

3414

2009-2010 Regular Sessions

I N S E N A T E

March 18, 2009

Introduced by Sens. YOUNG, FARLEY -- read twice and ordered printed, and
when printed to be committed to the Committee on Housing, Construction
and Community Development

AN ACT to amend the private housing finance law, in relation to the
creation of a tax increment financing program

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 21-A to read as follows:
3 ARTICLE XXI-A
4 TAX INCREMENT FINANCING ACT
5 SECTION 1134. SHORT TITLE.
6 1135. LEGISLATIVE FINDINGS.
7 1136. DEFINITIONS.
8 1137. ADOPTION OF PROJECT PLAN.
9 1138. AUTHORIZATION TO UNDERTAKE PROJECTS; POWERS.
10 1139. ISSUANCE OF SPECIAL OBLIGATION BONDS.
11 1140. SECURITY FOR BONDS.
12 1141. PLEDGE OF PROJECT REVENUES VALIDATED.
13 1142. TEMPORARY ANTICIPATION NOTES.
14 1143. TAX INCREMENT BOND FUNDS.
15 1144. CREDIT OF CITY, TOWN OR VILLAGE NOT PLEDGED.
16 1145. INVESTMENT OF FUNDS.
17 1146. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS.
18 1147. BONDS AND NOTES AS LEGAL INSTRUMENTS.
19 1148. BONDS AND NOTES AS INVESTMENT SECURITIES.
20 1149. EXEMPTION FROM TAXATION.
21 1149-A. DURATION OF DISTRICTS.
22 1149-B. ANNUAL REPORT.
23 1149-C. TECHNICAL ASSISTANCE.

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

LBD03371-01-9

1 S 1134. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
2 THE "TAX INCREMENT FINANCING ACT".

3 S 1135. LEGISLATIVE FINDINGS. THE LEGISLATURE FINDS AND DECLARES THAT
4 IT IS A FUNDAMENTAL PURPOSE OF THE STATE'S SOCIAL ECONOMY TO PROVIDE
5 HOUSING AND THAT STATEWIDE THERE IS AN INADEQUATE SUPPLY OF DECENT, SAFE
6 AND SANITARY HOUSING AFFORDABLE TO PERSONS AND FAMILIES OF LOW AND
7 MODERATE INCOME WHICH THREATENS STATEWIDE JOB CREATION, THE ATTRACTION
8 OF NEW PRIVATE INVESTMENT, AND THE CREATION OF PHYSICAL, ECONOMIC,
9 SOCIAL AND ENVIRONMENTAL CONDITIONS TO REMOVE AND PREVENT THE RECURRENCE
10 OF BLIGHT. THE LEGISLATURE FURTHER FINDS THAT THE USE OF TAX INCREMENT
11 FINANCING AS A METHOD TO REDUCE THE COSTS OF AFFORDABLE HOUSING IS OF
12 STATEWIDE BENEFIT AND OF PARTICULAR BENEFIT AND ASSISTANCE TO ALL LOCAL
13 GOVERNMENTS WHICH WISH TO ENCOURAGE THE FURTHER PROVISION OF HOUSING FOR
14 ITS RESIDENTS.

15 S 1136. DEFINITIONS. AS USED IN THIS ARTICLE:

16 1. "BASE DATE" SHALL MEAN THE LAST ASSESSMENT DATE NEXT PRECEDING THE
17 ADOPTION OF THE PROJECT PLAN.

18 2. "PROJECT" SHALL MEAN THE UNDERTAKING OF THE FOLLOWING ACTIVITIES IN
19 ACCORDANCE WITH A PROJECT PLAN:

20 A. THE ACQUISITION OF LAND AND IMPROVEMENTS THEREON, IF ANY, WITHIN
21 THE PROJECT AREA AND THE ASSEMBLY AND CLEARANCE OF THE LAND SO ACQUIRED;
22 OR

23 B. THE DEVELOPMENT, REDEVELOPMENT, REVITALIZATION OR CONSERVATION OF
24 THE PROJECT AREA THROUGH THE CONSTRUCTION OR REHABILITATION OF RESIDEN-
25 TIAL OR COMMERCIAL DWELLINGS OR OTHER IMPROVEMENTS OR THROUGH ACQUISI-
26 TION BY GIFT, PURCHASE OR EMINENT DOMAIN OF LAND AND ANY IMPROVEMENTS
27 THEREON, AND DEMOLITION, REMOVAL OR REHABILITATION OF THOSE IMPROVE-
28 MENTS, WHENEVER THE FOREGOING ACTIVITIES ARE NECESSARY TO PROVIDE LAND
29 FOR NEEDED PUBLIC FACILITIES OR RESIDENTIAL OR COMMERCIAL DWELLINGS, OR
30 TO ELIMINATE UNHEALTHY, UNSAFE OR UNSANITARY CONDITIONS OR OTHERWISE
31 REMOVE OR PREVENT THE SPREAD OF BLIGHT OR DETERIORATION; OR

32 C. THE INSTALLATION OR UPGRADING OF WATER AND SEWER LINES TO A PUBLIC
33 CONNECTION, THE INSTALLATION OR UPGRADING OF PRIVATE WELLS AND SANITARY
34 SYSTEMS, STORM SEWERS AND ROAD AND SIDEWALK CONSTRUCTION WHERE REQUIRED
35 BY LOCAL ZONING ORDINANCES AND THE INSTALLATION OF GAS AND ELECTRIC
36 LINES AND OTHER SITE IMPROVEMENTS OR SITE PREPARATION WHICH IS NECESSARY
37 FOR THE DEVELOPMENT OR REHABILITATION OF RESIDENTIAL AND COMMERCIAL
38 DWELLINGS.

