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

7581

I N S E N A T E

April 23, 2010

Introduced by Sen. PERKINS -- (at request of the Environmental Facilities Corporation) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to the special powers of the New York state environmental facilities corporation

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

Section 1. Section 1281 of the public authorities law is amended by adding a new subdivision 35 to read as follows:

35. "MULTILATERAL DEVELOPMENT BANK" SHALL MEAN THE EUROPEAN INVESTMENT BANK, THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE INTERNATIONAL DEVELOPMENT ASSOCIATION, THE INTERNATIONAL FINANCE CORPORATION, THE MULTILATERAL INVESTMENT GUARANTEE AGENCY, THE AFRICAN DEVELOPMENT BANK, THE AFRICAN DEVELOPMENT FUND, THE ASIAN DEVELOPMENT BANK, THE INTER-AMERICAN DEVELOPMENT BANK, THE INTER-AMERICAN INVESTMENT CORPORATION, AND THE BANK FOR ECONOMIC COOPERATION AND DEVELOPMENT IN THE MIDDLE EAST AND NORTH AFRICA, AND ANY SUBSIDIARY OF ANY SUCH INSTITUTION.

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

6. Moneys in the water pollution control revolving fund may be invested as provided in subdivision four of section twelve hundred eighty-four of this title and may be further invested (a) in investment agreements continuously secured by obligations with any insurance or reinsurance company or corporate affiliate thereof rated by a nationally recognized rating agency in one of its two highest categories, any bank, trust company or broker or dealer, as defined by the securities exchange act of 1934, which is a dealer in government bonds, which reports to, trades with and is recognized as a primary dealer by a federal reserve bank and is a member of the securities investors protection corporation, if, (i) such obligations securing such investment agreements are obligations as set forth in section ten of the general municipal law, (ii)

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

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such obligations are delivered to a trustee for the benefit of the corporation or, with respect to moneys pledged under an indenture of trust relating to bonds or notes of the corporation, to the trustee under such indenture, or are supported by a safe keeping receipt issued by a depository satisfactory to the corporation as applicable, provided that such investment agreements must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the amount deposited thereunder, (iii) a prior perfected security interest in the obligations which are securing such agreement has been granted to the corporation, as applicable, and (iv) such obligations are free and clear of adverse third party claims, or (b) in obligations as set forth in section ten of the general municipal law that are rated by a nationally recognized rating agency in one of its two highest rating categories, OR (C) IN OBLIGATIONS OF MULTILATERAL DEVELOPMENT BANKS THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES, OR (D) IN OBLIGATIONS WHICH HAVE BEEN REFUNDED PRIOR TO MATURITY AND ARE PAYABLE FROM DEFEASANCE SECURITIES WHICH MEET THE REQUIREMENTS OF PARAGRAPH (A), (B) OR (C) OF THIS SUBDIVISION, OR (E) IN OBLIGATIONS OF OUT-OF-STATE GOVERNMENTAL ENTITIES THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES, OR (F) IN OBLIGATIONS OF OUT-OF-STATE NOT-FOR-PROFIT ORGANIZATIONS THAT ARE DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES.

S 2-a. Subdivision 6 of section 1285-j of the public authorities law, as amended by chapter 155 of the laws of 2003, is amended to read as follows:

6. Moneys in the water pollution control revolving fund may be invested as provided in subdivision four of section twelve hundred eighty-four of this title and may be further invested (a) in investment agreements continuously secured by obligations with any insurance or reinsurance company or corporate affiliate thereof rated by a nationally recognized rating agency in one of its two highest categories, any bank, trust company or broker or dealer, as defined by the securities exchange act of 1934, which is a dealer in government bonds, which reports to, trades with and is recognized as a primary dealer by a federal reserve bank and is a member of the securities investors protection corporation, if, (i) such obligations securing such investment agreements are obligations as set forth in section ten of the general municipal law, (ii) such obligations are delivered to a trustee for the benefit of the corporation or, with respect to moneys pledged under an indenture of trust relating to bonds or notes of the corporation, to the trustee under such indenture, or are supported by a safe keeping receipt issued by a depository satisfactory to the corporation as applicable, provided that such investment agreements must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the amount deposited thereunder, (iii) a prior perfected security interest in the obligations which are securing such agreement has been granted to the corporation, as applicable, and (iv) such obligations are free and clear of adverse third party claims, or (b) in obligations the interest on which is excludable from gross income under section one hundred three of the internal revenue code, provided that such obligations are rated by a nationally recognized rating agency in one of its two highest rating categories, OR (C) IN OBLIGATIONS OF MULTILATERAL DEVELOPMENT BANKS THAT

ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES, OR (D) IN OBLIGATIONS WHICH HAVE BEEN REFUNDED PRIOR TO MATURITY AND ARE PAYABLE FROM DEFEASANCE SECURITIES WHICH MEET THE REQUIREMENTS OF PARAGRAPH (A), (B) OR (C) OF THIS SUBDIVISION, OR (E) IN OBLIGATIONS OF OUT-OF-STATE GOVERNMENTAL ENTITIES THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES, OR (F) IN OBLIGATIONS OF OUT-OF-STATE NOT-FOR-PROFIT ORGANIZATIONS THAT ARE DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES.

S 3. Subdivision 6 of section 1285-m of the public authorities law, as amended by chapter 307 of the laws of 2005, is amended to read as follows:

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

(a) in investment agreements continuously secured by obligations with any insurance company or reinsurance company or corporate affiliate thereof rated by a nationally recognized rating agency in one of its two highest categories, any bank, trust company or broker or dealer, as defined by the securities exchange act of 1934, which is a dealer in government bonds, which reports to, trades with and is recognized as a primary dealer by a federal reserve bank and is a member of the securities investors protection corporation, if such investment agreement provides that:

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

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

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

(iv) such obligations are free and clear of adverse third party claims; or

(b) in obligations as set forth in section ten of the general municipal law that are rated by a nationally recognized rating agency in one of its two highest rating categories; OR

(C) IN OBLIGATIONS OF MULTILATERAL DEVELOPMENT BANKS THAT ARE RATED BY A NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES; OR

(D) IN OBLIGATIONS WHICH HAVE BEEN REFUNDED PRIOR TO MATURITY AND ARE PAYABLE FROM DEFEASANCE SECURITIES WHICH MEET THE REQUIREMENTS OF PARAGRAPH (A), (B) OR (C) OF THIS SUBDIVISION; OR

(E) IN OBLIGATIONS OF OUT-OF-STATE GOVERNMENTAL ENTITIES THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES; OR

(F) IN OBLIGATIONS OF OUT-OF-STATE NOT-FOR-PROFIT ORGANIZATIONS THAT ARE DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE

RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES.

S 3-a. Subdivision 6 of section 1285-m of the public authorities law, as amended by chapter 155 of the laws of 2003, is amended to read as follows:

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

(a) in investment agreements continuously secured by obligations with any insurance company or reinsurance company or corporate affiliate thereof rated by a nationally recognized rating agency in one of its two highest categories, any bank, trust company or broker or dealer, as defined by the securities exchange act of 1934, which is a dealer in government bonds, which reports to, trades with and is recognized as a primary dealer by a federal reserve bank and is a member of the securities investors protection corporation, if such investment agreement provides that:

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

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

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

(iv) such obligations are free and clear of adverse third party claims; or

(b) in obligations the interest on which is excludable from gross income under section one hundred three of the internal revenue code, provided that such obligations are rated by a nationally recognized rating agency in one of its two highest rating categories; OR

(C) IN OBLIGATIONS OF MULTILATERAL DEVELOPMENT BANKS THAT ARE RATED BY A NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES; OR

(D) IN OBLIGATIONS WHICH HAVE BEEN REFUNDED PRIOR TO MATURITY AND ARE PAYABLE FROM DEFEASANCE SECURITIES WHICH MEET THE REQUIREMENTS OF PARAGRAPH (A), (B) OR (C) OF THIS SUBDIVISION; OR

(E) IN OBLIGATIONS OF OUT-OF-STATE GOVERNMENTAL ENTITIES THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES; OR

(F) IN OBLIGATIONS OF OUT-OF-STATE NOT-FOR-PROFIT ORGANIZATIONS THAT ARE DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES.

S 4. This act shall take effect immediately; provided, however, that:

(a) the amendments to subdivision 6 of section 1285-j of the public authorities law made by section two of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith;

(b) the amendments to subdivision 6 of section 1285-m of the public authorities law made by section three of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith;

(c) section two-a of this act shall take effect on the same date as the reversion of subdivision 6 of section 1285-j of the public authorities law as provided in section 3 of chapter 307 of the laws of 2005, as amended; and

(d) section three-a of this act shall take effect on the same date as the reversion of subdivision 6 of section 1285-m of the public authorities law as provided in section 3 of chapter 307 of the laws of 2005, as amended.