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

8618

2009-2010 Regular Sessions

I N A S S E M B L Y

May 29, 2009

Introduced by M. of A. FARRELL, COOK, WRIGHT, BING, POWELL, ESPAILLAT, KELLNER -- Multi-Sponsored by -- M. of A. O'DONNELL -- read once and referred to the Committee on Local Governments

AN ACT to amend the local finance law and chapter 413 of the laws of 1991, amending the local finance law and other laws relating to providing relief to local governments for certain mandated programs and services, in relation to local government borrowing practices and mandate relief

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

Section 1. Paragraph b of section 21.00 of the local finance law, as amended by chapter 97 of the laws of 2006, is amended to read as follows:

b. Serial bonds shall mature in annual installments. The first installment shall mature not later than eighteen months after the date of such bonds or two years after the date of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is the earlier, provided, however, that until July fifteenth, two thousand [nine] TWELVE, the first installment shall mature not later than two years after the date of such bonds or two years after the date of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is the earlier. However, if bond anticipation notes are issued in anticipation of bonds and if a portion of such notes or the renewals thereof are redeemed from a source other than the proceeds of such bonds within two years from the date of the first such note or notes and a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, the first installment of such bonds may, in the alternative, be made to mature not later than five years from the date of the first such note or notes.

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

LBD11920-01-9

S 2. Paragraph b of section 53.00 of the local finance law, as amended by chapter 97 of the laws of 2006, is amended to read as follows:

b. If such bonds or notes are payable in installments, the installments remaining unpaid may be called for redemption only (i) in the inverse order of their maturity or, (ii) in equal proportionate amounts; provided, however, that for bonds issued during the one-year period commencing July first, nineteen hundred eighty-eight, and for bonds issued during the one-year period commencing July first, nineteen hundred eighty-nine, and for bonds issued during the one-year period commencing July first, nineteen hundred ninety, and for bonds issued during the three-year period commencing July first, nineteen hundred ninety-one, and for bonds issued during the period from July first, nineteen hundred ninety-four up until and including July fifteenth, nineteen hundred ninety-seven and for bonds issued during the period from July fifteenth, nineteen hundred ninety-seven up until and including July fifteenth, two thousand, and for bonds issued during the period from July fifteenth, two thousand up until and including July fifteenth, two thousand three, and for bonds issued during the period from July fifteenth, two thousand three up until and including July fifteenth, two thousand six, and for bonds issued during the period from July fifteenth, two thousand six up until and including July fifteenth, two thousand nine, AND FOR BONDS ISSUED DURING THE PERIOD FROM JULY FIFTEENTH, TWO THOUSAND SIX UP UNTIL AND INCLUDING JULY FIFTEENTH, TWO THOUSAND TWELVE, installments remaining unpaid on such bonds may be called for redemption prior to their date of maturity in such amounts, at such times in such manner and pursuant to such terms as may be determined by the finance board of a municipality, school district or district corporation at the time of the issuance thereof. Whenever any bonds or notes are called for redemption prior to the date of their maturity, interest shall cease to be paid thereon after the date for redemption set forth in such call for redemption. The sum to be paid to redeem any unpaid installment prior to its maturity, exclusive of the interest accruing on such installment to the date of redemption, shall in no event be in excess of the lesser amount of either (i) the par value of such installment plus one-half of one per centum of such par value for each calendar year or part thereof elapsing between the date for redemption set forth in such call for redemption and the date of maturity of such installment, provided, however, that such amount shall not exceed one hundred five per centum of such par value, or (ii) the par value of such installment plus the total of all unpaid interest on such installment which would have accrued from the date of redemption to the date of maturity thereof had such installment not been redeemed prior to maturity, except that bonds sold to the state of New York municipal bond bank agency, which are subject to call as hereinbefore authorized, may provide for the payment of a redemption premium not to exceed five per centum of the par value of the bonds to be called, payable on the date of the redemption thereof; provided, however, that for bonds issued during the one-year period commencing July first, nineteen hundred eighty-eight, and for bonds issued during the one-year period commencing July first, nineteen hundred eighty-nine, and for bonds issued during the one-year period commencing July first, nineteen hundred ninety, and for bonds issued during the three-year period commencing July first, nineteen hundred ninety-one, and for bonds issued during the period from July first, nineteen hundred ninety-four up until and including July fifteenth, nineteen hundred ninety-seven, and for bonds issued during the period from July fifteenth, nineteen hundred

ninety-seven up until and including July fifteenth, two thousand, and for bonds issued during the period from July fifteenth, two thousand up until and including July fifteenth, two thousand three, and for bonds issued during the period from July fifteenth, two thousand three up until and including July fifteenth, two thousand six, and for bonds issued during the period from July fifteenth, two thousand six up until and including July fifteenth, two thousand nine, AND FOR BONDS ISSUED DURING THE PERIOD FROM JULY FIFTEENTH, TWO THOUSAND NINE UP UNTIL AND INCLUDING JULY FIFTEENTH, TWO THOUSAND TWELVE, a municipality, school district, or district corporation may provide for redemption of such bonds prior to the date of their maturity at a price or prices as may be as determined by the issuer of such bonds or notes at the time of the issuance thereof.

S 3. The opening paragraph of paragraph a of section 54.90 of the local finance law, as amended by chapter 97 of the laws of 2006, is amended to read as follows:

Whenever in the judgment of the finance board the interest of a municipality would be served thereby, the municipality may issue bonds or notes, on or before July fifteenth, two thousand [nine] TWELVE, with interest rates that vary in accordance with a formula or procedure and are subject to a maximum rate of interest set forth or referred to in the bonds or notes and may provide the holders thereof with such rights to require the municipality or other persons to purchase such bonds or notes or renewals thereof from the proceeds of the resale thereof or otherwise from time to time prior to the final maturity of such bonds or notes as the finance board may determine and the municipality may resell, at any time prior to final maturity, any such bonds or notes acquired as a result of the exercise of such rights; provided, however, that at no time shall the total principal amount of bonds and notes issued pursuant to this paragraph (other than bonds and notes bearing interest at rates and for periods of time that are specified at issuance) exceed ten percent of the limit prescribed by section 104.00 of this article.

S 4. Subdivision 9 of paragraph d of section 107.00 of the local finance law, as amended by chapter 97 of the laws of 2006, is amended to read as follows:

9. Notwithstanding any other provision of law, the financing by any municipality, prior to July fifteenth, two thousand [nine] TWELVE, of any object or purpose which has a period of probable usefulness determined by law, by the issuance of any bonds and notes, including (i) the issuance of bonds or notes, to redeem notes previously issued for the object or purpose for which the bonds or notes are being issued or (ii) the issuance of bonds to refund bonds previously issued for the object or purpose for which bonds are being issued.

S 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws of 1991, amending the local finance law and other laws relating to providing relief to local governments for certain mandated programs and services, as amended by chapter 97 of the laws of 2006, are amended to read as follows:

(a) section six, sixteen and seventeen of this act shall expire and be deemed repealed on and after July 15, [2009] 2012, and upon such date the amendments made to the provisions of the local finance law by such sections shall also expire and such provisions shall revert to and be read as set out in law on the date immediately preceding the effective date of such sections six, sixteen and seventeen of this act;

(e) subdivision (b) of section thirty-five of this act shall expire and be deemed repealed on and after July 15, [2009] 2012;

S 6. This act shall take effect immediately.