

3075

2009-2010 Regular Sessions

I N S E N A T E

March 10, 2009

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to the creation of a debt management board, using surplus moneys to reduce outstanding state funded debt, and limiting the amount of state funded debt that may be incurred; and to amend the public authorities law, in relation to defining and listing public authorities, limiting the debt of public authorities, the approval by the comptroller of the terms and conditions of bonds or notes issued by public authorities, the powers and duties of the public authorities control board, and the issuance of bonds and notes of the New York state thruway authority; and to repeal certain provisions of the state finance law relating thereto

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

1 Section 1. Article 5-B of the state finance law is REPEALED and a new  
2 article 5-B is added to read as follows:

3 ARTICLE 5-B  
4 DEBT MANAGEMENT BOARD  
5 AND  
6 LIMITATIONS ON STATE-FUNDED DEBT

7 SECTION 67-A. DEFINITIONS.  
8 67-B. USE OF SURPLUS MONEYS TO REDUCE OUTSTANDING STATE FUNDED  
9 DEBT.  
10 67-C. NEW YORK STATE DEBT MANAGEMENT BOARD; CREATION; PROCEDURE.  
11 67-D. POWERS AND DUTIES OF THE NEW YORK STATE DEBT MANAGEMENT  
12 BOARD.  
13 67-E. COMPTROLLER'S DUTIES WITH RESPECT TO BOARD.  
14 67-F. LIMITATIONS ON STATE FUNDED DEBT AND STATE DEBT SERVICE  
15 PAYMENTS.

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

LBD03665-02-9

1 S 67-A. DEFINITIONS. AS USED IN THIS ARTICLE AND ARTICLE FIVE-C OF  
2 THIS CHAPTER THE FOLLOWING TERMS SHALL HAVE THE MEANINGS SET FORTH  
3 BELOW:

4 1. "BOARD" SHALL MEAN THE NEW YORK STATE DEBT MANAGEMENT BOARD CREATED  
5 BY SECTION SIXTY-SEVEN-C OF THIS ARTICLE.

6 2. "STATE DEBT" SHALL MEAN ALL BONDS AND BOND ANTICIPATION NOTES  
7 ISSUED BY THE STATE COMPTROLLER PURSUANT TO ARTICLE FIVE OF THIS CHAP-  
8 TER.

9 3. "STATE BACKED DEBT" SHALL MEAN ANY DEBT OR OBLIGATION, OTHER THAN  
10 STATE DEBT, THAT IS SUPPORTED IN WHOLE OR IN PART BY ANY FINANCING  
11 ARRANGEMENT WHEREBY THE STATE AGREES OR HAS IN THE PAST AGREED, WHETHER  
12 BY LAW, CONTRACT, OR OTHERWISE, TO MAKE PAYMENTS WHICH WILL BE USED,  
13 DIRECTLY OR INDIRECTLY, FOR THE PAYMENT OF PRINCIPAL, INTEREST, OR  
14 RELATED PAYMENTS ON INDEBTEDNESS INCURRED OR CONTRACTED BY THE STATE  
15 ITSELF FOR ANY PURPOSE, OR BY ANY STATE AGENCY, MUNICIPALITY, INDIVID-  
16 UAL, PUBLIC AUTHORITY OR OTHER PUBLIC OR PRIVATE CORPORATION OR ANY  
17 OTHER ENTITY FOR STATE CAPITAL OR OPERATING PURPOSES OR TO FINANCE  
18 GRANTS, LOANS OR OTHER ASSISTANCE PAYMENTS MADE OR TO BE MADE BY OR ON  
19 BEHALF OF THE STATE FOR ANY PURPOSE. IF THE STATE AGREES TO MAKE FUTURE  
20 REVENUES FROM A SPECIFIC STATE SOURCE AVAILABLE FOR THE PURPOSE OF  
21 SUPPORTING DEBT OF ANY MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR  
22 OTHER PUBLIC OR PRIVATE CORPORATION OR ANY OTHER ENTITY, SUCH DEBT SHALL  
23 BE CONSIDERED TO BE A DEBT FOR THE PURPOSE OF FINANCING A STATE GRANT,  
24 LOAN OR OTHER ASSISTANCE PAYMENT AND SHALL BE A "STATE BACKED DEBT" FOR  
25 THE PURPOSES OF THIS ARTICLE. THE TERM "STATE BACKED DEBT" APPLIES TO  
26 ALL DEBT OR OBLIGATIONS DESCRIBED IN THIS SUBDIVISION FOR WHICH THE  
27 STATE AGREES, OR HAS IN THE PAST AGREED, TO MAKE PAYMENTS (A) WHETHER OR  
28 NOT THE OBLIGATION OF THE STATE TO MAKE PAYMENTS IS SUBJECT TO APPROPRI-  
29 ATION OR IS OTHERWISE CONTINGENT, OR (B) WHETHER OR NOT DEBT SERVICE IS  
30 TO BE PAID FROM A REVENUE STREAM TRANSFERRED BY THE STATE TO ANOTHER  
31 PARTY THAT IS RESPONSIBLE FOR MAKING SUCH PAYMENTS.

32 4. "STATE FUNDED DEBT" SHALL MEAN THE COMBINED TOTAL OF ALL STATE  
33 DEBT, AS DEFINED IN SUBDIVISION TWO OF THIS SECTION, AND ALL STATE  
34 BACKED DEBT, AS DEFINED IN SUBDIVISION THREE OF THIS SECTION, EXCEPT  
35 SHORT TERM DEBT INCURRED IN ACCORDANCE WITH SECTION NINE OF ARTICLE  
36 SEVEN OF THE CONSTITUTION, EMERGENCY DEBT INCURRED IN ACCORDANCE WITH  
37 SECTION TEN OF ARTICLE SEVEN OF THE CONSTITUTION, AND REFUNDING DEBT  
38 INCURRED IN ACCORDANCE WITH SECTION THIRTEEN OF ARTICLE SEVEN OF THE  
39 CONSTITUTION.

