

5863

2009-2010 Regular Sessions

I N A S S E M B L Y

February 20, 2009

Introduced by M. of A. FITZPATRICK -- read once and referred to the
Committee on Housing

AN ACT to amend the private housing finance law, in relation to the
creation of a tax increment financing program

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 21-A to read as follows:

3 ARTICLE XXI-A

4 TAX INCREMENT FINANCING ACT

- 5 SECTION 1134. SHORT TITLE.
6 1135. LEGISLATIVE FINDINGS.
7 1136. DEFINITIONS.
8 1137. ADOPTION OF PROJECT PLAN.
9 1138. AUTHORIZATION TO UNDERTAKE PROJECTS; POWERS.
10 1139. ISSUANCE OF SPECIAL OBLIGATION BONDS.
11 1140. SECURITY FOR BONDS.
12 1141. PLEDGE OF PROJECT REVENUES VALIDATED.
13 1142. TEMPORARY ANTICIPATION NOTES.
14 1143. TAX INCREMENT BOND FUNDS.
15 1144. CREDIT OF CITY, TOWN OR VILLAGE NOT PLEDGED.
16 1145. INVESTMENT OF FUNDS.
17 1146. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS.
18 1147. BONDS AND NOTES AS LEGAL INSTRUMENTS.
19 1148. BONDS AND NOTES AS INVESTMENT SECURITIES.
20 1149. EXEMPTION FROM TAXATION.
21 1149-A. DURATION OF DISTRICTS.
22 1149-B. ANNUAL REPORT.
23 1149-C. TECHNICAL ASSISTANCE.

24 S 1134. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
25 THE "TAX INCREMENT FINANCING ACT".

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

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1 S 1135. LEGISLATIVE FINDINGS. THE LEGISLATURE FINDS AND DECLARES THAT
2 IT IS A FUNDAMENTAL PURPOSE OF THE STATE'S SOCIAL ECONOMY TO PROVIDE
3 HOUSING AND THAT STATEWIDE THERE IS AN INADEQUATE SUPPLY OF DECENT, SAFE
4 AND SANITARY HOUSING AFFORDABLE TO PERSONS AND FAMILIES OF LOW AND
5 MODERATE INCOME WHICH THREATENS STATEWIDE JOB CREATION, THE ATTRACTION
6 OF NEW PRIVATE INVESTMENT, AND THE CREATION OF PHYSICAL, ECONOMIC,
7 SOCIAL AND ENVIRONMENTAL CONDITIONS TO REMOVE AND PREVENT THE RECURRENCE
8 OF BLIGHT. THE LEGISLATURE FURTHER FINDS THAT THE USE OF TAX INCREMENT
9 FINANCING AS A METHOD TO REDUCE THE COSTS OF AFFORDABLE HOUSING IS OF
10 STATEWIDE BENEFIT AND OF PARTICULAR BENEFIT AND ASSISTANCE TO ALL LOCAL
11 GOVERNMENTS WHICH WISH TO ENCOURAGE THE FURTHER PROVISION OF HOUSING FOR
12 ITS RESIDENTS.

13 S 1136. DEFINITIONS. AS USED IN THIS ARTICLE:

14 1. "BASE DATE" SHALL MEAN THE LAST ASSESSMENT DATE NEXT PRECEDING THE
15 ADOPTION OF THE PROJECT PLAN.

16 2. "PROJECT" SHALL MEAN THE UNDERTAKING OF THE FOLLOWING ACTIVITIES IN
17 ACCORDANCE WITH A PROJECT PLAN:

18 A. THE ACQUISITION OF LAND AND IMPROVEMENTS THEREON, IF ANY, WITHIN
19 THE PROJECT AREA AND THE ASSEMBLY AND CLEARANCE OF THE LAND SO ACQUIRED;
20 OR

21 B. THE DEVELOPMENT, REDEVELOPMENT, REVITALIZATION OR CONSERVATION OF
22 THE PROJECT AREA THROUGH THE CONSTRUCTION OR REHABILITATION OF RESIDEN-
23 TIAL OR COMMERCIAL DWELLINGS OR OTHER IMPROVEMENTS OR THROUGH ACQUI-
24 TION BY GIFT, PURCHASE OR EMINENT DOMAIN OF LAND AND ANY IMPROVEMENTS
25 THEREON, AND DEMOLITION, REMOVAL OR REHABILITATION OF THOSE IMPROVE-
26 MENTS, WHENEVER THE FOREGOING ACTIVITIES ARE NECESSARY TO PROVIDE LAND
27 FOR NEEDED PUBLIC FACILITIES OR RESIDENTIAL OR COMMERCIAL DWELLINGS, OR
28 TO ELIMINATE UNHEALTHY, UNSAFE OR UNSANITARY CONDITIONS OR OTHERWISE
29 REMOVE OR PREVENT THE SPREAD OF BLIGHT OR DETERIORATION; OR

30 C. THE INSTALLATION OR UPGRADING OF WATER AND SEWER LINES TO A PUBLIC
31 CONNECTION, THE INSTALLATION OR UPGRADING OF PRIVATE WELLS AND SANITARY
32 SYSTEMS, STORM SEWERS AND ROAD AND SIDEWALK CONSTRUCTION WHERE REQUIRED
33 BY LOCAL ZONING ORDINANCES AND THE INSTALLATION OF GAS AND ELECTRIC
34 LINES AND OTHER SITE IMPROVEMENTS OR SITE PREPARATION WHICH IS NECESSARY
35 FOR THE DEVELOPMENT OR REHABILITATION OF RESIDENTIAL AND COMMERCIAL
36 DWELLINGS.