39 A PROJECT MAY INVOLVE A COMBINATION OF THE AFOREMENTIONED ACTIVITIES;
40 HOWEVER, A PROJECT SHALL NOT QUALIFY UNDER THIS ARTICLE IF THE FAIR
41 MARKET VALUE OF THE IMPROVEMENTS WHICH ARE CONSTRUCTED OR REHABILITATED
42 FOR COMMERCIAL USES OR FOR USES OTHER THAN RESIDENTIAL HOUSING CONSISTS
43 OF MORE THAN ONE-THIRD OF THE TOTAL FAIR MARKET VALUE OF THE PLANNED
44 IMPROVEMENTS IN THE PROJECT PLAN. THE FAIR MARKET VALUE OF THE IMPROVE-
45 MENTS SHALL BE DETERMINED USING THE COST OF CONSTRUCTION, CAPITALIZED
46 INCOME OR OTHER APPROPRIATE METHOD OF ESTIMATING MARKET VALUE.

47 3. "PROJECT AREA" SHALL MEAN A PARCEL OR PLOT OF LAND ESTABLISHED
48 PRIOR TO THE CERTIFICATION OF THE PROJECT AS A SINGLE UNIT FOR PURPOSES
49 OF ASSESSMENT AND WHICH SHALL CONSTITUTE THE TAX INCREMENT AREA. THE
50 PROJECT AREA MAY CONSIST OF ONE OR MORE PARCELS OR PLOTS OF LAND, WHETH-
51 ER OR NOT CONTIGUOUS.

52 4. "PROJECT PLAN" SHALL MEAN A PLAN ADOPTED BY A CITY, TOWN OR VILLAGE
53 IN THE MANNER PROVIDED IN SECTION ELEVEN HUNDRED THIRTY-SEVEN OF THIS
54 ARTICLE FOR A PROJECT. THE PROJECT PLAN SHALL SET FORTH AN ESTIMATE OF
55 PROJECT COSTS AND THE AMOUNTS AND SOURCES OF FUNDS TO BE USED TO DEFRAY
56 THOSE COSTS AND SHALL INCLUDE PROVISIONS FOR TAX INCREMENT FINANCING OF

1 PROJECT COSTS IN WHOLE OR IN PART. THE TAX INCREMENT FINANCING
2 PROVISIONS OF THE PROJECT PLAN SHALL SET FORTH THE ESTIMATED AMOUNT OF
3 INDEBTEDNESS TO BE INCURRED PURSUANT TO THIS ARTICLE, SHALL SET FORTH AN
4 ESTIMATE OF THE TAX INCREMENT TO BE GENERATED AS A RESULT OF THE
5 PROJECT, SHALL SET FORTH THE METHOD OF CALCULATING THE TAX INCREMENT,
6 TOGETHER WITH ANY PROVISIONS FOR ADJUSTMENT OF THE METHOD OF CALCU-
7 LATION, AND SHALL DESIGNATE THE BOARD OR OFFICER OF THE CITY, TOWN OR
8 VILLAGE RESPONSIBLE FOR CALCULATING THE TAX INCREMENT. FUNDS MAY BE
9 PROVIDED TO CARRY OUT THE PLAN FROM ANY LAWFUL SOURCE INCLUDING THE
10 ISSUANCE OF BONDS AND NOTES UNDER THIS ARTICLE. THE PLAN MAY INCLUDE
11 SUCH OTHER PROVISIONS AS MAY BE DEEMED NECESSARY IN ORDER TO CARRY OUT
12 THE TAX INCREMENT FINANCING OF THE PROJECT. THE PROJECT SHALL BE
13 CONSISTENT WITH SUCH COMPREHENSIVE PLAN FOR THE CITY, TOWN OR VILLAGE AS
14 IS THEN APPLICABLE, SHALL BE SUFFICIENTLY COMPLETE TO INDICATE THE
15 LOCATION AND BOUNDARIES OF THE TAX INCREMENT AREA, AND SUCH LAND ACQUI-
16 SITION, CONSTRUCTION, REHABILITATION, DEMOLITION AND REMOVAL OF RESIDEN-
17 TIAL AND COMMERCIAL DWELLINGS AND SUCH DEVELOPMENT, REDEVELOPMENT, AND
18 GENERAL PUBLIC IMPROVEMENTS AS ARE PROPOSED TO BE CARRIED OUT WITHIN THE
19 TAX INCREMENT AREA.

20 5. "PROJECT REVENUES" SHALL MEAN ANY RECEIPTS OF A CITY, TOWN OR
21 VILLAGE WITH RESPECT TO A PROJECT INCLUDING, BUT NOT LIMITED TO, TAX
22 INCREMENTS, REPAYMENTS OF LOANS MADE UNDER SECTION ELEVEN HUNDRED THIR-
23 TY-EIGHT OF THIS ARTICLE, INVESTMENT EARNINGS, PROCEEDS OF INSURANCE OR
24 DISPOSITION OF PROPERTY AND PROCEEDS OF BORROWING UNDER THIS ARTICLE.

25 6. "RESIDENTIAL DWELLINGS" OR "RESIDENTIAL HOUSING" SHALL MEAN HOUSING
26 FOR PERSONS FOR WHOM THERE ARE NO OTHER REASONABLE AND AFFORDABLE HOME
27 OWNERSHIP, REHABILITATION OR RENTAL ALTERNATIVES, AS THE CASE MAY BE, IN
28 THE PRIVATE MARKET AND WHO SHALL OCCUPY A DWELLING OR HOME ASSISTED
29 UNDER THIS ARTICLE AS THEIR PRINCIPAL PLACE OF RESIDENCE.