40 5. "TOTAL PERSONAL INCOME OF THE STATE" SHALL MEAN THE MOST RECENTLY  
41 PUBLISHED ESTIMATED DOLLAR AMOUNT DETERMINED AS TOTAL PERSONAL INCOME OF  
42 THE STATE OF NEW YORK BY THE UNITED STATES DEPARTMENT OF COMMERCE OR ANY  
43 SUCCESSOR AGENCY FOR THE FOUR MOST RECENT SUCCESSIVE CALENDAR QUARTERS  
44 FOR WHICH INFORMATION IS AVAILABLE PRIOR TO OCTOBER THIRTY-FIRST OF EACH  
45 YEAR. SUBSEQUENT REVISIONS OF THE PUBLISHED ESTIMATED DOLLAR AMOUNT FOR  
46 SUCH CALENDAR QUARTERS SHALL NOT AFFECT THE VALIDITY OF THE DETERMI-  
47 NATION MADE BY THE BOARD FOR ANY FISCAL YEAR.

48 6. "CAPITAL PURPOSE" SHALL MEAN ANY PROJECT INVOLVING:

49 (A) THE ACQUISITION, CONSTRUCTION, DEMOLITION, OR REPLACEMENT OF A  
50 FIXED ASSET;

51 (B) THE MAJOR REPAIR OR RENOVATION OF A FIXED ASSET, WHICH MATERIALLY  
52 EXTENDS ITS USEFUL LIFE OR MATERIALLY IMPROVES OR INCREASES ITS CAPACI-  
53 TY;

54 (C) THE PLANNING OR DESIGN OF THE ACQUISITION, CONSTRUCTION, DEMOLI-  
55 TION, REPLACEMENT, MAJOR REPAIR OR RENOVATION OF A FIXED ASSET, INCLUD-  
56 ING THE PREPARATION AND REVIEW OF PLANS AND SPECIFICATIONS INCLUDING

1 ENGINEERING AND OTHER SERVICES, FIELD SURVEYS AND SUB-SURFACE INVESTI-  
2 GATIONS INCIDENTAL THERETO; OR

3 (D) THE COSTS OF ISSUING DEBT OBLIGATIONS TO FINANCE A CAPITAL  
4 PURPOSE.

5 7. "CONDUIT DEBT OBLIGATIONS" SHALL MEAN A DEBT OBLIGATION ISSUED BY A  
6 PUBLIC AUTHORITY (THE "CONDUIT ISSUER") ON BEHALF OF A THIRD PARTY (THE  
7 "CONDUIT BORROWER") OTHER THAN THE STATE OR A POLITICAL SUBDIVISION OF  
8 THE STATE, WHERE PAYMENT OF THE OBLIGATION IS TO BE MADE FROM FUNDS OF  
9 THE CONDUIT BORROWER, THE SECURITY FOR THE OBLIGATION IS THE CREDIT OF  
10 THE CONDUIT BORROWER AND NO FUNDS OF THE CONDUIT ISSUER, THE STATE OR A  
11 POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO SECURE THE OBLIGATION,  
12 WHETHER OR NOT THE OBLIGATION OF THE CONDUIT ISSUER, THE STATE OR POLI-  
13 TICAL SUBDIVISION OF THE STATE IS SUBJECT TO APPROPRIATION OR IS OTHER-  
14 WISE CONTINGENT.

15 8. "CASH SURPLUS" SHALL MEAN THE AMOUNT BY WHICH GENERAL FUND RECEIPTS  
16 IN A FISCAL YEAR EXCEED GENERAL FUND EXPENDITURES IN SUCH FISCAL YEAR.

17 S 67-B. USE OF SURPLUS MONEYS TO REDUCE OUTSTANDING STATE FUNDED DEBT.  
18 AT THE CLOSE OF EACH FISCAL YEAR, A PORTION OF ANY CASH SURPLUS REMAIN-  
19 ING IN THE GENERAL FUND AFTER THE TRANSFER PURSUANT TO SECTION  
20 NINETY-TWO OF THIS CHAPTER SHALL BE TRANSFERRED TO THE DEBT REDUCTION  
21 RESERVE FUND ESTABLISHED BY SECTION NINETY-SEVEN-RRR OF THIS CHAPTER.  
22 THE PORTION TO BE TRANSFERRED SHALL BE EQUAL TO THE PROJECTED RATIO OF  
23 TOTAL DEBT SERVICE DISBURSEMENTS FOR THE FISCAL YEAR TO TOTAL GOVERN-  
24 MENTAL FUNDS DISBURSEMENTS FOR STATE AGENCY OPERATIONS FOR THE FISCAL  
25 YEAR.

26 S 67-C. NEW YORK STATE DEBT MANAGEMENT BOARD; CREATION; PROCEDURE. 1.  
27 THE NEW YORK STATE DEBT MANAGEMENT BOARD IS HEREBY CREATED TO HAVE AND  
28 EXERCISE THE POWERS, DUTIES AND PREROGATIVES PROVIDED BY THE PROVISIONS  
29 OF THIS ARTICLE AND ANY OTHER PROVISION OF LAW.