37 A PROJECT MAY INVOLVE A COMBINATION OF THE AFOREMENTIONED ACTIVITIES;
38 HOWEVER, A PROJECT SHALL NOT QUALIFY UNDER THIS ARTICLE IF THE FAIR
39 MARKET VALUE OF THE IMPROVEMENTS WHICH ARE CONSTRUCTED OR REHABILITATED
40 FOR COMMERCIAL USES OR FOR USES OTHER THAN RESIDENTIAL HOUSING CONSISTS
41 OF MORE THAN ONE-THIRD OF THE TOTAL FAIR MARKET VALUE OF THE PLANNED
42 IMPROVEMENTS IN THE PROJECT PLAN. THE FAIR MARKET VALUE OF THE IMPROVE-
43 MENTS SHALL BE DETERMINED USING THE COST OF CONSTRUCTION, CAPITALIZED
44 INCOME OR OTHER APPROPRIATE METHOD OF ESTIMATING MARKET VALUE.

45 3. "PROJECT AREA" SHALL MEAN A PARCEL OR PLOT OF LAND ESTABLISHED
46 PRIOR TO THE CERTIFICATION OF THE PROJECT AS A SINGLE UNIT FOR PURPOSES
47 OF ASSESSMENT AND WHICH SHALL CONSTITUTE THE TAX INCREMENT AREA. THE
48 PROJECT AREA MAY CONSIST OF ONE OR MORE PARCELS OR PLOTS OF LAND, WHETH-
49 ER OR NOT CONTIGUOUS.

50 4. "PROJECT PLAN" SHALL MEAN A PLAN ADOPTED BY A CITY, TOWN OR VILLAGE
51 IN THE MANNER PROVIDED IN SECTION ELEVEN HUNDRED THIRTY-SEVEN OF THIS
52 ARTICLE FOR A PROJECT. THE PROJECT PLAN SHALL SET FORTH AN ESTIMATE OF
53 PROJECT COSTS AND THE AMOUNTS AND SOURCES OF FUNDS TO BE USED TO DEFRAY
54 THOSE COSTS AND SHALL INCLUDE PROVISIONS FOR TAX INCREMENT FINANCING OF
55 PROJECT COSTS IN WHOLE OR IN PART. THE TAX INCREMENT FINANCING
56 PROVISIONS OF THE PROJECT PLAN SHALL SET FORTH THE ESTIMATED AMOUNT OF

1 INDEBTEDNESS TO BE INCURRED PURSUANT TO THIS ARTICLE, SHALL SET FORTH AN
2 ESTIMATE OF THE TAX INCREMENT TO BE GENERATED AS A RESULT OF THE
3 PROJECT, SHALL SET FORTH THE METHOD OF CALCULATING THE TAX INCREMENT,
4 TOGETHER WITH ANY PROVISIONS FOR ADJUSTMENT OF THE METHOD OF CALCU-
5 LATION, AND SHALL DESIGNATE THE BOARD OR OFFICER OF THE CITY, TOWN OR
6 VILLAGE RESPONSIBLE FOR CALCULATING THE TAX INCREMENT. FUNDS MAY BE
7 PROVIDED TO CARRY OUT THE PLAN FROM ANY LAWFUL SOURCE INCLUDING THE
8 ISSUANCE OF BONDS AND NOTES UNDER THIS ARTICLE. THE PLAN MAY INCLUDE
9 SUCH OTHER PROVISIONS AS MAY BE DEEMED NECESSARY IN ORDER TO CARRY OUT
10 THE TAX INCREMENT FINANCING OF THE PROJECT. THE PROJECT SHALL BE
11 CONSISTENT WITH SUCH COMPREHENSIVE PLAN FOR THE CITY, TOWN OR VILLAGE AS
12 IS THEN APPLICABLE, SHALL BE SUFFICIENTLY COMPLETE TO INDICATE THE
13 LOCATION AND BOUNDARIES OF THE TAX INCREMENT AREA, AND SUCH LAND ACQUI-
14 SITION, CONSTRUCTION, REHABILITATION, DEMOLITION AND REMOVAL OF RESIDEN-
15 TIAL AND COMMERCIAL DWELLINGS AND SUCH DEVELOPMENT, REDEVELOPMENT, AND
16 GENERAL PUBLIC IMPROVEMENTS AS ARE PROPOSED TO BE CARRIED OUT WITHIN THE
17 TAX INCREMENT AREA.

18 5. "PROJECT REVENUES" SHALL MEAN ANY RECEIPTS OF A CITY, TOWN OR
19 VILLAGE WITH RESPECT TO A PROJECT INCLUDING, BUT NOT LIMITED TO, TAX
20 INCREMENTS, REPAYMENTS OF LOANS MADE UNDER SECTION ELEVEN HUNDRED THIR-
21 TY-EIGHT OF THIS ARTICLE, INVESTMENT EARNINGS, PROCEEDS OF INSURANCE OR
22 DISPOSITION OF PROPERTY AND PROCEEDS OF BORROWING UNDER THIS ARTICLE.

23 6. "RESIDENTIAL DWELLINGS" OR "RESIDENTIAL HOUSING" SHALL MEAN HOUSING
24 FOR PERSONS FOR WHOM THERE ARE NO OTHER REASONABLE AND AFFORDABLE HOME
25 OWNERSHIP, REHABILITATION OR RENTAL ALTERNATIVES, AS THE CASE MAY BE, IN
26 THE PRIVATE MARKET AND WHO SHALL OCCUPY A DWELLING OR HOME ASSISTED
27 UNDER THIS ARTICLE AS THEIR PRINCIPAL PLACE OF RESIDENCE.