30 7. "TAX INCREMENT" SHALL MEAN THE TAX LEVIED ON THE REAL AND PERSONAL
31 PROPERTY SITUATED IN OR OTHERWISE ASSIGNABLE FOR THE PURPOSES OF PROPER-
32 TY TAXATION TO A TAX INCREMENT AREA TO THE EXTENT THAT THE TAX IS
33 ATTRIBUTABLE TO AN EXCESS OF THE AGGREGATE TAXABLE VALUATION OF THE
34 PROPERTY OVER ITS AGGREGATE TAXABLE VALUATION AS OF THE BASE DATE. THE
35 PORTION OF THE TAX LEVY ATTRIBUTABLE TO THE INCREASED VALUATION AFTER
36 THE BASE DATE SHALL BE CALCULATED USING THE SAME CLASSIFICATION FACTORS
37 AS WERE USED AS OF THE BASE DATE, OR WITHOUT CLASSIFICATION FACTORS IF
38 PROPERTY WAS NOT CLASSIFIED FOR TAX PURPOSES AS OF THE BASE DATE. IN
39 CALCULATING THE TAX INCREMENT, THERE SHALL BE EXCLUDED FROM THE TAX THE
40 PORTION LEVIED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF OR INTEREST ON
41 BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS WHICH ARE GENERAL OBLI-
42 GATIONS OF THE CITY, TOWN OR VILLAGE AND ARE NOT ISSUED PURSUANT TO THE
43 PROVISIONS OF THIS ARTICLE.

44 8. "TAX INCREMENT AREA" SHALL MEAN A TAX INCREMENT AREA DESIGNATED IN
45 A PROJECT PLAN ADOPTED PURSUANT TO SECTION ELEVEN HUNDRED THIRTY-SEVEN
46 OF THIS ARTICLE. THE TAX INCREMENT AREA MAY CONSIST OF ONE OR MORE
47 PARCELS OR PLOTS OF LAND, WHETHER OR NOT CONTIGUOUS, PROVIDED, HOWEVER,
48 THAT UPON ADOPTION OF THE PROJECT PLAN THE AGGREGATE TAXABLE VALUATION
49 OF THE PROPERTY WITHIN ALL TAX INCREMENT AREAS WITHIN THE CITY, TOWN OR
50 VILLAGE DOES NOT EXCEED TWENTY-FIVE PERCENT OF THE TAXABLE VALUATION OF
51 ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CITY, TOWN OR VILLAGE.

52 S 1137. ADOPTION OF PROJECT PLAN. THE GOVERNING BODY OF ANY CITY, TOWN
53 OR VILLAGE MAY ADOPT A PROJECT PLAN IF A FINDING IS MADE TO THE EFFECT
54 THAT:

55 1. WITH RESPECT TO ANY PORTION OF THE PROJECT PROVIDING FOR THE DEVEL-
56 OPMENT OF RESIDENTIAL HOUSING THAT THERE IS NOT WITHIN THE CITY, TOWN OR

VILLAGE AN ADEQUATE SUPPLY OF AFFORDABLE HOUSING WITHIN THE PRIVATE MARKET AND THAT THE FINANCING OF THAT PORTION OF THE PROJECT IN ACCORDANCE WITH THE PLAN IS IN THE PUBLIC INTEREST; OR

2. WITH RESPECT TO ANY PORTION OF THE PROJECT PROVIDING PUBLIC FACILITIES OR INFRASTRUCTURE IMPROVEMENTS OR LAND THEREFOR, THAT THE FACILITIES OR THE INFRASTRUCTURE IS NEEDED IN CONNECTION WITH THE DEVELOPMENT OF RESIDENTIAL HOUSING AND THAT THE FINANCING OF THAT PORTION OF THE PROJECT IN ACCORDANCE WITH THE PLAN IS IN THE PUBLIC INTEREST; OR

3. WITH RESPECT TO ANY PORTION OF THE PROJECT PROVIDING FOR THE DEVELOPMENT OF COMMERCIAL DWELLINGS THAT THERE EXISTS IN THE CITY, TOWN OR VILLAGE UNEMPLOYMENT OR THE THREAT THEREOF OR THAT SECURITY AGAINST FUTURE UNEMPLOYMENT IS REQUIRED, THAT THE PROJECT IS NEEDED, THAT IT WILL PROVIDE EMPLOYMENT OR SECURITY AGAINST LOSS OF EMPLOYMENT, HAVING A REASONABLE RELATIONSHIP TO THE PROBABLE COST OF ACQUIRING, ESTABLISHING, IMPROVING OR REHABILITATING THE FACILITIES IN WHICH THE EMPLOYMENT IS TO BE PROVIDED OR MAINTAINED, AND THAT THE FINANCING OF THAT PORTION OF THE PROJECT IN ACCORDANCE WITH THE PLAN IS IN THE PUBLIC INTEREST. NO PROJECT SHALL BE UNDERTAKEN PURSUANT TO THIS ARTICLE UNTIL THE PROJECT PLAN HAS BEEN ADOPTED AS PROVIDED IN THIS SECTION.

S 1138. AUTHORIZATION TO UNDERTAKE PROJECTS; POWERS. CITIES, TOWNS AND VILLAGES ARE HEREBY AUTHORIZED TO UNDERTAKE PROJECTS PURSUANT TO DULY ADOPTED PROJECT PLANS. IN ADDITION TO POWERS GRANTED BY ANY OTHER LAW, FOR THE PURPOSES OF CARRYING OUT A PROJECT AS AUTHORIZED BY THIS ARTICLE, A CITY, TOWN OR VILLAGE SHALL HAVE THE FOLLOWING POWERS:

1. TO INCUR INDEBTEDNESS AS PROVIDED IN THIS ARTICLE AND TO PLEDGE TAX INCREMENTS AND OTHER PROJECT REVENUES FOR REPAYMENT THEREOF;