30 2. THE MEMBERSHIP OF THE BOARD SHALL CONSIST OF THREE PERSONS, INCLUD-  
31 ING THE GOVERNOR, THE COMPTROLLER AND A THIRD PERSON WHO SHALL BE JOINT-  
32 LY SELECTED BY THE GOVERNOR AND THE COMPTROLLER. THE TERM OF OFFICE FOR  
33 THE MEMBERS OF THE BOARD SHALL BE THE SAME AS THE TERMS OF OFFICE OF THE  
34 GOVERNOR AND THE COMPTROLLER. IF THE THIRD MEMBER OF THE BOARD RESIGNS,  
35 BECOMES INCAPACITATED, IS JOINTLY REMOVED BY THE GOVERNOR AND THE COMP-  
36 TROLLER, OR IS OTHERWISE UNABLE TO SERVE, THE GOVERNOR AND THE COMP-  
37 TROLLER SHALL JOINTLY SELECT A SUCCESSOR TO SERVE THE REMAINDER OF THE  
38 UNEXPIRED TERM. THE GOVERNOR SHALL BE THE CHAIRPERSON. THE BOARD SHALL  
39 ACT BY MAJORITY OF ALL OF THE MEMBERS OF THE BOARD, EXCEPT THAT CHANGING  
40 THE DEBT AFFORDABILITY LEVEL PREVIOUSLY ESTABLISHED BY THE BOARD SHALL  
41 REQUIRE UNANIMOUS APPROVAL BY ALL THE MEMBERS OF THE BOARD. ANY ACTION  
42 BY THE BOARD SHALL BE EVIDENCED BY A CERTIFICATION THEREOF SIGNED BY A  
43 MAJORITY OF ALL THE MEMBERS, EXCEPT THAT ALL MEMBERS SHALL SIGN A  
44 CERTIFICATION OF ANY ACTION REQUIRING UNANIMOUS APPROVAL. EACH MEMBER OF  
45 THE BOARD SHALL BE ENTITLED TO DESIGNATE A REPRESENTATIVE TO ATTEND  
46 MEETINGS OF THE BOARD IN HIS OR HER PLACE, AND TO VOTE OR OTHERWISE ACT  
47 ON HIS OR HER BEHALF IN HIS OR HER ABSENCE. NOTICE OF SUCH DESIGNATION  
48 SHALL BE FURNISHED IN WRITING TO THE BOARD BY THE DESIGNATING MEMBER. A  
49 REPRESENTATIVE SHALL SERVE AT THE PLEASURE OF THE DESIGNATING MEMBER  
50 DURING THE MEMBER'S TERM OF OFFICE. A REPRESENTATIVE SHALL NOT BE  
51 AUTHORIZED TO DELEGATE ANY OF HIS OR HER DUTIES OR POWERS TO ANY OTHER  
52 PERSON.

53 3. THE THIRD PERSON JOINTLY SELECTED BY THE GOVERNOR AND THE COMP-  
54 TROLLER TO BE A MEMBER OF THE DEBT MANAGEMENT BOARD SHALL BE A FINANCIAL  
55 EXPERT WITH EXPERIENCE IN PUBLIC FINANCE, ECONOMICS, ACADEMICS, OR  
56 GOVERNMENT.

1 4. ALL THE MEMBERS OF THE BOARD AND THEIR REPRESENTATIVES SHALL BE  
2 ENTITLED TO REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN  
3 THE PERFORMANCE OF OFFICIAL DUTIES PURSUANT TO THIS SECTION OR OTHER  
4 PROVISION OF LAW.

5 5. THE BOARD SHALL MEET SEMI-ANNUALLY OR MORE FREQUENTLY AT THE CALL  
6 OF THE CHAIRPERSON. MEETINGS OF THE BOARD SHALL BE SUBJECT TO THE OPEN  
7 MEETINGS LAW ESTABLISHED BY ARTICLE SEVEN OF THE PUBLIC OFFICERS LAW.

8 S 67-D. POWERS AND DUTIES OF THE NEW YORK STATE DEBT MANAGEMENT BOARD.

9 1. THE BOARD SHALL HAVE THE POWER AND THE DUTY TO (A) ANNUALLY DETERMINE  
10 THE TOTAL DEBT LIMIT OF THE STATE BY CALCULATING THE DOLLAR AMOUNT  
11 EQUIVALENT TO FIVE PERCENT OF THE TOTAL PERSONAL INCOME OF THE STATE, AS  
12 DEFINED IN SECTION SIXTY-SEVEN-A OF THIS ARTICLE, AND (B) ANNUALLY  
13 PRESCRIBE A DEBT AFFORDABILITY LEVEL, WHICH ON OR AFTER APRIL FIRST, TWO  
14 THOUSAND SEVENTEEN SHALL BE NO HIGHER THAN THE TOTAL DEBT LIMIT OF THE  
15 STATE.

16 2. ON OR BEFORE OCTOBER THIRTY-FIRST OF EACH YEAR, THE BOARD SHALL  
17 DETERMINE THE TOTAL DEBT LIMIT OF THE STATE FOR THE NEXT FISCAL YEAR,  
18 AND REPORT THE LIMIT TO THE TEMPORARY PRESIDENT OF THE SENATE, THE  
19 SPEAKER OF THE ASSEMBLY, THE CHAIRPERSON AND RANKING MINORITY MEMBER OF  
20 THE SENATE FINANCE COMMITTEE, AND THE CHAIRPERSON AND RANKING MINORITY  
21 MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE. ON OR BEFORE THE SAME  
22 DATE, THE BOARD SHALL ISSUE A PUBLIC ANNOUNCEMENT OF SUCH LIMIT.