28 7. "TAX INCREMENT" SHALL MEAN THE TAX LEVIED ON THE REAL AND PERSONAL
29 PROPERTY SITUATED IN OR OTHERWISE ASSIGNABLE FOR THE PURPOSES OF PROPER-
30 TY TAXATION TO A TAX INCREMENT AREA TO THE EXTENT THAT THE TAX IS
31 ATTRIBUTABLE TO AN EXCESS OF THE AGGREGATE TAXABLE VALUATION OF THE
32 PROPERTY OVER ITS AGGREGATE TAXABLE VALUATION AS OF THE BASE DATE. THE
33 PORTION OF THE TAX LEVY ATTRIBUTABLE TO THE INCREASED VALUATION AFTER
34 THE BASE DATE SHALL BE CALCULATED USING THE SAME CLASSIFICATION FACTORS
35 AS WERE USED AS OF THE BASE DATE, OR WITHOUT CLASSIFICATION FACTORS IF
36 PROPERTY WAS NOT CLASSIFIED FOR TAX PURPOSES AS OF THE BASE DATE. IN
37 CALCULATING THE TAX INCREMENT, THERE SHALL BE EXCLUDED FROM THE TAX THE
38 PORTION LEVIED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF OR INTEREST ON
39 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS WHICH ARE GENERAL OBLI-
40 GATIONS OF THE CITY, TOWN OR VILLAGE AND ARE NOT ISSUED PURSUANT TO THE
41 PROVISIONS OF THIS ARTICLE.

42 8. "TAX INCREMENT AREA" SHALL MEAN A TAX INCREMENT AREA DESIGNATED IN
43 A PROJECT PLAN ADOPTED PURSUANT TO SECTION ELEVEN HUNDRED THIRTY-SEVEN
44 OF THIS ARTICLE. THE TAX INCREMENT AREA MAY CONSIST OF ONE OR MORE
45 PARCELS OR PLOTS OF LAND, WHETHER OR NOT CONTIGUOUS, PROVIDED, HOWEVER,
46 THAT UPON ADOPTION OF THE PROJECT PLAN THE AGGREGATE TAXABLE VALUATION
47 OF THE PROPERTY WITHIN ALL TAX INCREMENT AREAS WITHIN THE CITY, TOWN OR
48 VILLAGE DOES NOT EXCEED TWENTY-FIVE PERCENT OF THE TAXABLE VALUATION OF
49 ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CITY, TOWN OR VILLAGE.

50 S 1137. ADOPTION OF PROJECT PLAN. THE GOVERNING BODY OF ANY CITY, TOWN
51 OR VILLAGE MAY ADOPT A PROJECT PLAN IF A FINDING IS MADE TO THE EFFECT
52 THAT:

53 1. WITH RESPECT TO ANY PORTION OF THE PROJECT PROVIDING FOR THE DEVEL-
54 OPMENT OF RESIDENTIAL HOUSING THAT THERE IS NOT WITHIN THE CITY, TOWN OR
55 VILLAGE AN ADEQUATE SUPPLY OF AFFORDABLE HOUSING WITHIN THE PRIVATE

1 MARKET AND THAT THE FINANCING OF THAT PORTION OF THE PROJECT IN ACCORD-
2 ANCE WITH THE PLAN IS IN THE PUBLIC INTEREST; OR

3 2. WITH RESPECT TO ANY PORTION OF THE PROJECT PROVIDING PUBLIC FACILI-
4 TIES OR INFRASTRUCTURE IMPROVEMENTS OR LAND THEREFOR, THAT THE FACILI-
5 TIES OR THE INFRASTRUCTURE IS NEEDED IN CONNECTION WITH THE DEVELOPMENT
6 OF RESIDENTIAL HOUSING AND THAT THE FINANCING OF THAT PORTION OF THE
7 PROJECT IN ACCORDANCE WITH THE PLAN IS IN THE PUBLIC INTEREST; OR

8 3. WITH RESPECT TO ANY PORTION OF THE PROJECT PROVIDING FOR THE DEVEL-
9 OPMENT OF COMMERCIAL DWELLINGS THAT THERE EXISTS IN THE CITY, TOWN OR
10 VILLAGE UNEMPLOYMENT OR THE THREAT THEREOF OR THAT SECURITY AGAINST
11 FUTURE UNEMPLOYMENT IS REQUIRED, THAT THE PROJECT IS NEEDED, THAT IT
12 WILL PROVIDE EMPLOYMENT OR SECURITY AGAINST LOSS OF EMPLOYMENT, HAVING A
13 REASONABLE RELATIONSHIP TO THE PROBABLE COST OF ACQUIRING, ESTABLISHING,
14 IMPROVING OR REHABILITATING THE FACILITIES IN WHICH THE EMPLOYMENT IS TO
15 BE PROVIDED OR MAINTAINED, AND THAT THE FINANCING OF THAT PORTION OF THE
16 PROJECT IN ACCORDANCE WITH THE PLAN IS IN THE PUBLIC INTEREST. NO
17 PROJECT SHALL BE UNDERTAKEN PURSUANT TO THIS ARTICLE UNTIL THE PROJECT
18 PLAN HAS BEEN ADOPTED AS PROVIDED IN THIS SECTION.

19 S 1138. AUTHORIZATION TO UNDERTAKE PROJECTS; POWERS. CITIES, TOWNS AND
20 VILLAGES ARE HEREBY AUTHORIZED TO UNDERTAKE PROJECTS PURSUANT TO DULY
21 ADOPTED PROJECT PLANS. IN ADDITION TO POWERS GRANTED BY ANY OTHER LAW,
22 FOR THE PURPOSES OF CARRYING OUT A PROJECT AS AUTHORIZED BY THIS ARTI-
23 CLE, A CITY, TOWN OR VILLAGE SHALL HAVE THE FOLLOWING POWERS:

24 1. TO INCUR INDEBTEDNESS AS PROVIDED IN THIS ARTICLE AND TO PLEDGE TAX
25 INCREMENTS AND OTHER PROJECT REVENUES FOR REPAYMENT THEREOF;

