect the security or protection of the notes [or], bonds OR OBLIGATIONS OF THE AUTHORITY.

4. In addition to the powers herein conferred upon the authority to secure its notes [and], bonds AND OTHER OBLIGATIONS, the authority shall

have power in connection with the issuance of notes [and], bonds AND OTHER OBLIGATIONS to enter into such agreements as the authority may deem necessary, convenient or desirable concerning the use or disposition of its moneys or property or the moneys or property of any of its subsidiary corporations, including the mortgaging of any such property and the entrusting, pledging or creation of any other security interest in any such moneys or property and the doing of any act (including refraining from doing any act) which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of the notes [and], bonds AND ANY OTHER OBLIGATIONS of the authority.

5. It is the intention hereof that any pledge, mortgage or security instrument made by the authority shall be valid and binding from the time when the pledge, mortgage or security instrument is made; that the moneys or property so pledged, mortgaged and entrusted and thereafter received by the authority shall immediately be subject to the lien of such pledge, mortgage or security instrument without any physical delivery thereof or further act; and that the lien of any such pledge, mortgage or security instrument shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any mortgage, security instrument or other instrument by which a pledge, mortgage lien or other security is created need be recorded or filed and the authority shall not be required to comply with any of the provisions of the uniform commercial code.

6. Neither the members of the authority nor any person executing the notes [or], bonds OR OTHER OBLIGATIONS shall be liable personally on the notes [or], bonds OR OTHER OBLIGATIONS or be subject to any personal liability or accountability by reason of the issuance thereof.

7. The authority, subject to such agreements with noteholders [or], bondholders OR HOLDERS OF OTHER OBLIGATIONS as may then exist, shall have power out of any funds available therefor to purchase notes [or], bonds OR OTHER OBLIGATIONS of the authority[, which shall thereupon be cancelled, at a price not exceeding (a) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date]. THE AUTHORITY MAY HOLD, CANCEL OR SELL SUCH BONDS, NOTES AND OTHER OBLIGATIONS, SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH SUCH HOLDERS.

8. The state shall not be liable on notes [or], bonds OR OTHER OBLIGATIONS of the authority and such notes [and], bonds AND OTHER OBLIGATIONS shall not be a debt of the state, and such notes [and], bonds AND OTHER OBLIGATIONS shall contain on the face thereof, OR IN AN EQUALLY PROMINENT PLACE, a statement to such effect.

S 5. This act shall take effect immediately.