23 3. ON OR BEFORE OCTOBER THIRTY-FIRST OF EACH YEAR, THE BOARD SHALL  
24 PRESCRIBE THE DEBT AFFORDABILITY LEVEL OF THE STATE FOR THE NEXT FISCAL  
25 YEAR, AND REPORT THE LEVEL TO THE TEMPORARY PRESIDENT OF THE SENATE, THE  
26 SPEAKER OF THE ASSEMBLY, THE CHAIRPERSON AND RANKING MINORITY MEMBER OF  
27 THE SENATE FINANCE COMMITTEE, AND THE CHAIRPERSON AND RANKING MINORITY  
28 MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE. ON OR BEFORE THE SAME  
29 DATE, THE BOARD SHALL ISSUE A PUBLIC ANNOUNCEMENT OF SUCH LEVEL. WITHIN  
30 THE LIMITATION ESTABLISHED BY THE TOTAL DEBT LIMIT OF THE STATE, THE  
31 DEBT AFFORDABILITY LEVEL OF THE STATE SHALL BE BASED UPON THE BOARD'S  
32 EVALUATION OF THE TOTAL AMOUNT OF ADDITIONAL DEBT THAT MAY BE INCURRED  
33 AND THE TOTAL DEBT SERVICE OBLIGATIONS AND RELATED PAYMENTS THAT MAY BE  
34 UNDERTAKEN BY THE STATE WITHOUT OVERBURDENING PRESENT OR FUTURE GENER-  
35 ATIONS, TAKING INTO ACCOUNT THE CURRENT AND EXPECTED REVENUES AND  
36 EXPENSES OF THE STATE, THE CURRENT AND EXPECTED TRENDS AFFECTING THE  
37 ECONOMY OF THE STATE, AND SUCH OTHER FACTORS AS THE BOARD DEEMS RELE-  
38 VANT. IN ADDITION TO THE DEBT AFFORDABILITY LEVEL OF THE STATE FOR THE  
39 NEXT FISCAL YEAR, THE BOARD'S REPORT TO THE LEGISLATURE AND ANNOUNCEMENT  
40 TO THE PUBLIC SHALL INCLUDE THE BOARD'S FORECAST OF THE DEBT AFFORDABIL-  
41 ITY LEVELS EXPECTED FOR THE TWO SUCCEEDING FISCAL YEARS. FOLLOWING THE  
42 BOARD'S ESTABLISHMENT OF A DEBT AFFORDABILITY LEVEL OF THE STATE FOR A  
43 FISCAL YEAR, THERE SHALL BE NO CHANGE IN SUCH LEVEL (OTHER THAN A DEBT  
44 AFFORDABILITY LEVEL FORECAST FOR A FISCAL YEAR AFTER THE NEXT FISCAL  
45 YEAR) EXCEPT WITH THE UNANIMOUS APPROVAL OF THE MEMBERS OF THE BOARD.

46 4. THE BOARD SHALL HAVE THE POWER AND IT SHALL BE ITS DUTY TO MAKE  
47 RECOMMENDATIONS TO THE GOVERNOR AND THE LEGISLATURE OF POLICIES TO  
48 GOVERN THE ISSUANCE OF ALL STATE FUNDED DEBT AND OTHER CAPITAL FINANCING  
49 MATTERS.

50 5. THE BOARD SHALL ADOPT POLICY STANDARDS RELATING TO THE ISSUANCE OF  
51 ALL STATE FUNDED DEBT AND FOR CAPITAL FINANCING. SUCH STANDARDS SHALL  
52 REQUIRE THE UNANIMOUS APPROVAL OF ALL THREE MEMBERS OF THE BOARD, AND  
53 SHALL COVER, AMONG OTHER ITEMS, THE FOLLOWING:

54 (A) STRUCTURES FOR STATE FUNDED DEBT, SUCH AS RATE OF AMORTIZATION OF  
55 PRINCIPAL, THE USE OF PREMIUMS, AND CAPITALIZATION OF INTEREST ON STATE  
56 FUNDED DEBT;

1 (B) CRITERIA FOR REFUNDING OUTSTANDING STATE FUNDED DEBT, INCLUDING,  
2 BUT NOT LIMITED TO, SUCH MATTERS AS EXTENSION OF THE TERM OF OUTSTANDING  
3 DEBT, PRESENT VALUE SAVINGS AND DISTRIBUTION OF ACTUAL SAVINGS;

4 (C) THE USE OF CREDIT ENHANCEMENTS, DERIVATIVE INSTRUMENTS AND VARI-  
5 ABLE OR FIXED RATE DEBT OBLIGATIONS WITH RESPECT TO STATE FUNDED DEBT;

6 (D) GOALS FOR THE PROPORTION OF STATE CAPITAL SPENDING TO BE FINANCED  
7 WITH DEBT AND THE PROPORTION TO BE FINANCED WITH CURRENT APPROPRIATIONS;

8 (E) THE METHOD OF SALE, SUCH AS COMPETITIVE OR NEGOTIATED, OF STATE  
9 FUNDED DEBT OBLIGATIONS;

10 (F) CRITERIA TO BE USED IN SELECTING STATE FUNDED DEBT OBLIGATIONS TO  
11 BE RETIRED OR DEFEASED BY THE USE OF THE PORTION OF ANY CASH SURPLUS,  
12 DETERMINED PURSUANT TO SECTION SIXTY-SEVEN-B OF THIS ARTICLE, THAT SHALL  
13 BE DEDICATED TO THE EXCLUSIVE PURPOSE OF REDUCING THE AGGREGATE AMOUNT  
14 OF OUTSTANDING STATE FUNDED DEBT OBLIGATIONS;

15 (G) THE DEFINITION OF NON-RECURRING REVENUES WHICH SHALL BE USED FOR  
16 THE FUNDING OF CAPITAL PROJECTS WHICH HAVE BEEN AUTHORIZED BY LAW TO BE  
17 FINANCED THROUGH THE ISSUANCE OF STATE FUNDED DEBT OR FOR THE PURPOSE OF  
18 RETIRING OR DEFEASING BONDS OR NOTES PREVIOUSLY ISSUED;

19 (H) SUCH OTHER POLICY MATTERS RELATING TO THE ISSUANCE OF STATE FUNDED  
20 DEBT AS THE BOARD MAY DETERMINE TO BE APPROPRIATE; AND

21 (I) POLICY STANDARDS TO BE FOLLOWED BY STATE AUTHORITIES, AS DEFINED  
22 IN SECTION TWO OF THE PUBLIC AUTHORITIES LAW, IN RELATION TO THE ISSU-  
23 ANCE BY SUCH PUBLIC AUTHORITIES OF DEBT OBLIGATIONS OTHER THAN CONDUIT  
24 DEBT OBLIGATIONS. IN THE DISCRETION OF THE COMPTROLLER, SUCH POLICY  
25 STANDARDS MAY BE APPLIED BY THE COMPTROLLER IN THE EXERCISE OF HIS OR  
26 HER CONSTITUTIONAL AUTHORITY TO SUPERVISE THE ACCOUNTS OF AUTHORITIES,  
27 AS DEFINED IN SECTION TWO OF THE PUBLIC AUTHORITIES LAW, AND POLITICAL  
28 SUBDIVISIONS.