26 2. TO DESIGNATE A BOARD OR OFFICER OF THE CITY, TOWN OR VILLAGE TO BE
27 RESPONSIBLE FOR ADMINISTERING THE PROJECT PLAN;

28 3. TO MAKE AND ENTER INTO ALL CONTRACTS AND AGREEMENTS NECESSARY IN
29 ORDER TO UNDERTAKE THE PROJECT;

30 4. TO RECEIVE FROM THE FEDERAL GOVERNMENT OR THE STATE, LOANS OR
31 GRANTS FOR OR IN AID OF A PROJECT AND TO RECEIVE CONTRIBUTIONS FROM ANY
32 OTHER SOURCE TO DEFRAY PROJECT COSTS;

33 5. TO PURCHASE OR OTHERWISE ACQUIRE SUCH PROPERTY OR INTERESTS THEREIN
34 WITHIN A PROJECT AREA AS THE CITY, TOWN OR VILLAGE MAY DEEM NECESSARY IN
35 ORDER TO CARRY OUT THE PROJECT;

36 6. TO CLEAR AND IMPROVE PROPERTY ACQUIRED BY IT PURSUANT TO THE
37 PROJECT PLAN AND TO CONTRACT FOR THE CONSTRUCTION, DEVELOPMENT, REDEVEL-
38 OPMENT, REHABILITATION, REMODELING, ALTERATION, OR REPAIR OF RESIDENTIAL
39 OR COMMERCIAL DWELLINGS ON THE PROPERTY;

40 7. TO LAY OUT, CONSTRUCT OR INSTALL WATER AND SEWER LINES, PRIVATE
41 WELLS AND SANITARY SYSTEMS, STORM SEWERS, ROADS, SIDEWALKS, AND ANY
42 OTHER PUBLIC IMPROVEMENTS WHICH IT IS AUTHORIZED TO UNDERTAKE IN
43 CONNECTION WITH THE PROJECT;

44 8. TO CAUSE PARKS AND PLAYGROUNDS TO BE LAID OUT, CONSTRUCTED OR
45 FURNISHED IN CONNECTION WITH THE PROJECT;

46 9. TO ADOPT ORDINANCES OR REPEAL OR MODIFY ORDINANCES OR ESTABLISH
47 EXCEPTIONS TO EXISTING ORDINANCES REGULATING THE DESIGN, CONSTRUCTION,
48 AND USE OF RESIDENTIAL AND COMMERCIAL DWELLINGS;

49 10. TO SELL, MORTGAGE, LEASE, TRANSFER OR DISPOSE OF ANY PROPERTY OR
50 INTEREST THEREIN ACQUIRED BY IT PURSUANT TO THE PROJECT PLAN FOR DEVEL-
51 OPMENT, REDEVELOPMENT OR REHABILITATION IN ACCORDANCE WITH THE PLAN;

52 11. TO LOAN THE PROCEEDS OF ANY ISSUE OF BONDS OR NOTES PURSUANT TO
53 THIS ARTICLE TO ANY INDUSTRIAL DEVELOPMENT AGENCY, NOT-FOR-PROFIT CORPO-
54 RATIONS OR CHARITABLE ORGANIZATIONS WHICH HAS AS ONE OF ITS PRIMARY
55 PURPOSES THE IMPROVING OF HOUSING, OR ANY MUNICIPAL HOUSING AGENCY OR
56 AUTHORITY IN ORDER TO FINANCE THE COST OF ACQUIRING LAND, CONSTRUCTING

1 OR REHABILITATING RESIDENTIAL OR COMMERCIAL DWELLINGS, AND CONSTRUCTING
2 INFRASTRUCTURE IMPROVEMENTS AND PUBLIC FACILITIES WITHIN THE PROJECT
3 AREA IN ACCORDANCE WITH THE PLAN OR TO LOAN BOND OR NOTE PROCEEDS IN
4 ORDER TO REFINANCE ANY SUCH LOANS;

5 12. TO INVEST PROJECT REVENUES AS HEREINAFTER PROVIDED; AND

6 13. TO DO ALL THINGS REASONABLY NECESSARY TO CARRY OUT THE POWERS
7 GRANTED IN THIS ARTICLE.

8 S 1139. ISSUANCE OF SPECIAL OBLIGATION BONDS. 1. A CITY, TOWN OR
9 VILLAGE MAY BORROW MONEY BY THE ISSUANCE OF SPECIAL OBLIGATION BONDS FOR
10 THE PURPOSE OF CARRYING OUT A PROJECT PURSUANT TO A DULY ADOPTED PROJECT
11 PLAN. THE BONDS MAY BE ISSUED FOR PROJECT COSTS WHICH MAY INCLUDE INTER-
12 EST PRIOR TO AND DURING THE CARRYING OUT OF A PROJECT AND FOR A REASON-
13 ABLE TIME THEREAFTER, SUCH RESERVES AS MAY BE REQUIRED BY ANY AGREEMENT
14 SECURING THE BONDS AND ALL OTHER EXPENSES INCIDENTAL TO PLANNING, CARRY-
15 ING OUT AND FINANCING THE PROJECT. WITH RESPECT TO THE ISSUANCE OF
16 SPECIAL OBLIGATION BONDS, BONDS ISSUED PURSUANT TO THIS SECTION SHALL BE
17 PAYABLE SOLELY FROM PROJECT REVENUES AND SHALL NOT BE DEEMED TO BE A
18 PLEDGE OF FAITH AND CREDIT OF THE CITY, TOWN OR VILLAGE. EVERY SPECIAL
19 OBLIGATION BOND ISSUED PURSUANT TO THIS SECTION SHALL RECITE ON ITS FACE
20 THAT IT IS A SPECIAL OBLIGATION BOND PAYABLE SOLELY FROM PROJECT REVEN-
21 UES PLEDGED FOR ITS REPAYMENT.