2. TO DESIGNATE A BOARD OR OFFICER OF THE CITY, TOWN OR VILLAGE TO BE RESPONSIBLE FOR ADMINISTERING THE PROJECT PLAN;

3. TO MAKE AND ENTER INTO ALL CONTRACTS AND AGREEMENTS NECESSARY IN ORDER TO UNDERTAKE THE PROJECT;

4. TO RECEIVE FROM THE FEDERAL GOVERNMENT OR THE STATE, LOANS OR GRANTS FOR OR IN AID OF A PROJECT AND TO RECEIVE CONTRIBUTIONS FROM ANY OTHER SOURCE TO DEFRAY PROJECT COSTS;

5. TO PURCHASE OR OTHERWISE ACQUIRE SUCH PROPERTY OR INTERESTS THEREIN WITHIN A PROJECT AREA AS THE CITY, TOWN OR VILLAGE MAY DEEM NECESSARY IN ORDER TO CARRY OUT THE PROJECT;

6. TO CLEAR AND IMPROVE PROPERTY ACQUIRED BY IT PURSUANT TO THE PROJECT PLAN AND TO CONTRACT FOR THE CONSTRUCTION, DEVELOPMENT, REDEVELOPMENT, REHABILITATION, REMODELING, ALTERATION, OR REPAIR OF RESIDENTIAL OR COMMERCIAL DWELLINGS ON THE PROPERTY;

7. TO LAY OUT, CONSTRUCT OR INSTALL WATER AND SEWER LINES, PRIVATE WELLS AND SANITARY SYSTEMS, STORM SEWERS, ROADS, SIDEWALKS, AND ANY OTHER PUBLIC IMPROVEMENTS WHICH IT IS AUTHORIZED TO UNDERTAKE IN CONNECTION WITH THE PROJECT;

8. TO CAUSE PARKS AND PLAYGROUNDS TO BE LAID OUT, CONSTRUCTED OR FURNISHED IN CONNECTION WITH THE PROJECT;

9. TO ADOPT ORDINANCES OR REPEAL OR MODIFY ORDINANCES OR ESTABLISH EXCEPTIONS TO EXISTING ORDINANCES REGULATING THE DESIGN, CONSTRUCTION, AND USE OF RESIDENTIAL AND COMMERCIAL DWELLINGS;

10. TO SELL, MORTGAGE, LEASE, TRANSFER OR DISPOSE OF ANY PROPERTY OR INTEREST THEREIN ACQUIRED BY IT PURSUANT TO THE PROJECT PLAN FOR DEVELOPMENT, REDEVELOPMENT OR REHABILITATION IN ACCORDANCE WITH THE PLAN;

11. TO LOAN THE PROCEEDS OF ANY ISSUE OF BONDS OR NOTES PURSUANT TO THIS ARTICLE TO ANY INDUSTRIAL DEVELOPMENT AGENCY, NOT-FOR-PROFIT CORPORATIONS OR CHARITABLE ORGANIZATIONS WHICH HAS AS ONE OF ITS PRIMARY PURPOSES THE IMPROVING OF HOUSING, OR ANY MUNICIPAL HOUSING AGENCY OR

1 AUTHORITY IN ORDER TO FINANCE THE COST OF ACQUIRING LAND, CONSTRUCTING
2 OR REHABILITATING RESIDENTIAL OR COMMERCIAL DWELLINGS, AND CONSTRUCTING
3 INFRASTRUCTURE IMPROVEMENTS AND PUBLIC FACILITIES WITHIN THE PROJECT
4 AREA IN ACCORDANCE WITH THE PLAN OR TO LOAN BOND OR NOTE PROCEEDS IN
5 ORDER TO REFINANCE ANY SUCH LOANS;

6 12. TO INVEST PROJECT REVENUES AS HEREINAFTER PROVIDED; AND

7 13. TO DO ALL THINGS REASONABLY NECESSARY TO CARRY OUT THE POWERS
8 GRANTED IN THIS ARTICLE.

9 S 1139. ISSUANCE OF SPECIAL OBLIGATION BONDS. 1. A CITY, TOWN OR
10 VILLAGE MAY BORROW MONEY BY THE ISSUANCE OF SPECIAL OBLIGATION BONDS FOR
11 THE PURPOSE OF CARRYING OUT A PROJECT PURSUANT TO A DULY ADOPTED PROJECT
12 PLAN. THE BONDS MAY BE ISSUED FOR PROJECT COSTS WHICH MAY INCLUDE INTER-
13 EST PRIOR TO AND DURING THE CARRYING OUT OF A PROJECT AND FOR A REASON-
14 ABLE TIME THEREAFTER, SUCH RESERVES AS MAY BE REQUIRED BY ANY AGREEMENT
15 SECURING THE BONDS AND ALL OTHER EXPENSES INCIDENTAL TO PLANNING, CARRY-
16 ING OUT AND FINANCING THE PROJECT. WITH RESPECT TO THE ISSUANCE OF
17 SPECIAL OBLIGATION BONDS, BONDS ISSUED PURSUANT TO THIS SECTION SHALL BE
18 PAYABLE SOLELY FROM PROJECT REVENUES AND SHALL NOT BE DEEMED TO BE A
19 PLEDGE OF FAITH AND CREDIT OF THE CITY, TOWN OR VILLAGE. EVERY SPECIAL
20 OBLIGATION BOND ISSUED PURSUANT TO THIS SECTION SHALL RECITE ON ITS FACE
21 THAT IT IS A SPECIAL OBLIGATION BOND PAYABLE SOLELY FROM PROJECT REVEN-
22 UES PLEDGED FOR ITS REPAYMENT.

