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

3621

2009-2010 Regular Sessions

I N S E N A T E

March 25, 2009

Introduced by Sen. DILAN -- (at request of the Thruway Authority) -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation

AN ACT to amend the public authorities law, in relation to the powers of the New York state thruway authority to finance certain projects in connection with the canal system including emergency projects

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

Section 1. Subdivision 1 of section 383 of the public authorities law, as added by chapter 766 of the laws of 1992, is amended to read as follows:

1. (a) The authority is hereby authorized, as an additional corporate purpose thereof, to issue its bonds, notes and other obligations in conformity with applicable provisions of the uniform commercial code for purposes of financing the construction, reconstruction, development and improvement of the New York state canal system.

(b) The authority may issue bonds, notes or other obligations pursuant to paragraph (a) of this subdivision in an aggregate principal amount not exceeding ONE HUNDRED sixty million dollars plus a principal amount of bonds, notes or other obligations issued (i) to fund any related debt service reserve fund, (ii) to provide capitalized interest for a period not exceeding six months, except that where the proceeds of such bonds, notes or other obligations are expended on a revenue-producing project, such period shall be that allowable under the United States internal revenue code of nineteen hundred eighty-six, as amended, in order to preserve the exclusion of interest on such bonds, notes or other obligations from federal income taxation, and (iii) to provide fees and other charges and expenses, including underwriters' discounts, related to the issuance of such bonds, notes and other obligations and the maintenance of such reserves, all as determined by the authority, excluding

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

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bonds, notes and other obligations issued to refund outstanding bonds, notes and other obligations issued pursuant to this section.

(c) The authority, in addition to the bonds, notes and other obligations authorized pursuant to paragraph (b) of this subdivision, may issue bonds, notes or other obligations pursuant to paragraph (a) of this subdivision in an aggregate principal amount not exceeding [ten million dollars] TWENTY MILLION DOLLARS for the purpose of funding capital construction and reconstruction projects on the New York state canal system which are deemed by the authority as necessary due to the existence of an emergency involving danger to life, safety or property which requires immediate action. Provided, however, that no such bonds, notes or other obligations shall be issued pursuant to this paragraph until the authority has exhausted its authorization pursuant to paragraph (b) of this subdivision.

(d) In computing the total principal amount of bonds, notes and other obligations that may at any time be issued for any purpose under this section, the amount of the bonds, notes or other obligations that constitutes interest under the United States internal revenue code of nineteen hundred eighty-six, as amended, shall be excluded.

S 2. This act shall take effect immediately; provided, however, that there shall be a cap on the use of proceeds for canal purposes with respect to any bonds, notes or other obligations issued pursuant to section 365 of the public authorities law after April 1, 2009.