22 2. THE BONDS OF EACH ISSUE SHALL BE DATED AND MAY BE MADE REDEEMABLE
23 BEFORE MATURITY WITH OR WITHOUT PREMIUM. SUBJECT TO THE AUTHORIZING
24 VOTE, THE OFFICERS AUTHORIZED TO SELL THE BONDS SHALL DETERMINE THE DATE
25 OR DATES OF THE BONDS, THEIR DENOMINATION OR DENOMINATIONS, THE PLACE OR
26 PLACES OF PAYMENT OF THE PRINCIPAL AND INTEREST, WHICH MAY BE AT ANY
27 BANK OR TRUST COMPANY WITHIN OR WITHOUT THE STATE, THEIR INTEREST RATE
28 OR RATES, MATURITY OR MATURITIES, REDEMPTION PRIVILEGES, IF ANY, AND THE
29 FORM AND OTHER DETAILS OF THE BONDS INCLUDING INTEREST COUPONS TO BE
30 ATTACHED THERETO. THE BONDS SHALL BE SIGNED BY THE CITY, TOWN OR VILLAGE
31 TREASURER, SHALL BE COUNTERSIGNED BY THE MAYOR OF A CITY OR VILLAGE OR
32 BY THE TOWN SUPERVISOR OF THE TOWN EITHER MANUALLY OR BY FACSIMILE, AND
33 SHALL BEAR THE SEAL OF THE CITY, TOWN OR VILLAGE OR A FACSIMILE THEREOF.
34 ANY COUPONS ATTACHED THERETO SHALL BEAR THE FACSIMILE SIGNATURE OF THE
35 CITY, TOWN OR VILLAGE TREASURER.

36 3. IN CASE ANY OFFICER WHOSE SIGNATURE OR A FACSIMILE OF WHOSE SIGNA-
37 TURE SHALL APPEAR ON ANY BONDS, COUPONS OR NOTES ISSUED PURSUANT TO THIS
38 ARTICLE SHALL CEASE TO BE AN OFFICER BEFORE THE DELIVERY THEREOF, THE
39 SIGNATURE OR THE FACSIMILE SHALL NEVERTHELESS BE VALID AND SUFFICIENT
40 FOR ALL PURPOSES THE SAME AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL
41 THE DELIVERY.

42 4. THE BONDS MAY BE ISSUED IN COUPON OR IN REGISTERED FORM OR BOTH,
43 AND PROVISION MAY BE MADE FOR THE REGISTRATION OF ANY COUPON BONDS AS TO
44 PRINCIPAL ALONE AND ALSO AS TO PRINCIPAL AND INTEREST, FOR THE RECONVER-
45 SION INTO COUPON BONDS OR BONDS REGISTERED AS TO BOTH PRINCIPAL AND
46 INTEREST, AND FOR THE INTERCHANGE OF REGISTERED AND COUPON BONDS.
47 SUBJECT TO THE AUTHORIZING VOTE, THE OFFICERS AUTHORIZED TO SELL THE
48 BONDS MAY SELL THE BONDS IN SUCH MANNER, EITHER AT PUBLIC OR PRIVATE
49 SALE, AND FOR SUCH PRICE AS THEY MAY DETERMINE WILL BEST AFFECT THE
50 PURPOSES OF THIS ARTICLE.

51 5. PRIOR TO THE PREPARATION OF DEFINITIVE BONDS, THE CITY, TOWN OR
52 VILLAGE MAY ISSUE INTERIM RECEIPTS OR TEMPORARY BONDS, WITH OR WITHOUT
53 COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THOSE BONDS HAVE BEEN
54 EXECUTED AND ARE AVAILABLE FOR DELIVERY. PROVISION MAY BE MADE FOR THE
55 REPLACEMENT OF ANY BONDS WHICH SHALL HAVE BECOME MUTILATED OR SHALL HAVE
56 BEEN DESTROYED OR LOST.

1 6. NOTWITHSTANDING ANY PROVISIONS OF ANY MUNICIPAL CHARTER OR GENERAL
2 OR SPECIAL LAW TO THE CONTRARY, BONDS ISSUED PURSUANT TO THIS SECTION
3 MAY PROVIDE FOR ANNUAL OR MORE FREQUENT INSTALLMENTS OF PRINCIPAL IN
4 EQUAL, DIMINISHING OR INCREASING AMOUNTS WITH THE FIRST INSTALLMENT OF
5 PRINCIPAL TO BE DUE AT ANY TIME WITHIN FIVE YEARS FROM THE DATE OF THE
6 ISSUANCE OF THE BONDS.