23 2. THE BONDS OF EACH ISSUE SHALL BE DATED AND MAY BE MADE REDEEMABLE
24 BEFORE MATURITY WITH OR WITHOUT PREMIUM. SUBJECT TO THE AUTHORIZING
25 VOTE, THE OFFICERS AUTHORIZED TO SELL THE BONDS SHALL DETERMINE THE DATE
26 OR DATES OF THE BONDS, THEIR DENOMINATION OR DENOMINATIONS, THE PLACE OR
27 PLACES OF PAYMENT OF THE PRINCIPAL AND INTEREST, WHICH MAY BE AT ANY
28 BANK OR TRUST COMPANY WITHIN OR WITHOUT THE STATE, THEIR INTEREST RATE
29 OR RATES, MATURITY OR MATURITIES, REDEMPTION PRIVILEGES, IF ANY, AND THE
30 FORM AND OTHER DETAILS OF THE BONDS INCLUDING INTEREST COUPONS TO BE
31 ATTACHED THERETO. THE BONDS SHALL BE SIGNED BY THE CITY, TOWN OR VILLAGE
32 TREASURER, SHALL BE COUNTERSIGNED BY THE MAYOR OF A CITY OR VILLAGE OR
33 BY THE TOWN SUPERVISOR OF THE TOWN EITHER MANUALLY OR BY FACSIMILE, AND
34 SHALL BEAR THE SEAL OF THE CITY, TOWN OR VILLAGE OR A FACSIMILE THEREOF.
35 ANY COUPONS ATTACHED THERETO SHALL BEAR THE FACSIMILE SIGNATURE OF THE
36 CITY, TOWN OR VILLAGE TREASURER.

37 3. IN CASE ANY OFFICER WHOSE SIGNATURE OR A FACSIMILE OF WHOSE SIGNA-
38 TURE SHALL APPEAR ON ANY BONDS, COUPONS OR NOTES ISSUED PURSUANT TO THIS
39 ARTICLE SHALL CEASE TO BE AN OFFICER BEFORE THE DELIVERY THEREOF, THE
40 SIGNATURE OR THE FACSIMILE SHALL NEVERTHELESS BE VALID AND SUFFICIENT
41 FOR ALL PURPOSES THE SAME AS IF THE OFFICER HAD REMAINED IN OFFICE UNTIL
42 THE DELIVERY.

43 4. THE BONDS MAY BE ISSUED IN COUPON OR IN REGISTERED FORM OR BOTH,
44 AND PROVISION MAY BE MADE FOR THE REGISTRATION OF ANY COUPON BONDS AS TO
45 PRINCIPAL ALONE AND ALSO AS TO PRINCIPAL AND INTEREST, FOR THE RECONVER-
46 SION INTO COUPON BONDS OR BONDS REGISTERED AS TO BOTH PRINCIPAL AND
47 INTEREST, AND FOR THE INTERCHANGE OF REGISTERED AND COUPON BONDS.
48 SUBJECT TO THE AUTHORIZING VOTE, THE OFFICERS AUTHORIZED TO SELL THE
49 BONDS MAY SELL THE BONDS IN SUCH MANNER, EITHER AT PUBLIC OR PRIVATE
50 SALE, AND FOR SUCH PRICE AS THEY MAY DETERMINE WILL BEST AFFECT THE
51 PURPOSES OF THIS ARTICLE.

52 5. PRIOR TO THE PREPARATION OF DEFINITIVE BONDS, THE CITY, TOWN OR
53 VILLAGE MAY ISSUE INTERIM RECEIPTS OR TEMPORARY BONDS, WITH OR WITHOUT
54 COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THOSE BONDS HAVE BEEN
55 EXECUTED AND ARE AVAILABLE FOR DELIVERY. PROVISION MAY BE MADE FOR THE

1 REPLACEMENT OF ANY BONDS WHICH SHALL HAVE BECOME MUTILATED OR SHALL HAVE
2 BEEN DESTROYED OR LOST.

3 6. NOTWITHSTANDING ANY PROVISIONS OF ANY MUNICIPAL CHARTER OR GENERAL
4 OR SPECIAL LAW TO THE CONTRARY, BONDS ISSUED PURSUANT TO THIS SECTION
5 MAY PROVIDE FOR ANNUAL OR MORE FREQUENT INSTALLMENTS OF PRINCIPAL IN
6 EQUAL, DIMINISHING OR INCREASING AMOUNTS WITH THE FIRST INSTALLMENT OF
7 PRINCIPAL TO BE DUE AT ANY TIME WITHIN FIVE YEARS FROM THE DATE OF THE
8 ISSUANCE OF THE BONDS.

