

4883

2009-2010 Regular Sessions

I N S E N A T E

April 27, 2009

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

AN ACT to amend the public authorities law, in relation to establishing the New York state rail authority

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

1 Section 1. The public authorities law is amended by adding a new arti-
2 cle 2-A to read as follows:

3 ARTICLE 2-A

4 NEW YORK STATE RAIL
5 AUTHORITY

6 SECTION 400. LEGISLATIVE INTENT.

7 401. SHORT TITLE.

8 402. DEFINITIONS.

9 403. NEW YORK STATE RAIL AUTHORITY.

10 404. PURPOSES OF THE AUTHORITY AND BENEFITS THEREFROM.

11 405. POWERS AND RESPONSIBILITIES OF THE AUTHORITY.

12 406. OFFICERS AND EMPLOYEES; TRANSFER, PROMOTION AND SENIORITY.

13 407. ACQUISITION OF REAL PROPERTY BY THE AUTHORITY.

14 408. CONSTRUCTION, RECONSTRUCTION AND IMPROVEMENT.

15 409. JURISDICTION IN CERTAIN SUITS AGAINST THE AUTHORITY.

16 410. ANNUAL REPORT.

17 411. DEPOSIT AND INVESTMENT OF MONEYS OF THE AUTHORITY.

18 412. NOTES OR BONDS OF THE AUTHORITY.

19 413. GUARANTY BY THE STATE.

20 414. STATE'S RIGHT TO REQUIRE REDEMPTION OF BONDS.

21 415. REMEDIES OF NOTEHOLDERS AND BONDHOLDERS.

22 416. LIABILITY OF STATE.

23 417. NOTES AND BONDS LEGAL INVESTMENTS FOR PUBLIC OFFICERS AND
24 FIDUCIARIES.

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

LBD09076-02-9

1 418. TAX EXEMPTION.

2 419. TAX COVENANT.

3 420. AGREEMENT OF THE STATE.

4 421. ARTICLE NOT AFFECTED IF IN PART UNCONSTITUTIONAL.

5 422. INCONSISTENT PROVISIONS IN OTHER ACTS SUPERSEDED.

6 S 400. LEGISLATIVE INTENT. IT IS THE INTENT OF THE LEGISLATURE IN
7 ESTABLISHING A NEW YORK STATE RAIL AUTHORITY THAT SUCH AUTHORITY SHALL
8 REVIEW THE RECOMMENDATIONS PUT FORTH BY THE NEW YORK STATE SENATE HIGH
9 SPEED RAIL TASK FORCE IN JANUARY TWO THOUSAND SIX AND USE SUCH RECOMMEN-
10 DATIONS AS GUIDELINES FOR FUTURE IMPROVEMENTS, ENHANCEMENTS AND ADDI-
11 TIONAL RECOMMENDATIONS TO RAIL SERVICE IN THE STATE.

12 S 401. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
13 THE "NEW YORK STATE RAIL AUTHORITY ACT".

14 S 402. DEFINITIONS. AS USED OR REFERRED TO IN THIS ARTICLE, UNLESS A
15 DIFFERENT MEANING CLEARLY APPEARS FROM THE CONTEXT:

16 1. THE TERM "AUTHORITY" SHALL MEAN THE PUBLIC AUTHORITY CREATED BY
17 SECTION FOUR HUNDRED THREE OF THIS ARTICLE.

18 2. THE TERMS "BONDS" AND "NOTES" SHALL MEAN BONDS AND NOTES, RESPEC-
19 TIVELY, ISSUED BY THE AUTHORITY PURSUANT TO THIS ARTICLE.

20 3. THE TERM "MUNICIPALITY" SHALL MEAN A COUNTY, TOWN, CITY, VILLAGE,
21 SPECIAL DISTRICT OR OTHER POLITICAL SUBDIVISION.