7 S 1140. SECURITY FOR BONDS. 1. IN THE DISCRETION OF THE OFFICERS
8 AUTHORIZED TO SELL THE BONDS, BUT SUBJECT TO THE PROVISIONS OF THE VOTE
9 AUTHORIZING THE BONDS, BONDS ISSUED PURSUANT TO THIS ARTICLE MAY BE
10 SECURED BY ONE OR MORE TRUST AGREEMENTS BETWEEN THE CITY, TOWN OR
11 VILLAGE AND A CORPORATE TRUSTEE OR TRUSTEES, WHICH MAY BE ANY TRUST
12 COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY WITHIN OR WITHOUT
13 THE STATE. A TRUST AGREEMENT PURSUANT TO THIS SECTION SHALL BE IN SUCH
14 FORM AND EXECUTED IN SUCH MANNER AS MAY BE DETERMINED BY THE OFFICERS. A
15 TRUST AGREEMENT MAY PLEDGE OR ASSIGN PROJECT REVENUES, IN WHOLE OR IN
16 PART. IT MAY CONTAIN SUCH PROVISIONS FOR PROTECTING AND ENFORCING THE
17 RIGHTS, SECURITY AND REMEDIES OF THE BONDHOLDERS AS MAY BE REASONABLE
18 AND PROPER AND NOT IN VIOLATION OF LAW, INCLUDING WITHOUT LIMITING THE
19 GENERALITY OF THE FOREGOING, PROVISIONS DEFINING DEFAULTS AND PROVIDING
20 FOR REMEDIES IN THE EVENT THEREOF, WHICH MAY INCLUDE THE ACCELERATION OF
21 MATURITIES, AND COVENANTS SETTING FORTH DUTIES OF, AND LIMITATIONS ON
22 THE CITY, TOWN OR VILLAGE IN RELATION TO CARRYING OUT AND OTHERWISE
23 ADMINISTERING THE PROJECT OR PROJECTS, THE CUSTODY, SAFEGUARDING,
24 INVESTMENT AND APPLICATION OF PROJECT REVENUES, THE ISSUE OF ADDITIONAL
25 BONDS PURSUANT TO THIS ARTICLE, THE DETERMINATION OF TAX INCREMENTS, THE
26 FIXING OF FEES AND CHARGES, IF ANY, IN RELATION TO THE PROJECT OR
27 PROJECTS, THE COLLECTION OF PROJECT REVENUES, THE USE OF ANY SURPLUS
28 BOND PROCEEDS, THE ESTABLISHMENT OF RESERVES, AND THE REPLACEMENT OF
29 BONDS OR COUPONS WHICH SHALL BECOME MUTILATED OR BE DESTROYED OR LOST.
30 SUBJECT TO THE PROVISIONS OF THIS ARTICLE, MONEYS SUBJECT TO THE TRUST
31 AGREEMENT SHALL BE HELD, INVESTED AND APPLIED AS PROVIDED THEREIN,
32 PROVIDED THAT MONEYS NOT DEPOSITED IN TRUST WITH A CORPORATE TRUSTEE
33 SHALL BE IN THE CUSTODY OF THE CITY, TOWN OR VILLAGE TREASURER PURSUANT
34 TO THE PROVISIONS OF SECTION ELEVEN HUNDRED FORTY-THREE OF THIS ARTICLE.

35 2. IT SHALL BE UNLAWFUL FOR ANY BANK OR TRUST COMPANY TO ACT AS A
36 DEPOSITORY OR TRUSTEE OF THE PROCEEDS OF BONDS OR OF OTHER MONEYS UNDER
37 ANY TRUST AGREEMENT AND TO FURNISH SUCH INDEMNIFYING BONDS OR TO PLEDGE
38 SUCH SECURITIES AS MAY BE REQUIRED BY THE TRUST AGREEMENT. THE TRUST
39 AGREEMENT OR RESOLUTION MAY SET FORTH THE RIGHTS AND REMEDIES OF THE
40 BONDHOLDERS AND OF THE TRUSTEE, AND MAY RESTRICT THE INDIVIDUAL RIGHT OF
41 ACTION BY BONDHOLDERS. ALL EXPENSES INCURRED IN CARRYING OUT THE
42 PROVISIONS OF THE TRUST AGREEMENT OR RESOLUTION MAY BE TREATED AS
43 CURRENT OPERATING EXPENSES.

44 S 1141. PLEDGE OF PROJECT REVENUES VALIDATED. 1. NOTWITHSTANDING ANY
45 OTHER PROVISION OF LAW TO THE CONTRARY, INCLUDING, BUT NOT LIMITED TO
46 THE UNIFORM COMMERCIAL CODE:

47 A. ANY PLEDGE PURSUANT TO THIS ARTICLE SHALL BE VALID AND BINDING AND
48 SHALL BE DEEMED CONTINUOUSLY PERFECTED FROM THE TIME IT IS MADE;

49 B. NO FILING NEED BE MADE UNDER THE UNIFORM COMMERCIAL CODE OR OTHER-
50 WISE;

51 C. UNLESS OTHERWISE PROVIDED IN THE FINANCING INSTRUMENTS, A PLEDGE OF
52 PROJECT REVENUES SHALL BE DEEMED TO INCLUDE A PLEDGE OF ANY ACCOUNTS OR
53 GENERAL INTANGIBLES FROM WHICH REVENUES ARE DERIVED, WHETHER EXISTING AT
54 THE TIME OF THE PLEDGE OR THEREAFTER ACQUIRED BY THE CITY, TOWN OR
55 VILLAGE AND THE PROCEEDS OF THE ACCOUNTS OR GENERAL INTANGIBLES; AND

1 D. THE PLEDGE OF PROJECT REVENUES, ACCOUNTS AND GENERAL INTANGIBLES
2 SHALL BE SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT DELIVERY OR SEGRE-
3 GATION AND THE LIEN OF THE PLEDGE SHALL BE VALID AND BINDING AGAINST ALL
4 PARTIES HAVING CLAIMS OF CONTRACT OR TORT OR OTHERWISE AGAINST THE CITY,
5 TOWN OR VILLAGE.

6 2. A PLEDGE OF PROJECT REVENUES UNDER THIS ARTICLE SHALL CONSTITUTE A
7 SUFFICIENT APPROPRIATION THEREOF FOR THE PURPOSES OF ANY PROVISION FOR
8 APPROPRIATION AND THE REVENUES MAY BE APPLIED AS REQUIRED BY THE PLEDGE
9 WITHOUT FURTHER APPROPRIATION.

10 3. FOR THE PURPOSES OF THIS SECTION, THE TERM "PLEDGE" SHALL BE
11 CONSTRUED TO INCLUDE THE GRANT OF A SECURITY INTEREST UNDER THE UNIFORM
12 COMMERCIAL CODE.