9 S 1140. SECURITY FOR BONDS. 1. IN THE DISCRETION OF THE OFFICERS
10 AUTHORIZED TO SELL THE BONDS, BUT SUBJECT TO THE PROVISIONS OF THE VOTE
11 AUTHORIZING THE BONDS, BONDS ISSUED PURSUANT TO THIS ARTICLE MAY BE
12 SECURED BY ONE OR MORE TRUST AGREEMENTS BETWEEN THE CITY, TOWN OR
13 VILLAGE AND A CORPORATE TRUSTEE OR TRUSTEES, WHICH MAY BE ANY TRUST
14 COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY WITHIN OR WITHOUT
15 THE STATE. A TRUST AGREEMENT PURSUANT TO THIS SECTION SHALL BE IN SUCH
16 FORM AND EXECUTED IN SUCH MANNER AS MAY BE DETERMINED BY THE OFFICERS. A
17 TRUST AGREEMENT MAY PLEDGE OR ASSIGN PROJECT REVENUES, IN WHOLE OR IN
18 PART. IT MAY CONTAIN SUCH PROVISIONS FOR PROTECTING AND ENFORCING THE
19 RIGHTS, SECURITY AND REMEDIES OF THE BONDHOLDERS AS MAY BE REASONABLE
20 AND PROPER AND NOT IN VIOLATION OF LAW, INCLUDING WITHOUT LIMITING THE
21 GENERALITY OF THE FOREGOING, PROVISIONS DEFINING DEFAULTS AND PROVIDING
22 FOR REMEDIES IN THE EVENT THEREOF, WHICH MAY INCLUDE THE ACCELERATION OF
23 MATURITIES, AND COVENANTS SETTING FORTH DUTIES OF, AND LIMITATIONS ON
24 THE CITY, TOWN OR VILLAGE IN RELATION TO CARRYING OUT AND OTHERWISE
25 ADMINISTERING THE PROJECT OR PROJECTS, THE CUSTODY, SAFEGUARDING,
26 INVESTMENT AND APPLICATION OF PROJECT REVENUES, THE ISSUE OF ADDITIONAL
27 BONDS PURSUANT TO THIS ARTICLE, THE DETERMINATION OF TAX INCREMENTS, THE
28 FIXING OF FEES AND CHARGES, IF ANY, IN RELATION TO THE PROJECT OR
29 PROJECTS, THE COLLECTION OF PROJECT REVENUES, THE USE OF ANY SURPLUS
30 BOND PROCEEDS, THE ESTABLISHMENT OF RESERVES, AND THE REPLACEMENT OF
31 BONDS OR COUPONS WHICH SHALL BECOME MUTILATED OR BE DESTROYED OR LOST.
32 SUBJECT TO THE PROVISIONS OF THIS ARTICLE, MONEYS SUBJECT TO THE TRUST
33 AGREEMENT SHALL BE HELD, INVESTED AND APPLIED AS PROVIDED THEREIN,
34 PROVIDED THAT MONEYS NOT DEPOSITED IN TRUST WITH A CORPORATE TRUSTEE
35 SHALL BE IN THE CUSTODY OF THE CITY, TOWN OR VILLAGE TREASURER PURSUANT
36 TO THE PROVISIONS OF SECTION ELEVEN HUNDRED FORTY-THREE OF THIS ARTICLE.

37 2. IT SHALL BE UNLAWFUL FOR ANY BANK OR TRUST COMPANY TO ACT AS A
38 DEPOSITORY OR TRUSTEE OF THE PROCEEDS OF BONDS OR OF OTHER MONEYS UNDER
39 ANY TRUST AGREEMENT AND TO FURNISH SUCH INDEMNIFYING BONDS OR TO PLEDGE
40 SUCH SECURITIES AS MAY BE REQUIRED BY THE TRUST AGREEMENT. THE TRUST
41 AGREEMENT OR RESOLUTION MAY SET FORTH THE RIGHTS AND REMEDIES OF THE
42 BONDHOLDERS AND OF THE TRUSTEE, AND MAY RESTRICT THE INDIVIDUAL RIGHT OF
43 ACTION BY BONDHOLDERS. ALL EXPENSES INCURRED IN CARRYING OUT THE
44 PROVISIONS OF THE TRUST AGREEMENT OR RESOLUTION MAY BE TREATED AS
45 CURRENT OPERATING EXPENSES.

46 S 1141. PLEDGE OF PROJECT REVENUES VALIDATED. 1. NOTWITHSTANDING ANY
47 OTHER PROVISION OF LAW TO THE CONTRARY, INCLUDING, BUT NOT LIMITED TO
48 THE UNIFORM COMMERCIAL CODE:

49 A. ANY PLEDGE PURSUANT TO THIS ARTICLE SHALL BE VALID AND BINDING AND
50 SHALL BE DEEMED CONTINUOUSLY PERFECTED FROM THE TIME IT IS MADE;

51 B. NO FILING NEED BE MADE UNDER THE UNIFORM COMMERCIAL CODE OR OTHER-
52 WISE;

53 C. UNLESS OTHERWISE PROVIDED IN THE FINANCING INSTRUMENTS, A PLEDGE OF
54 PROJECT REVENUES SHALL BE DEEMED TO INCLUDE A PLEDGE OF ANY ACCOUNTS OR
55 GENERAL INTANGIBLES FROM WHICH REVENUES ARE DERIVED, WHETHER EXISTING AT

1 THE TIME OF THE PLEDGE OR THEREAFTER ACQUIRED BY THE CITY, TOWN OR
2 VILLAGE AND THE PROCEEDS OF THE ACCOUNTS OR GENERAL INTANGIBLES; AND

3 D. THE PLEDGE OF PROJECT REVENUES, ACCOUNTS AND GENERAL INTANGIBLES
4 SHALL BE SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT DELIVERY OR SEGRE-
5 GATION AND THE LIEN OF THE PLEDGE SHALL BE VALID AND BINDING AGAINST ALL
6 PARTIES HAVING CLAIMS OF CONTRACT OR TORT OR OTHERWISE AGAINST THE CITY,
7 TOWN OR VILLAGE.

8 2. A PLEDGE OF PROJECT REVENUES UNDER THIS ARTICLE SHALL CONSTITUTE A
9 SUFFICIENT APPROPRIATION THEREOF FOR THE PURPOSES OF ANY PROVISION FOR
10 APPROPRIATION AND THE REVENUES MAY BE APPLIED AS REQUIRED BY THE PLEDGE
11 WITHOUT FURTHER APPROPRIATION.

12 3. FOR THE PURPOSES OF THIS SECTION, THE TERM "PLEDGE" SHALL BE
13 CONSTRUED TO INCLUDE THE GRANT OF A SECURITY INTEREST UNDER THE UNIFORM
14 COMMERCIAL CODE.

