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

2497

2009-2010 Regular Sessions

I N S E N A T E

February 20, 2009

Introduced by Sen. VOLKER -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law, the public housing law, the state finance law and chapter 585 of the laws of 1939 relating to the rate of interest to be paid by certain public corporations upon judgments and accrued claims, in relation to the rate of interest on judgments

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

Section 1. Subdivision 1 of section 3-a of the general municipal law, as amended by chapter 4 of the laws of 1991, is amended to read as follows:

1. Except as provided in subdivisions two, four and five of this section, the rate of interest to be paid by a municipal corporation upon any judgment or accrued claim against the municipal corporation shall [not exceed nine per centum per annum] BE CALCULATED AT A RATE EQUAL TO THE WEEKLY AVERAGE ONE YEAR CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE OF THE ENTRY OF THE JUDGMENT AWARDING DAMAGES. IN NO EVENT, HOWEVER, SHALL A MUNICIPAL CORPORATION PAY A RATE OF INTEREST ON ANY JUDGMENT OR ACCRUED CLAIM MORE THAN NINE PER CENTUM PER ANNUM.

S 2. Subdivision 5 of section 157 of the public housing law, as amended by chapter 681 of the laws of 1982, is amended to read as follows:

5. The rate of interest to be paid by an authority upon any judgment or accrued claim against the authority shall [not exceed nine per centum per annum] BE CALCULATED AT A RATE EQUAL TO THE WEEKLY AVERAGE ONE YEAR CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE OF THE ENTRY OF THE JUDGMENT AWARDING DAMAGES. IN NO EVENT, HOWEVER,

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

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SHALL AN AUTHORITY PAY A RATE OF INTEREST ON ANY JUDGMENT OR ACCRUED CLAIM MORE THAN NINE PER CENTUM PER ANNUM.

S 3. Section 16 of the state finance law, as amended by chapter 681 of the laws of 1982, is amended to read as follows:

S 16. Rate of interest on judgments and accrued claims against the state. The rate of interest to be paid by the state upon any judgment or accrued claim against the state shall [not exceed nine per centum per annum] BE CALCULATED AT A RATE EQUAL TO THE WEEKLY AVERAGE ONE YEAR CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE OF THE ENTRY OF THE JUDGMENT AWARDING DAMAGES. IN NO EVENT, HOWEVER, SHALL THE STATE PAY A RATE OF INTEREST ON ANY JUDGMENT OR ACCRUED CLAIM MORE THAN NINE PER CENTUM PER ANNUM.

S 4. Section 1 of chapter 585 of the laws of 1939, relating to the rate of interest to be paid by certain public corporations upon judgments and accrued claims, as amended by chapter 681 of the laws of 1982, is amended to read as follows:

Section 1. The rate of interest to be paid by a public corporation upon any judgment or accrued claim against the public corporation shall [not exceed nine per centum per annum] BE CALCULATED AT A RATE EQUAL TO THE WEEKLY AVERAGE ONE YEAR CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE OF THE ENTRY OF THE JUDGMENT AWARDING DAMAGES. IN NO EVENT, HOWEVER, SHALL A PUBLIC CORPORATION PAY A RATE OF INTEREST ON ANY JUDGMENT OR ACCRUED CLAIM MORE THAN NINE PER CENTUM PER ANNUM. The term "public corporation" as used in this act shall mean and include every corporation created for the construction of public improvements, other than a county, city, town, village, school district or fire district or an improvement district established in a town or towns, and possessing both the power to contract indebtedness and the power to collect rentals, charges, rates or fees for services or facilities furnished or supplied.

S 5. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.