13 S 1142. TEMPORARY ANTICIPATION NOTES. IN ANTICIPATION OF THE ISSUANCE
14 OF BONDS PURSUANT TO THIS ARTICLE AND SUBJECT TO ANY PROVISIONS OF THE
15 VOTE AUTHORIZING THE BONDS, THE OFFICERS AUTHORIZED TO SELL THE BONDS
16 MAY WITHOUT FURTHER AUTHORIZATION ISSUE TEMPORARY NOTES. THE NOTES MAY
17 BE SECURED AS IN THE CASE OF BONDS AND, EXCEPT AS OTHERWISE PROVIDED IN
18 THIS SECTION, THE PROVISIONS OF THIS ARTICLE REFERRING TO BONDS SHALL
19 ALSO BE DEEMED TO REFER TO THE NOTES. THE NOTES NEED NOT BEAR THE SEAL
20 OF THE CITY, TOWN OR VILLAGE OR A FACSIMILE THEREOF. THE NOTES SHALL BE
21 PAYABLE WITHIN THREE YEARS FROM THEIR RESPECTIVE DATES, BUT THE PRINCI-
22 PAL OF AND INTEREST ON NOTES ISSUED FOR A SHORTER PERIOD MAY BE REFUNDED
23 FROM TIME TO TIME BY THE ISSUE OF OTHER NOTES MATURING WITHIN THREE
24 YEARS FROM THE ORIGINAL DATE OF ISSUE OF THE INDEBTEDNESS BEING
25 REFUNDED.

26 S 1143. TAX INCREMENT BOND FUNDS. 1. THE GOVERNING BODY OF ANY CITY,
27 TOWN OR VILLAGE WHICH HAS AUTHORIZED THE ISSUANCE OF BONDS PURSUANT TO
28 THE PROVISIONS OF THIS ARTICLE SHALL ESTABLISH AND MAINTAIN A SPECIAL
29 FUND ENTITLED THE "TAX INCREMENT BOND FUND".

30 2. FOR THE PURPOSES OF THIS ARTICLE, THE USES OF THE FUND BY THE CITY,
31 TOWN OR VILLAGE MAY INCLUDE, BUT NOT BE LIMITED TO THE FOLLOWING:

32 A. RECEIVING THE PROCEEDS OF BONDS AND NOTES ISSUED PURSUANT TO THIS
33 ARTICLE AND ANY OTHER MONEYS WHICH MAY BE AVAILABLE TO THE CITY, TOWN OR
34 VILLAGE FOR THE PROJECT FROM ANY OTHER SOURCE;

35 B. PAYING THE PROJECT COSTS AND EXPENSES;

36 C. PAYING THE PRINCIPAL OF AND INTEREST ON BONDS AND NOTES ISSUED
37 PURSUANT TO THIS ARTICLE; AND

38 D. PAYING ADDITIONAL TAX INCREMENT REVENUE, IF ANY, TO THE CITY, TOWN
39 OR VILLAGE IN WHICH THE TAX INCREMENT AREA IS LOCATED PROVIDED THAT NO
40 LESS THAN TWENTY PERCENT OF SUCH REVENUES BE ALLOCATED BY THE CITY, TOWN
41 OR VILLAGE TO THE DEVELOPMENT, REDEVELOPMENT, CONSTRUCTION OR REHABILI-
42 TATION OF RESIDENTIAL HOUSING.

43 S 1144. CREDIT OF CITY, TOWN OR VILLAGE NOT PLEDGED. ANY SPECIAL OBLI-
44 GATION BONDS AND NOTES ISSUED UNDER THIS ARTICLE SHALL BE PAYABLE SOLELY
45 FROM PROJECT REVENUES. THESE BONDS AND NOTES SHALL NOT AT ANY TIME BE
46 INCLUDED IN THE DEBT OF THE CITY, TOWN OR VILLAGE FOR THE PURPOSE OF
47 ASCERTAINING ITS LEGAL BORROWING CAPACITY.

48 S 1145. INVESTMENT OF FUNDS. SUBJECT TO ANY AGREEMENT SECURING BONDS
49 OR NOTES ISSUED UNDER THIS ARTICLE, THE PROCEEDS OF THE BONDS AND NOTES,
50 PLEDGED TAX INCREMENTS, AND OTHER PROJECT REVENUES MAY BE DEPOSITED OR
51 INVESTED IN:

52 1. OBLIGATIONS OF THE STATE OR THE UNITED STATES;

53 2. OBLIGATIONS OF THE PRINCIPAL AND INTEREST OF WHICH ARE GUARANTEED
54 BY THE STATE OR THE UNITED STATES;

55 3. OBLIGATIONS OF AGENCIES AND INSTRUMENTALITIES OF THE STATE OR THE
56 UNITED STATES; OR

1 4. CERTIFICATES OF DEPOSIT OF, AND REPURCHASE AGREEMENTS, SO-CALLED,
2 ISSUED WITH RESPECT TO OBLIGATIONS OF THE UNITED STATES BY BANKS AND
3 TRUST COMPANIES ORGANIZED UNDER THE LAWS OF THE STATE OR DOING BUSINESS
4 IN THE STATE.

5 S 1146. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS. ANY HOLDER OF BONDS
6 OR NOTES ISSUED UNDER THIS ARTICLE, OR OF ANY OF THE COUPONS APPERTAIN-
7 ING THERETO, AND THE TRUSTEE UNDER ANY TRUST AGREEMENT SECURING THE
8 BONDS OR NOTES, EXCEPT TO THE EXTENT THE RIGHTS GRANTED PURSUANT TO THIS
9 SECTION MAY BE RESTRICTED BY ANY AGREEMENT SECURING THE BONDS OR NOTES,
10 MAY BRING SUIT UPON THE BONDS, NOTES OR COUPONS AND MAY, EITHER AT LAW
11 OR IN EQUITY, BY SUIT, ACTION, MANDAMUS OR OTHER PROCEEDINGS, PROTECT
12 AND ENFORCE ANY AND ALL RIGHTS UNDER THE LAWS OF THE STATE OR GRANTED
13 UNDER THIS ARTICLE OR UNDER ANY SUCH AGREEMENT, AND MAY ENFORCE OR
14 COMPEL THE PERFORMANCE OF ALL DUTIES REQUIRED BY THIS ARTICLE OR BY AN
15 AGREEMENT TO BE PERFORMED BY THE CITY, TOWN OR VILLAGE OR BY ANY OFFICER
16 THEREOF.