29 THE BOARD SHALL ANNUALLY REVIEW THE POLICY STANDARDS AND ADOPT SUCH  
30 CHANGES OR ADDITIONS AS IT DEEMS ADVISABLE ON OR BEFORE THE ANNIVERSARY  
31 DATE OF ITS ORIGINAL STANDARDS.

32 S 67-E. COMPTROLLER'S DUTIES WITH RESPECT TO BOARD. THE COMPTROLLER  
33 SHALL COLLECT AND ANALYZE DATA WITH RESPECT TO OUTSTANDING STATE FUNDED  
34 DEBT, AND, AT LEAST ANNUALLY, ON OR BEFORE THE ONE HUNDRED FIFTIETH DAY  
35 FOLLOWING THE END OF THE STATE FISCAL YEAR, REPORT TO THE BOARD, THE  
36 GOVERNOR, THE TEMPORARY PRESIDENT AND THE MINORITY LEADER OF THE SENATE,  
37 AND THE SPEAKER AND MINORITY LEADER OF THE ASSEMBLY ON THE CONDITION OF  
38 STATE FUNDED DEBT. SUCH REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO,  
39 THE AMOUNT OF STATE FUNDED DEBT OUTSTANDING, THE DIFFERENT ISSUERS AND  
40 CATEGORIES OF SUCH DEBT, AND ANY DIFFERENCES IN CREDIT RATINGS AMONG  
41 CATEGORIES AND ISSUES.

42 S 67-F. LIMITATIONS ON STATE FUNDED DEBT AND STATE DEBT SERVICE  
43 PAYMENTS. 1. NO ADDITIONAL STATE FUNDED DEBT SHALL BE INCURRED AFTER  
44 APRIL FIRST, TWO THOUSAND SEVENTEEN IF THE TOTAL PRINCIPAL AMOUNT OF  
45 SUCH ADDITIONAL DEBT, TOGETHER WITH THE TOTAL PRINCIPAL AMOUNT OF STATE  
46 FUNDED DEBT ALREADY OUTSTANDING AND THE TOTAL PRINCIPAL AMOUNT OF STATE  
47 FUNDED DEBT ALREADY AUTHORIZED BUT NOT YET INCURRED, IS EQUAL TO OR  
48 GREATER THAN THE TOTAL DEBT LIMIT OF THE STATE AS DETERMINED BY THE  
49 BOARD PURSUANT TO SECTION SIXTY-SEVEN-D OF THIS ARTICLE.

50 2. WITH THE EXCEPTION OF SHORT TERM DEBT INCURRED IN ACCORDANCE WITH  
51 SECTION NINE OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT  
52 INCURRED IN ACCORDANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTI-  
53 TUTION, AND REFUNDING DEBT, NO STATE FUNDED DEBT SHALL BE INCURRED  
54 EXCEPT TO FINANCE A CAPITAL PURPOSE.

55 3.(A) ALL DEBT SUBJECT TO THE PROVISIONS OF THIS SECTION (I) SHALL,  
56 EXCEPT FOR REFUNDING DEBT, BE INCURRED ONLY FOR A CAPITAL PURPOSE

1 AUTHORIZED BY LAW, AND (II) SHALL, IF INCURRED ON OR AFTER THE FIRST DAY  
2 OF THE FIRST FISCAL YEAR BEGINNING AT LEAST ONE YEAR AFTER THE EFFECTIVE  
3 DATE OF AN AMENDMENT TO SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITU-  
4 TION, BE IN THE FORM OF OBLIGATIONS ISSUED BY THE COMPTROLLER.

5 (B) ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE, NO DEBT OBLIGATION  
6 SUBJECT TO THE PROVISIONS OF THIS SECTION SHALL BE ISSUED UNLESS THE  
7 COMPTROLLER DETERMINES THAT SUCH ISSUANCE IS WITHIN THE DEBT AFFORDABIL-  
8 ITY LEVEL FOR THAT FISCAL YEAR ESTABLISHED BY THE DEBT MANAGEMENT BOARD  
9 PURSUANT TO SECTION SIXTY-SEVEN-D OF THIS ARTICLE. ON OR AFTER APRIL  
10 FIRST, TWO THOUSAND SEVENTEEN, NO SUCH DEBT OBLIGATION SHALL BE ISSUED  
11 UNLESS THE COMPTROLLER DETERMINES THAT SUCH ISSUANCE IS WITHIN (I) THE  
12 LIMIT ON STATE DEBT AND (II) THE DEBT AFFORDABILITY LEVEL ESTABLISHED BY  
13 THE DEBT MANAGEMENT BOARD PURSUANT TO SECTION SIXTY-SEVEN-D OF THIS  
14 ARTICLE.

15 4. NO STATE FUNDED DEBT SHALL BE INCURRED IN THE FORM OF AN OBLIGATION  
16 WITH A FINAL MATURITY EXCEEDING THE PROBABLE LIFE OF THE CAPITAL PROJECT  
17 FINANCED BY SUCH DEBT, AS SPECIFIED IN SECTION SIXTY-ONE OF THIS CHAP-  
18 TER. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO  
19 STATE FUNDED DEBT SHALL BE INCURRED IN THE FORM OF AN OBLIGATION WITH A  
20 FINAL MATURITY OF MORE THAN THIRTY YEARS.

