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

6114

2009-2010 Regular Sessions

I N A S S E M B L Y

February 25, 2009

Introduced by M. of A. HOOPER -- Multi-Sponsored by -- M. of A. LAVINE, SCHIMEL -- read once and referred to the Committee on Local Governments

AN ACT to authorize the county of Nassau, to issue bonds to refund bonds issued by the Nassau county interim finance authority

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

Section 1. Notwithstanding any other provision of law to the contrary, the county of Nassau may issue bonds to refund bonds issued by the Nassau county interim finance authority in accordance with the provisions of section 90.00 or 90.10 of the local finance law, provided, however, any such refunding bond resolution shall require approval by a two-thirds vote of the voting strength of the county legislature and the present value savings required under section 90.10 of the local finance law, in the case of any refunding bonds or multiple series of refunding bonds, shall be computed using a composite analysis of all bonds to be refunded by said refunding or multiple series of refunding bonds. For purposes of calculating the present value of debt service and calculating savings in connection with the issuance of refunding bonds by the county of Nassau (i) the effective interest rate and debt service on variable rate bonds in connection with which, and to the extent that, the Nassau county interim finance authority has entered into an interest rate exchange or similar agreement pursuant to which the Nassau county interim finance authority makes payments based on a fixed rate and receives payments based on a variable rate that shall be found by the county treasurer of the county of Nassau to be equivalent over time to the variable rate paid on the related variable rate bonds, shall be calculated assuming that the rate of interest on such variable rate bonds is the fixed rate payable by the Nassau county interim finance authority on such interest rate exchange or similar agreement for the scheduled term of such agreement plus the ongoing fees and costs associ-

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

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ated with the underlying variable rate issue; however, if the county treasurer determines that the variable rate paid is not equivalent to the variable rate received, then the county treasurer may determine a higher interest cost on the variable rate bonds to reflect the higher interest costs plus the ongoing fees and costs associated with the underlying variable rate issue; (ii) the effective interest rate and debt service on variable rate bonds in connection with which, and to the extent that, the Nassau county interim finance authority has not entered into such an interest rate exchange or similar agreement shall be calculated assuming that interest on such variable interest rate bonds is payable at a rate or rates as shall be found by the county treasurer of the county; (iii) the effective interest rate and debt service on any bonds subject to optional or mandatory tender shall be calculated assuming that such bonds are remarketed following any such tender at a rate or rates as shall be found by the county treasurer of the county of Nassau; and (iv) otherwise, the effective interest rate and debt service on any bonds shall be calculated at a rate or rates determined by the county treasurer of the county of Nassau. Notwithstanding any other provision of law to the contrary, in the case of the county of Nassau, for calculating the present value of debt service and calculating savings in connection with the issuance of refunding bonds, the refunding of variable rate debt instruments with new variable rate debt instruments shall be excluded from any such requirements, if so determined by the county treasurer of such county.

S 2. Bonds previously issued by the Nassau county interim finance authority shall be deemed bonds issued by the county of Nassau for purposes of sections 90.00 and 90.10 of the local finance law. Expenses related to the termination of an interest rate exchange or similar agreement may be included in the principal amount of the refunding bonds. Notwithstanding any other provision of law to the contrary, upon receipt of written instructions from the county of Nassau, the Nassau county interim finance authority shall call in and redeem bonds outstanding and undertake such other actions as may be reasonably requested by the county in order to effect the purposes of this act. Upon receipt of the proceeds of the refunding bonds issued by the county of Nassau, the Nassau county interim finance authority shall deposit and invest same, as so instructed by the county of Nassau, in such funds and accounts to defease its bonds refunded.

S 3. This act shall take effect immediately.