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

3742

2009-2010 Regular Sessions

I N S E N A T E

March 30, 2009

Introduced by Sens. STEWART-COUSINS, ONORATO, STACHOWSKI -- (at request of the Environmental Facilities Corporation) -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the local finance law, in relation to the sale of bonds to the New York state environmental facilities corporation and installment loans and obligations evidencing installment loans and financings

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

Section 1. Section 169.00 of the local finance law, as amended by chapter 304 of the laws of 1997, is amended to read as follows:

S 169.00 Installment loans, FINANCINGS and obligations evidencing installment loans OR FINANCINGS. a. Notwithstanding the provisions of any other law, general, special or local, inconsistent with this section, relating to the power of municipalities to enter into contracts and to contract indebtedness, the finance board of any municipality selling bonds or notes at private sale to the New York state environmental facilities corporation in order to obtain financial assistance pursuant to section twelve hundred eighty-five-j or twelve hundred eighty-five-m of the public authorities law is hereby authorized and empowered to contract with such corporation to receive from time to time advances of a loan OR OTHER FINANCIAL ASSISTANCE up to a stated maximum principal sum and to issue to such corporation, in order to evidence the obligation of such municipality to repay such advances, its bonds or notes in the form and in the manner provided by this section. Any such bond or note may provide that the municipality issuing such bond or note shall pay to such corporation or its assigns the stated maximum principal sum or, if less, the aggregate principal amount of the advances of the corresponding loan made to such municipality by the corporation. The principal amounts of advances and the timing and manner of the payment

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

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and repayment of such advances and the interest rate OR RATES applicable to such advances AND FOR SUCH PERIODS AS may be provided for in the related contract [or loan agreement] or in any obligations evidencing such [loan] advances. THE RELATED CONTRACT OR ANY OBLIGATION PROVIDING FOR SUCH ADVANCES MAY MAKE PROVISION FOR THE DESIGNATION OF ADVANCES AS A BOND OR NOTE ISSUED IN REPAYMENT THEREOF. AS PROVIDED FOR IN THE RELATED CONTRACT OR ANY BOND OR NOTE EVIDENCING SUCH ADVANCES, ONE OR MORE SCHEDULES SETTING FORTH THE PRINCIPAL AMOUNT OF ADVANCES INCLUDED IN SUCH SCHEDULE, THE INTEREST RATE OR RATES APPLICABLE TO SUCH PRINCIPAL AMOUNT FOR SUCH PERIOD OR PERIODS, AND THE REPAYMENT THEREOF OF THE PRINCIPAL AMOUNT OF ADVANCES INCLUDED IN SUCH SCHEDULE SHALL BE APPENDED TO SUCH BOND OR NOTE AND EACH SUCH ADVANCE, NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, GENERAL, SPECIAL OR LOCAL, INCONSISTENT WITH THIS SECTION, RELATING TO THE POWER OF MUNICIPALITIES TO ENTER INTO CONTRACTS AND TO CONTRACT INDEBTEDNESS, AND WITHOUT LIMITATION AS TO PRINCIPAL AMOUNT, SHALL CONSTITUTE AN INSTALLMENT BOND OR NOTE WITH SUCH TERMS AS SET FORTH THEREIN. ANY OBLIGATION ISSUED HEREUNDER SHALL NOT BE SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 54.90 OF THIS ARTICLE, PROVIDED, HOWEVER, THAT THE ESTABLISHMENT OF THE INTEREST RATE OR RATES ON SUCH OBLIGATION THAT WILL BE FIXED FOR THE REMAINING TERM THEREOF SHALL BE SUBJECT TO SECTION FIFTY-ONE OF THE PUBLIC AUTHORITIES LAW.

b. Any obligation issued by a municipality pursuant to this section shall be deemed indebtedness of such municipality (i) only as of the date and to the extent that the corporation makes or has made each [loan] advance available to such municipality and (ii) only in the amount of each such [loan] advance. Any such advance shall be considered a separate borrowing for purposes of determining compliance with the constitution and laws of the state.

c. Any obligation issued by a municipality pursuant to this section shall provide for the payment of principal and interest without presentation.

d. The finance board, by resolution, may delegate its power to contract and to issue indebtedness pursuant to this section to the chief fiscal officer of such municipality, in which event the chief fiscal officer shall exercise such power until the finance board, by resolution, shall elect to resume the same.

e. On or before the first day of January, in any given year, beginning on January first, nineteen hundred ninety-four, the president of the New York state environmental facilities corporation shall submit to the director of the division of the budget, the chairperson of the senate finance committee, the chairperson of the assembly ways and means committee, and the chairpersons of the senate and assembly committees on local government, a comprehensive report detailing the activities undertaken pursuant to this section, which shall include, at a minimum, (i) all project applicants; (ii) the amount of the state revolving fund bond or note for each project; (iii) the amount advanced; (iv) the repayment terms and conditions; and (v) the interest rate savings to the project applicant.

S 2. This act shall take effect immediately; provided, however, that the amendments to section 169.00 of the local finance law made by section one of this act shall not affect the repeal of such section and shall be deemed repealed therewith.