21 5. DURING EACH FISCAL YEAR BEGINNING ON OR AFTER THE EFFECTIVE DATE OF  
22 THIS SECTION, UP TO AND INCLUDING ANY FISCAL YEAR ENDING IN TWO THOUSAND  
23 EIGHTEEN NO NEW STATE FUNDED DEBT SHALL BE INCURRED IN AN AGGREGATE  
24 PRINCIPAL AMOUNT EXCEEDING NINETY-FIVE PERCENT OF THE AGGREGATE PRINCI-  
25 PAL AMOUNT OF NEW STATE FUNDED DEBT INCURRED IN THE PRECEDING FISCAL  
26 YEAR.

27 6. NO STATE FUNDED DEBT OUTSTANDING ON THE EFFECTIVE DATE OF THIS  
28 SUBDIVISION SHALL BE REFUNDED UNLESS (A) SUCH REFUNDING IS CONDUCTED IN  
29 ALL RESPECTS AS IF SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION  
30 APPLIED, AND (B) ANY SUCH REFUNDING OBLIGATIONS ISSUED ON OR AFTER THE  
31 FIRST DAY OF THE FIRST FISCAL YEAR BEGINNING AT LEAST ONE YEAR AFTER THE  
32 EFFECTIVE DATE OF AN AMENDMENT TO SECTION ELEVEN OF ARTICLE SEVEN OF THE  
33 CONSTITUTION IMPOSING A LIMIT ON THE TOTAL AMOUNT OF STATE DEBT, ARE  
34 ISSUED BY THE COMPTROLLER. SUCH OUTSTANDING DEBT OBLIGATIONS AND THE  
35 DEBT SERVICE EXPENSES, DIRECT OR INDIRECT, REQUIRED FOR SUCH OBLIGATIONS  
36 SHALL BE INCLUDED IN THE DETERMINATION OF THE DEBT LIMIT AND THE DEBT  
37 AFFORDABILITY LEVEL PURSUANT TO SECTION SIXTY-SEVEN-D OF THIS ARTICLE.

38 7. DEBT OBLIGATIONS ISSUED TO REFUND OUTSTANDING STATE FUNDED DEBT,  
39 REGARDLESS OF WHETHER SUCH OUTSTANDING DEBT WAS INCURRED PRIOR TO THE  
40 EFFECTIVE DATE OF THIS SUBDIVISION, SHALL NOT BE COUNTED FOR THE  
41 PURPOSES OF THE DEBT LIMIT AND THE DEBT AFFORDABILITY LEVEL DETERMINED  
42 PURSUANT TO SECTION SIXTY-SEVEN-D OF THIS ARTICLE IF SUCH REFUNDING IS  
43 CONDUCTED IN ALL RESPECTS AS IF SECTION THIRTEEN OF ARTICLE SEVEN OF THE  
44 CONSTITUTION APPLIED. DEBT SERVICE EXPENSES ON DEBT THAT HAS BEEN  
45 REFUNDED IN ACCORDANCE WITH SECTION THIRTEEN OF ARTICLE SEVEN OF THE  
46 CONSTITUTION SHALL BE EXCLUDED FOR THE DEBT AFFORDABILITY LEVEL TO THE  
47 EXTENT THAT SUCH DEBT SERVICE EXPENSES ARE TO BE PAID FROM AN ESCROW  
48 FUND ESTABLISHED WITH PROCEEDS OF THE REFUNDING DEBT, BUT DEBT SERVICE  
49 EXPENSES ON THE REFUNDING DEBT SHALL BE INCLUDED EXCEPT TO THE EXTENT  
50 THAT SUCH DEBT SERVICE EXPENSES ARE TO BE PAID FROM SUCH AN ESCROW FUND.  
51 FOR THE PURPOSES OF THIS SUBDIVISION AND SUBDIVISIONS SIX AND EIGHT OF  
52 THIS SECTION, ANY REFUNDING DEBT THAT DOES NOT EXTEND BEYOND THE FINAL  
53 MATURITY OF THE DEBT BEING REFUNDED SHALL BE DEEMED TO BE IN COMPLIANCE  
54 WITH THE PROVISIONS OF SUBDIVISION SIX OF SECTION THIRTEEN OF ARTICLE  
55 SEVEN OF THE CONSTITUTION MADE APPLICABLE BY THIS SUBDIVISION IF THERE

1 IS AN ACTUAL DEBT SERVICE SAVINGS IN EVERY YEAR TO MATURITY AS A RESULT  
2 OF THE ISSUANCE OF THE REFUNDING DEBT.

3 8. AFTER THE EFFECTIVE DATE OF THIS SECTION THE STATE SHALL NOT,  
4 EXCEPT AS SPECIFICALLY AUTHORIZED BY A PROVISION OF THE CONSTITUTION  
5 OTHER THAN SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION, AGREE TO  
6 MAKE PAYMENTS, DIRECTLY OR INDIRECTLY, WHETHER OR NOT SUBJECT TO APPRO-  
7 PRIATION, THAT ARE TO BE AVAILABLE TO PAY DEBT SERVICE ON ANY DEBT  
8 INCURRED BY A MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR OTHER PUBLIC  
9 OR PRIVATE CORPORATION OR ANY OTHER ENTITY, FOR ANY PURPOSE, IF SUCH  
10 PAYMENTS ARE EXPECTED TO BE USED TO PAY DEBT SERVICE ONLY IF OTHER  
11 SOURCES AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ARE INADEQUATE.  
12 OUTSTANDING DEBT THAT WOULD BE PROHIBITED BY THIS SUBDIVISION IF SUCH  
13 DEBT HAD BEEN INCURRED AFTER THE EFFECTIVE DATE OF THIS SUBDIVISION MAY  
14 BE REFUNDED BY THE ENTITY THAT INCURRED THE OUTSTANDING DEBT PROVIDED  
15 THAT ALL PROVISIONS OF SUBDIVISIONS SIX AND SEVEN OF THIS SECTION ARE  
16 COMPLIED WITH EXCEPT THE REQUIREMENT THAT SUCH REFUNDING DEBT OBLI-  
17 GATIONS BE ISSUED BY THE COMPTROLLER, AND REFUNDING DEBT SERVICE  
18 EXPENSES SHALL ONLY BE INCLUDED IN DEBT AFFORDABILITY DETERMINATIONS IF  
19 DEBT SERVICE EXPENSES ON THE DEBT BEING REFUNDED WOULD HAVE BEEN  
20 INCLUDED.