22 4. THE TERM "REAL PROPERTY" SHALL MEAN LANDS, WATERS, RIGHTS IN LANDS
23 OR WATERS, STRUCTURES, FRANCHISES AND INTERESTS IN LAND, INCLUDING LANDS
24 UNDER WATER, RIPARIAN RIGHTS, RAILROAD CAPITAL FACILITIES, INCLUDING
25 STATIONS, BRIDGES, SHOPS AND MAINTENANCE FACILITIES, PROPERTY RIGHTS IN
26 AIR SPACE AND/OR SUBSURFACE SPACE AND ANY AND ALL OTHER THINGS AND
27 RIGHTS USUALLY INCLUDED WITHIN THE SAID TERM AND INCLUDES ALSO ANY AND
28 ALL INTERESTS IN SUCH PROPERTY LESS THAN FULL TITLE, SUCH AS EASEMENTS
29 PERMANENT OR TEMPORARY, RIGHTS-OF-WAY, USES, LEASES, LICENSES AND ALL
30 OTHER INCORPOREAL HEREDITAMENTS AND EVERY ESTATE, INTEREST OR RIGHT
31 LEGAL OR EQUITABLE.

32 5. RAILS OR RAILROAD CAPITAL FACILITY SHALL BE DEFINED PURSUANT TO THE
33 TRANSPORTATION LAW.

34 6. "BUSINESS PLAN" SHALL MEAN A DOCUMENT SUBMITTED BY THE AUTHORITY TO
35 THE LEGISLATURE AND GOVERNOR WHICH SHALL INCLUDE ALL OF THE FOLLOWING:
36 THE TYPE OF SERVICE THE AUTHORITY ANTICIPATES IT WILL DEVELOP, A
37 DESCRIPTION OF THE PRIMARY BENEFITS THE SYSTEM WILL PROVIDE; A FORECAST
38 OF THE ANTICIPATED PATRONAGE, OPERATING COSTS, AND CAPITAL COSTS FOR THE
39 SYSTEM; AN ESTIMATE AND DESCRIPTION OF THE TOTAL ANTICIPATED FEDERAL,
40 STATE, LOCAL, AND OTHER FUNDS THE AUTHORITY INTENDS TO ACCESS TO FUND
41 THE CONSTRUCTION AND OPERATION OF THE SYSTEM; AND THE PROPOSED CHRONOLO-
42 GY FOR THE CONSTRUCTION OF THE ELIGIBLE CORRIDORS OF THE STATEWIDE
43 HIGH-SPEED TRAIN SYSTEM. THE BUSINESS PLAN SHALL ALSO INCLUDE A
44 DISCUSSION OF ALL REASONABLY FORESEEABLE RISKS THE PROJECT MAY ENCOUN-
45 TER, INCLUDING, BUT NOT LIMITED TO, RISKS ASSOCIATED WITH THE PROJECT'S
46 FINANCES, PATRONAGE, CONSTRUCTION, EQUIPMENT, AND TECHNOLOGY, AND OTHER
47 RISKS ASSOCIATED WITH THE PROJECT'S DEVELOPMENT. THE PLAN SHALL DESCRIBE
48 THE AUTHORITY'S STRATEGIES.

49 S 403. NEW YORK STATE RAIL AUTHORITY. 1. (A) A BOARD TO BE KNOWN AS
50 THE "NEW YORK STATE RAIL AUTHORITY" IS HEREBY CREATED. THE BOARD SHALL
51 CONSIST OF SEVENTEEN MEMBERS APPOINTED AS FOLLOWS:

52 (I) ELEVEN BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE;

53 (II) TWO BY THE TEMPORARY PRESIDENT OF THE SENATE;

54 (III) TWO BY THE SPEAKER OF THE ASSEMBLY;

55 (IV) ONE BY THE MINORITY LEADER OF THE SENATE; AND

56 (V) ONE BY THE MINORITY LEADER OF THE ASSEMBLY.

1 (B) OF THE ELEVEN MEMBERS APPOINTED BY THE GOVERNOR, ONE SHALL BE
2 APPOINTED AS THE CHAIR OF THE BOARD. OF THE REMAINING TEN MEMBERS, A
3 MEMBER SHALL BE APPOINTED FROM EACH OF THE FOLLOWING REGIONS, AS ESTAB-
4 LISHED BY THE EMPIRE STATE DEVELOPMENT CORPORATION:

5 (I) THE CAPITAL DISTRICT;

6 (II) CENTRAL NEW YORK;

7 (III) THE FINGER LAKES REGION;

8 (IV) THE MID-HUDSON REGION;

9 (V) THE MOHAWK VALLEY;

10 (VI) THE SOUTHERN TIER;

11 (VII) WESTERN NEW YORK;

12 (VIII) TWO MEMBERS WITH AT LEAST 5 YEARS EXPERIENCE IN THE PASSENGER
13 RAIL INDUSTRY, INCLUDING AT LEAST ONE MEMBER OF A STATEWIDE RAIL PASSEN-
14 GER ADVOCACY ORGANIZATION; AND

15 (IX) THE CHAIR OF THE METROPOLITAN TRANSIT AUTHORITY OR THE CHAIR'S
16 DESIGNEE.

