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

3694--A

2009-2010 Regular Sessions

I N S E N A T E

March 27, 2009

Introduced by Sens. PERKINS, THOMPSON -- (at request of the State of New York Mortgage Agency) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend chapter 915 of the laws of 1982, amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effective date thereof; and to amend the public authorities law, in relation to the powers of the state of New York mortgage agency

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

Section 1. Section 16 of chapter 915 of the laws of 1982 amending the public authorities law relating to the powers of the state of New York mortgage agency, as amended by chapter 148 of the laws of 2008, is amended to read as follows:

S 16. This act shall take effect immediately except that the amendments to law effected by sections one through ten of this act, as amended, shall cease to be of force and effect on and after July 16, [2009] 2010, on which date the provisions of the public authorities law amended by such sections shall be as they were in force and effect immediately prior to this act taking effect.

S 2. Section 2407 of the public authorities law, as amended by chapter 148 of the laws of 2008, is amended to read as follows:

S 2407. Bond limits. (1) Except for notes issued in nineteen hundred seventy and nineteen hundred seventy-one, the agency shall not issue bonds and notes, the interest on which is not included in the gross income of the holders of the bonds and notes under the United States Internal Revenue Code of 1986, as amended, or any subsequent corresponding internal revenue law of the United States, in an aggregate principal

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

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amount exceeding eight billion [four] SEVEN hundred twenty million dollars, excluding from such limitation (a) an amount equal to any original issue discount from the principal amount of any bonds or notes issued, (b) bonds and notes issued to refund outstanding bonds and notes, and (c) bonds and notes not described in paragraph (b) of this subdivision issued to refund outstanding bonds and notes in accordance with the provisions of the Internal Revenue Code of 1986 or the Tax Reform Act of 1986, as amended, where such bonds or notes are not included in the statewide volume cap on private purpose bonds under section 146 of such code provided, however, that upon any refunding pursuant to this paragraph or paragraph (b) of this subdivision, such exclusion shall apply only to the extent that the amount of the refunding bonds or notes does not exceed (i) the outstanding amount of the refunded bonds or notes, plus (ii) to the extent permitted by applicable federal tax law, costs of issuance of the refunding bonds or notes to be financed from the proceeds of the refunding bonds or notes. No such bond or note shall be issued by the agency on or after July sixteenth, two thousand [nine] TEN, excluding bonds and notes issued to refund outstanding bonds and notes. No more than five hundred million dollars of proceeds of bonds or notes issued by the agency pursuant to this subdivision shall be used for mortgage purposes by blending with proceeds of bonds issued pursuant to subdivision two of this section.

(2) In connection with the issuance of bonds for the purpose of furthering programs described in this title, the agency is authorized to covenant and consent that the interest on any of its bonds, notes or other obligations shall be includable, under the United States Internal Revenue Code of 1986, as amended or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includable in the gross income of the holders thereof under said Internal Revenue Code or any such subsequent law. Pursuant to this subdivision, the agency shall not issue bonds, notes or other obligations in an aggregate principal amount exceeding eight hundred million dollars, excluding from such limitation bonds, notes or other obligations issued to refund outstanding bonds, notes or other obligations. No such bond, note or other obligation shall be issued by the agency on or after July sixteenth, two thousand [nine] TEN, excluding bonds, notes or other obligations issued to refund outstanding bonds, notes or other obligations and no mortgages shall be purchased with the proceeds of such bonds, notes or other obligations after such date. The board of directors of the agency shall establish program guidelines for purposes of bonds, notes or other obligations issued pursuant to this subdivision. The board of directors shall establish from time to time maximum income limits of persons eligible to receive mortgages financed by bonds, notes or other obligations issued pursuant to this subdivision, which income limits with respect to one-third of the total principal amount of mortgages authorized to be so financed shall not exceed one hundred twenty-five percent of the latest maximum income limits permitted under the Internal Revenue Code of 1986, as amended, for mortgagors financed by mortgage revenue bonds, with respect to one-third of such principal amount authorized to be so financed, shall not exceed one hundred thirty-five percent of such income limits, and with respect to one-third of such principal amount authorized to be so financed, shall not exceed one hundred fifty percent of such limits.

(3) The fixing of the statutory maximums in this section shall not be construed as constituting a contract between the agency and the holders of its bonds or notes that additional bonds and notes may not be issued subsequently by the agency in the event that such statutory maximums shall subsequently be increased by law.

S 3. This act shall take effect immediately.