21 S 2. Subdivision 2 of section 68-a of the state finance law, as added  
22 by section 2 of part I of chapter 383 of the laws of 2001, is amended to  
23 read as follows:

24 2. "Authorized purpose" for purposes of this article and section nine-  
25 ty-two-z of this chapter shall mean any [purposes] PURPOSE for which  
26 [state-supported] STATE FUNDED debt, as defined by section sixty-seven-a  
27 of this chapter, may BE or has been issued except debt for which the  
28 state is constitutionally obligated thereunder to pay debt service and  
29 related expenses, and except (a) as authorized in paragraph (b) of  
30 subdivision one of section three hundred eighty-five of the public  
31 authorities law, (b) as authorized for the department of health of the  
32 state of New York facilities as specified in paragraph a of subdivision  
33 two of section sixteen hundred eighty of the public authorities law, (c)  
34 state university of New York dormitory facilities as specified in subdivi-  
35 sion eight of section sixteen hundred seventy-eight of the public  
36 authorities law, and (d) as authorized for mental health services facil-  
37 ities by section nine-a of section one of chapter three hundred ninety-  
38 two of the laws of nineteen hundred seventy-three constituting the New  
39 York state medical care facilities [financing] FINANCE AGENCY act.

40 S 3. Subdivision 6 of section 68-c of the state finance law, as added  
41 by section 2 of part I of chapter 383 of the laws of 2001, is amended  
42 and a new subdivision 7 is added to read as follows:

43 6. Any resolution or other agreement authorizing revenue bonds under  
44 this article shall reserve the right of the state, upon amendment OF  
45 SECTION ELEVEN OF ARTICLE SEVEN of the New York state constitution  
46 allowing the issuance or assumption of bonds, notes or other obligations  
47 secured by revenues, which may include the revenues securing revenue  
48 bonds of authorized issuers (a) to assume, in whole or in part, revenue  
49 bonds of the authorized issuers, (b) to extinguish the existing lien of  
50 such resolution, or other agreement and (c) to substitute security for  
51 the revenue bonds of the authorized issuers, in each case only so long  
52 as such assumption, extinguishment or substitution is done in accordance  
53 with such resolution or other agreement AND SUCH CONSTITUTIONAL AMEND-  
54 MENT.

55 7. ON AND AFTER THE FIRST DAY OF THE FIRST FISCAL YEAR BEGINNING AT  
56 LEAST ONE YEAR AFTER THE EFFECTIVE DATE OF AN AMENDMENT OF SECTION ELEV-

1 EN OF ARTICLE SEVEN OF THE CONSTITUTION IMPOSING A LIMIT ON THE TOTAL  
2 AMOUNT OF STATE DEBT, NO REVENUE BONDS SHALL BE ISSUED.

3 S 4. Section 97-rrr of the state finance law, as amended by section 45  
4 of part H of chapter 56 of the laws of 2000, is amended to read as  
5 follows:

6 S 97-rrr. Debt reduction reserve fund. 1. There is hereby established  
7 in the joint custody of the comptroller and the commissioner of taxation  
8 and finance a fund to be known as the debt reduction reserve fund. [Such  
9 fund shall be established as a capital projects fund.]

10 2. Such fund shall consist of all monies credited or transferred ther-  
11 eto from the general fund or from any other fund or sources pursuant to  
12 law.

13 3. The monies in such fund, following appropriation by the legislature  
14 and allocation by the director of the budget, shall be available [for  
15 the following purposes:

16 (a) for the payment of principal, interest, and related expenses on  
17 general obligation bonds, lease purchase payments, or special contractu-  
18 al obligation payments, or] ONLY for the [purposes] PURPOSE of retiring  
19 or defeasing bonds OR NOTES previously issued, including any accrued  
20 interest thereon, for any [state-supported bonding program or programs,  
21 and;

22 (b) for the funding of capital projects, equipment acquisitions, or  
23 similar expenses which have been authorized by law to be financed  
24 through the issuance of bonds, notes, or other obligations] STATE FUNDED  
25 DEBT.

26 S 5. Section 24 of the state finance law is amended by adding a new  
27 subdivision 6 to read as follows:

28 6. THE BUDGET BILLS SHALL INCLUDE AN APPROPRIATION OF THE AVAILABLE  
29 BALANCE FROM THE DEBT REDUCTION RESERVE FUND CREATED BY SECTION NINETY-  
30 SEVEN-RRR OF THIS CHAPTER TO BE USED EXCLUSIVELY FOR THE PURPOSE OF  
31 RETIRING OR DEFEASING STATE FUNDED DEBT OBLIGATIONS IN ACCORDANCE WITH  
32 THE CRITERIA ESTABLISHED BY THE DEBT MANAGEMENT BOARD.