15 S 1142. TEMPORARY ANTICIPATION NOTES. IN ANTICIPATION OF THE ISSUANCE
16 OF BONDS PURSUANT TO THIS ARTICLE AND SUBJECT TO ANY PROVISIONS OF THE
17 VOTE AUTHORIZING THE BONDS, THE OFFICERS AUTHORIZED TO SELL THE BONDS
18 MAY WITHOUT FURTHER AUTHORIZATION ISSUE TEMPORARY NOTES. THE NOTES MAY
19 BE SECURED AS IN THE CASE OF BONDS AND, EXCEPT AS OTHERWISE PROVIDED IN
20 THIS SECTION, THE PROVISIONS OF THIS ARTICLE REFERRING TO BONDS SHALL
21 ALSO BE DEEMED TO REFER TO THE NOTES. THE NOTES NEED NOT BEAR THE SEAL
22 OF THE CITY, TOWN OR VILLAGE OR A FACSIMILE THEREOF. THE NOTES SHALL BE
23 PAYABLE WITHIN THREE YEARS FROM THEIR RESPECTIVE DATES, BUT THE PRINCIPAL
24 OF AND INTEREST ON NOTES ISSUED FOR A SHORTER PERIOD MAY BE REFUNDED
25 FROM TIME TO TIME BY THE ISSUE OF OTHER NOTES MATURING WITHIN THREE
26 YEARS FROM THE ORIGINAL DATE OF ISSUE OF THE INDEBTEDNESS BEING
27 REFUNDED.

28 S 1143. TAX INCREMENT BOND FUNDS. 1. THE GOVERNING BODY OF ANY CITY,
29 TOWN OR VILLAGE WHICH HAS AUTHORIZED THE ISSUANCE OF BONDS PURSUANT TO
30 THE PROVISIONS OF THIS ARTICLE SHALL ESTABLISH AND MAINTAIN A SPECIAL
31 FUND ENTITLED THE "TAX INCREMENT BOND FUND".

32 2. FOR THE PURPOSES OF THIS ARTICLE, THE USES OF THE FUND BY THE CITY,
33 TOWN OR VILLAGE MAY INCLUDE, BUT NOT BE LIMITED TO THE FOLLOWING:

34 A. RECEIVING THE PROCEEDS OF BONDS AND NOTES ISSUED PURSUANT TO THIS
35 ARTICLE AND ANY OTHER MONEYS WHICH MAY BE AVAILABLE TO THE CITY, TOWN OR
36 VILLAGE FOR THE PROJECT FROM ANY OTHER SOURCE;

37 B. PAYING THE PROJECT COSTS AND EXPENSES;

38 C. PAYING THE PRINCIPAL OF AND INTEREST ON BONDS AND NOTES ISSUED
39 PURSUANT TO THIS ARTICLE; AND

40 D. PAYING ADDITIONAL TAX INCREMENT REVENUE, IF ANY, TO THE CITY, TOWN
41 OR VILLAGE IN WHICH THE TAX INCREMENT AREA IS LOCATED PROVIDED THAT NO
42 LESS THAN TWENTY PERCENT OF SUCH REVENUES BE ALLOCATED BY THE CITY, TOWN
43 OR VILLAGE TO THE DEVELOPMENT, REDEVELOPMENT, CONSTRUCTION OR REHABILI-
44 TATION OF RESIDENTIAL HOUSING.

45 S 1144. CREDIT OF CITY, TOWN OR VILLAGE NOT PLEDGED. ANY SPECIAL OBLI-
46 GATION BONDS AND NOTES ISSUED UNDER THIS ARTICLE SHALL BE PAYABLE SOLELY
47 FROM PROJECT REVENUES. THESE BONDS AND NOTES SHALL NOT AT ANY TIME BE
48 INCLUDED IN THE DEBT OF THE CITY, TOWN OR VILLAGE FOR THE PURPOSE OF
49 ASCERTAINING ITS LEGAL BORROWING CAPACITY.

50 S 1145. INVESTMENT OF FUNDS. SUBJECT TO ANY AGREEMENT SECURING BONDS
51 OR NOTES ISSUED UNDER THIS ARTICLE, THE PROCEEDS OF THE BONDS AND NOTES,
52 PLEDGED TAX INCREMENTS, AND OTHER PROJECT REVENUES MAY BE DEPOSITED OR
53 INVESTED IN:

54 1. OBLIGATIONS OF THE STATE OR THE UNITED STATES;

55 2. OBLIGATIONS OF THE PRINCIPAL AND INTEREST OF WHICH ARE GUARANTEED
56 BY THE STATE OR THE UNITED STATES;

1 3. OBLIGATIONS OF AGENCIES AND INSTRUMENTALITIES OF THE STATE OR THE
2 UNITED STATES; OR

3 4. CERTIFICATES OF DEPOSIT OF, AND REPURCHASE AGREEMENTS, SO-CALLED,
4 ISSUED WITH RESPECT TO OBLIGATIONS OF THE UNITED STATES BY BANKS AND
5 TRUST COMPANIES ORGANIZED UNDER THE LAWS OF THE STATE OR DOING BUSINESS
6 IN THE STATE.

7 S 1146. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS. ANY HOLDER OF BONDS
8 OR NOTES ISSUED UNDER THIS ARTICLE, OR OF ANY OF THE COUPONS APPERTAIN-
9 ING THERETO, AND THE TRUSTEE UNDER ANY TRUST AGREEMENT SECURING THE
10 BONDS OR NOTES, EXCEPT TO THE EXTENT THE RIGHTS GRANTED PURSUANT TO THIS
11 SECTION MAY BE RESTRICTED BY ANY AGREEMENT SECURING THE BONDS OR NOTES,
12 MAY BRING SUIT UPON THE BONDS, NOTES OR COUPONS AND MAY, EITHER AT LAW
13 OR IN EQUITY, BY SUIT, ACTION, MANDAMUS OR OTHER PROCEEDINGS, PROTECT
14 AND ENFORCE ANY AND ALL RIGHTS UNDER THE LAWS OF THE STATE OR GRANTED
15 UNDER THIS ARTICLE OR UNDER ANY SUCH AGREEMENT, AND MAY ENFORCE OR
16 COMPEL THE PERFORMANCE OF ALL DUTIES REQUIRED BY THIS ARTICLE OR BY AN
17 AGREEMENT TO BE PERFORMED BY THE CITY, TOWN OR VILLAGE OR BY ANY OFFICER
18 THEREOF.