17 S 1147. BONDS AND NOTES AS LEGAL INSTRUMENTS. BONDS AND NOTES ISSUED
18 UNDER THE PROVISIONS OF THIS ARTICLE ARE HEREBY MADE SECURITIES IN WHICH
19 ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE STATE AND ITS POLITICAL
20 SUBDIVISIONS, ALL INSURANCE COMPANIES, TRUST COMPANIES IN THEIR COMMER-
21 CIAL DEPARTMENTS, SAVINGS BANKS, COOPERATIVE BANKS, BANKING ASSOCI-
22 ATIONS, INVESTMENT COMPANIES, EXECUTORS, ADMINISTRATORS, TRUSTEES, AND
23 OTHER FIDUCIARIES MAY PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING CAPI-
24 TAL IN THEIR CONTROL OR BELONGING TO THEM. THESE BONDS ARE HEREBY MADE
25 SECURITIES WHICH MAY PROPERLY AND LEGALLY BE DEPOSITED WITH AND RECEIVED
26 BY ANY STATE OR MUNICIPAL OFFICER OR ANY AGENCY OR POLITICAL SUBDIVISION
27 OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OBLI-
28 GATIONS OF THE STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED BY LAW.

29 S 1148. BONDS AND NOTES AS INVESTMENT SECURITIES. NOTWITHSTANDING ANY
30 OTHER PROVISION OF THIS ARTICLE, OR ANY RECITALS IN ANY BONDS OR NOTES
31 ISSUED UNDER THIS ARTICLE, ALL SUCH BONDS AND NOTES SHALL BE DEEMED TO
32 BE INVESTMENT SECURITIES UNDER THE UNIFORM COMMERCIAL CODE.

33 S 1149. EXEMPTION FROM TAXATION. THE BONDS AND NOTES ISSUED UNDER THIS
34 ARTICLE, TOGETHER WITH THE INCOME THEREFROM, SHALL AT ALL TIMES BE FREE
35 OF TAXATION.

36 S 1149-A. DURATION OF DISTRICTS. 1. SUBJECT TO THE LIMITATIONS
37 CONTAINED IN THIS ARTICLE, EACH TAX INCREMENT AREA SHALL REMAIN IN
38 EXISTENCE UNTIL THE BONDED OBLIGATIONS FOR A PROJECT IN SUCH AREA CEASE
39 TO BE OUTSTANDING; HOWEVER, THE TAX INCREMENT AREA MAY BE TERMINATED IF
40 SUFFICIENT MONEYS HAVE BEEN DEPOSITED IN THE TAX INCREMENT BOND FUND FOR
41 THE FULL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AT MATU-
42 RITY.

43 2. WHEN THE BONDED OBLIGATIONS OF THE TAX INCREMENT AREA HAVE BEEN
44 PAID IN FULL OR MONEY SUFFICIENT TO PAY ALL THE OUTSTANDING PRINCIPAL
45 AND INTEREST ON THE BONDS AT MATURITY HAS BEEN DEPOSITED IN THE TAX
46 INCREMENT BOND FUND, THE TAX INCREMENT AREA SHALL BE DISSOLVED.

47 S 1149-B. ANNUAL REPORT. NO LATER THAN SEPTEMBER FIRST OF EACH YEAR,
48 EVERY CITY, TOWN OR VILLAGE IN WHICH A PROJECT PLAN CREATED PURSUANT TO
49 THIS ARTICLE IS IN EFFECT, SHALL MAKE A REPORT TO THE COMMISSIONER. THE
50 ANNUAL REPORT SHALL SET FORTH FOR THE PRECEDING FISCAL YEAR THE ACTIV-
51 ITIES FINANCED BY TAX INCREMENT FINANCING, THE TAXABLE VALUATION OF THE
52 CITY, TOWN OR VILLAGE AND FOR EACH TAX INCREMENT AREA WITHIN THE CITY,
53 TOWN OR VILLAGE, THE TAXABLE VALUATION OF THE PROPERTY WITHIN THE TAX
54 INCREMENT AREA, THE AMOUNT OF THE TAX INCREMENT, AND THE AMOUNT USED OR
55 SET ASIDE FOR THE PURPOSES OF THE PLAN. THE REPORT SHALL ALSO INCLUDE
56 ANY OTHER RELEVANT INFORMATION REQUESTED BY THE COMMISSIONER.

1 S 1149-C. TECHNICAL ASSISTANCE. THE DIVISION OF HOUSING AND COMMUNITY
2 RENEWAL MAY PROVIDE TECHNICAL SERVICES AND ASSISTANCE OR CONTRACT TO
3 PROVIDE TECHNICAL SERVICES AND ASSISTANCE TO CITIES, TOWNS AND VILLAGES
4 TO COMPLY WITH THE PROVISIONS AND INTENT OF THIS ARTICLE WHICH SERVICES
5 AND ASSISTANCE MAY INCLUDE BUT SHALL NOT NECESSARILY BE LIMITED TO SITE
6 SELECTION, FINANCIAL PACKAGING, AND ENGINEERING AND ARCHITECTURAL
7 SERVICES NECESSARY FOR THE PREPARATION OF PROJECT PLANS.

8 S 2. This act shall take effect on the one hundred eightieth day after
9 it shall have become a law.