33 S 6. Subdivision 1 of section 51 of the public authorities law, as  
34 added by chapter 838 of the laws of 1983, paragraph k as added by chap-  
35 ter 506 of the laws of 1995 and paragraph l as added by chapter 468 of  
36 the laws of 2004, is amended to read as follows:

37 1. [The] SUBJECT TO (A) THE COMPTROLLER'S CONSTITUTIONAL AUTHORITY TO  
38 SUPERVISE THE ACCOUNTS OF PUBLIC AUTHORITIES, (B) THE COMPTROLLER'S  
39 STATUTORY AUTHORITY TO APPROVE THE TERMS AND CONDITIONS OF DEBT OBLI-  
40 GATIONS ISSUED BY PUBLIC AUTHORITIES, AND (C) THE POLICY STANDARDS  
41 ESTABLISHED BY THE DEBT MANAGEMENT BOARD PURSUANT TO SECTION SIXTY-SEV-  
42 EN-D OF THE STATE FINANCE LAW IN RELATION TO PUBLIC AUTHORITY DEBT, THE  
43 New York state public authorities control board shall have the power and  
44 it shall be its duty to receive applications for approval of the financ-  
45 ing and construction of any project proposed by any [of the following  
46 state public benefit corporations:

- 47 a. New York state environmental facilities corporation
- 48 b. New York state housing finance agency
- 49 c. New York state medical care facilities finance agency
- 50 d. Dormitory authority
- 51 e. New York state urban development corporation
- 52 f. Job development authority
- 53 g. Battery park city authority
- 54 h. New York state project finance agency
- 55 i. State of New York mortgage agency
- 56 j. New York state energy research and development authority

1 k. Long Island Power Authority

2 l. Albany Convention Center Authority] CLASS A OR CLASS B PUBLIC  
3 AUTHORITY, AS DEFINED IN SECTION TWO OF THIS CHAPTER.  
4 Any application made concerning a project shall include the terms,  
5 conditions and dates of the repayment of state appropriations authorized  
6 by law pursuant to a repayment agreement, AND A CURRENT LISTING OF ALL  
7 OUTSTANDING DEBT AND DEBT SERVICE OBLIGATIONS OF THE APPLICANT. Any  
8 subsidiary of, or corporation with the same members or directors as, a  
9 public benefit corporation subject to the provisions of this section  
10 shall also be subject to the provisions of this section. All applica-  
11 tions and submissions to the board required to be made by a subsidiary  
12 shall be made on behalf of such subsidiary by the public benefit corpo-  
13 ration which created the subsidiary. No public benefit corporation  
14 subject to the provisions of this section shall make any commitment,  
15 enter into any agreement or incur any indebtedness for the purpose of  
16 acquiring, constructing, or financing any project unless prior approval  
17 has been received from the board by such public benefit corporation as  
18 provided herein.

19 S 7. Section 51 of the public authorities law is amended by adding a  
20 new subdivision 6 to read as follows:

21 6. NOT LATER THAN NINETY DAYS AFTER THE END OF EACH FISCAL YEAR, THE  
22 BOARD SHALL SUBMIT TO THE GOVERNOR, THE COMPTROLLER, THE TEMPORARY PRES-  
23 IDENT AND THE MINORITY LEADER OF THE SENATE, AND THE SPEAKER AND THE  
24 MINORITY LEADER OF THE ASSEMBLY, AN ANNUAL REPORT DETAILING: (A) THE  
25 AGGREGATE AMOUNT OF DEBT APPROVED BY THE BOARD DURING SUCH FISCAL YEAR;

26 (B) A LIST OF THE INDIVIDUAL PROJECTS APPROVED BY THE BOARD FOR EACH  
27 PUBLIC AUTHORITY DURING SUCH FISCAL YEAR; AND

28 (C) THE TOTAL AMOUNT OF NEW DEBT OBLIGATIONS THE BOARD HAS APPROVED  
29 DURING SUCH FISCAL YEAR FOR ISSUANCE BY EACH PUBLIC AUTHORITY.

30 THE BOARD SHALL PUBLISH SUCH REPORT BY POSTING SUCH REPORT ON THE  
31 BOARD'S INTERNET WEBSITE. EACH SUCH REPORT POSTED ON THE BOARD'S INTER-  
32 NET WEBSITE SHALL BE MAINTAINED ON SUCH WEBSITE FOR AT LEAST TWELVE  
33 MONTHS OR UNTIL THE NEXT SUCH REPORT IS POSTED ON SUCH WEBSITE, WHICHEV-  
34 ER IS LATER. THE BOARD SHALL ISSUE A NEWS RELEASE ANNOUNCING SUCH REPORT  
35 TO NEWSPAPERS OF GENERAL CIRCULATION AND RADIO AND TELEVISION NEWS  
36 BUREAUS WITHIN THE STATE.

37 S 8. Subdivision 2 of section 365 of the public authorities law, as  
38 separately amended by sections 349 and 381 of chapter 190 of the laws of  
39 1990, is amended to read as follows:

40 2. The notes and bonds shall be authorized by resolution of the board,  
41 shall bear such date or dates and mature at such time or times, in the  
42 case of notes and any renewals thereof within five years after their  
43 respective dates and in the case of bonds not exceeding forty years from  
44 their respective dates, as such resolution or resolutions may provide.  
45 The notes and bonds shall bear interest at such rate or rates, be in  
46 such denominations, be in such form, either coupon or registered, carry  
47 such registration privileges, be executed in such manner, be payable in  
48 such medium of payment, at such place or places, and be subject to such  
49 terms of redemption as such resolution or resolutions may provide. Bonds  
50 and notes shall be sold by the authority, at public or private sale, at  
51 such price or prices as the authority may determine. Bonds and notes of  
52 the authority shall not be sold by the authority at private sale unless  
53 such sale and the terms thereof have been approved in writing by the  
54 comptroller, where such sale is not to the comptroller, or by the direc-  
55 tor of the budget, where such sale is to the comptroller. [Bonds and  
56 notes sold at public sale shall be sold by the comptroller, as agent of

1 the authority, in such manner as the authority, with the approval of the  
2 comptroller, shall determine.]

3 S 9. This act shall take effect immediately, provided, however, that  
4 paragraph a of subdivision 3 and subdivision 6 of section 67-f of the  
5 state finance law, as added by section one of this act, and section  
6 three of this act, shall take effect on the same date as a concurrent  
7 resolution of the Senate and Assembly entitled "proposing amendments to  
8 article 7 of the state constitution, in relation to the authorization of  
9 debt in times of public emergency, a limit on the total amount of state  
10 debt, the establishment of a debt management board, and refunding of  
11 state debts", takes effect.