19 S 1147. BONDS AND NOTES AS LEGAL INSTRUMENTS. BONDS AND NOTES ISSUED
20 UNDER THE PROVISIONS OF THIS ARTICLE ARE HEREBY MADE SECURITIES IN WHICH
21 ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE STATE AND ITS POLITICAL
22 SUBDIVISIONS, ALL INSURANCE COMPANIES, TRUST COMPANIES IN THEIR COMMER-
23 CIAL DEPARTMENTS, SAVINGS BANKS, COOPERATIVE BANKS, BANKING ASSOCI-
24 ATIONS, INVESTMENT COMPANIES, EXECUTORS, ADMINISTRATORS, TRUSTEES, AND
25 OTHER FIDUCIARIES MAY PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING CAPI-
26 TAL IN THEIR CONTROL OR BELONGING TO THEM. THESE BONDS ARE HEREBY MADE
27 SECURITIES WHICH MAY PROPERLY AND LEGALLY BE DEPOSITED WITH AND RECEIVED
28 BY ANY STATE OR MUNICIPAL OFFICER OR ANY AGENCY OR POLITICAL SUBDIVISION
29 OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OBLI-
30 GATIONS OF THE STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED BY LAW.

31 S 1148. BONDS AND NOTES AS INVESTMENT SECURITIES. NOTWITHSTANDING ANY
32 OTHER PROVISION OF THIS ARTICLE, OR ANY RECITALS IN ANY BONDS OR NOTES
33 ISSUED UNDER THIS ARTICLE, ALL SUCH BONDS AND NOTES SHALL BE DEEMED TO
34 BE INVESTMENT SECURITIES UNDER THE UNIFORM COMMERCIAL CODE.

35 S 1149. EXEMPTION FROM TAXATION. THE BONDS AND NOTES ISSUED UNDER THIS
36 ARTICLE, TOGETHER WITH THE INCOME THEREFROM, SHALL AT ALL TIMES BE FREE
37 OF TAXATION.

38 S 1149-A. DURATION OF DISTRICTS. 1. SUBJECT TO THE LIMITATIONS
39 CONTAINED IN THIS ARTICLE, EACH TAX INCREMENT AREA SHALL REMAIN IN
40 EXISTENCE UNTIL THE BONDED OBLIGATIONS FOR A PROJECT IN SUCH AREA CEASE
41 TO BE OUTSTANDING; HOWEVER, THE TAX INCREMENT AREA MAY BE TERMINATED IF
42 SUFFICIENT MONEYS HAVE BEEN DEPOSITED IN THE TAX INCREMENT BOND FUND FOR
43 THE FULL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AT MATU-
44 RITY.

45 2. WHEN THE BONDED OBLIGATIONS OF THE TAX INCREMENT AREA HAVE BEEN
46 PAID IN FULL OR MONEY SUFFICIENT TO PAY ALL THE OUTSTANDING PRINCIPAL
47 AND INTEREST ON THE BONDS AT MATURITY HAS BEEN DEPOSITED IN THE TAX
48 INCREMENT BOND FUND, THE TAX INCREMENT AREA SHALL BE DISSOLVED.

49 S 1149-B. ANNUAL REPORT. NO LATER THAN SEPTEMBER FIRST OF EACH YEAR,
50 EVERY CITY, TOWN OR VILLAGE IN WHICH A PROJECT PLAN CREATED PURSUANT TO
51 THIS ARTICLE IS IN EFFECT, SHALL MAKE A REPORT TO THE COMMISSIONER. THE
52 ANNUAL REPORT SHALL SET FORTH FOR THE PRECEDING FISCAL YEAR THE ACTIV-
53 ITIES FINANCED BY TAX INCREMENT FINANCING, THE TAXABLE VALUATION OF THE
54 CITY, TOWN OR VILLAGE AND FOR EACH TAX INCREMENT AREA WITHIN THE CITY,
55 TOWN OR VILLAGE, THE TAXABLE VALUATION OF THE PROPERTY WITHIN THE TAX
56 INCREMENT AREA, THE AMOUNT OF THE TAX INCREMENT, AND THE AMOUNT USED OR

1 SET ASIDE FOR THE PURPOSES OF THE PLAN. THE REPORT SHALL ALSO INCLUDE
2 ANY OTHER RELEVANT INFORMATION REQUESTED BY THE COMMISSIONER.
3 S 1149-C. TECHNICAL ASSISTANCE. THE DIVISION OF HOUSING AND COMMUNITY
4 RENEWAL MAY PROVIDE TECHNICAL SERVICES AND ASSISTANCE OR CONTRACT TO
5 PROVIDE TECHNICAL SERVICES AND ASSISTANCE TO CITIES, TOWNS AND VILLAGES
6 TO COMPLY WITH THE PROVISIONS AND INTENT OF THIS ARTICLE WHICH SERVICES
7 AND ASSISTANCE MAY INCLUDE BUT SHALL NOT NECESSARILY BE LIMITED TO SITE
8 SELECTION, FINANCIAL PACKAGING, AND ENGINEERING AND ARCHITECTURAL
9 SERVICES NECESSARY FOR THE PREPARATION OF PROJECT PLANS.
10 S 2. This act shall take effect on the one hundred eightieth day after
11 it shall have become a law.