17 (C) THE MEMBERS OF THE BOARD SHALL SERVE FIVE YEAR TERMS, EXCEPT THAT
18 THE INITIAL APPOINTMENTS SHALL SERVE TERMS AS FOLLOWS:

19 (I) THREE MEMBERS INITIALLY APPOINTED BY THE GOVERNOR, ONE MEMBER
20 INITIALLY APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE, AND ONE
21 MEMBER INITIALLY APPOINTED BY THE SPEAKER OF THE ASSEMBLY SHALL SERVE A
22 ONE YEAR TERM.

23 (II) FOUR MEMBERS INITIALLY APPOINTED BY THE GOVERNOR, ONE MEMBER
24 INITIALLY APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE, AND ONE
25 MEMBER INITIALLY APPOINTED BY THE SPEAKER OF THE ASSEMBLY SHALL SERVE A
26 TWO YEAR TERM.

27 (III) FOUR MEMBERS INITIALLY APPOINTED BY THE GOVERNOR, INCLUDING THE
28 CHAIR, THE MEMBER INITIALLY APPOINTED BY THE MINORITY LEADER OF THE
29 SENATE AND THE MEMBER INITIALLY APPOINTED BY THE MINORITY LEADER OF THE
30 ASSEMBLY SHALL SERVE A THREE YEAR TERM.

31 D. ANY VACANCIES OCCURRING PRIOR TO THE EXPIRATION OF A TERM SHALL BE
32 FILLED AS PRESCRIBED PURSUANT TO THIS SUBDIVISION FOR THE PERIOD OF THE
33 UNEXPIRED TERM. A MEMBER APPOINTED AS CHAIR SHALL REMAIN CHAIR UNTIL THE
34 EXPIRATION OF HIS OR HER TERM.

35 E. ALL MEMBERS OF THE BOARD SHALL SERVE WITHOUT SALARY OR OTHER
36 COMPENSATION, BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR THEIR ACTUAL,
37 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

38 2. NOTWITHSTANDING ANY INCONSISTENT PROVISIONS OF LAW, GENERAL,
39 SPECIAL OR LOCAL, NO OFFICER OR EMPLOYEE OF THE STATE, OR OF ANY CIVIL
40 DIVISION THEREOF, SHALL BE DEEMED TO HAVE FORFEITED OR SHALL FORFEIT HIS
41 OFFICE OR EMPLOYMENT BY REASON OF HIS ACCEPTANCE OF MEMBERSHIP ON THE
42 BOARD CREATED BY THIS SECTION.

43 3. THE POWER OF SUCH CORPORATION SHALL BE VESTED IN AND EXERCISED BY A
44 MAJORITY OF THE MEMBERS OF THE BOARD THEN IN OFFICE. SUCH BOARD MAY
45 DELEGATE TO ONE OR MORE OF ITS MEMBERS OR ITS OFFICERS, AGENTS AND
46 EMPLOYEES SUCH POWERS AND DUTIES AS IT MAY DEEM PROPER.

47 4. SUCH BOARD AND ITS CORPORATE EXISTENCE SHALL CONTINUE SO LONG AS IT
48 SHALL HAVE NOTES, BONDS OR OTHER OBLIGATIONS OUTSTANDING (INCLUDING
49 NOTES, BONDS OR OBLIGATIONS HEREAFTER ISSUED OR INCURRED) AND UNTIL ITS
50 EXISTENCE SHALL BE TERMINATED BY LAW. UPON THE TERMINATION OF THE EXIST-
51 ENCE OF THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES SHALL PASS TO AND
52 BE VESTED IN THE STATE.

53 S 404. PURPOSES OF THE AUTHORITY AND BENEFITS THEREFROM. THE AUTHORITY
54 IS CREATED TO AND SHALL HAVE POWER TO FINANCE, OWN, CONSTRUCT, RECON-
55 STRUCT, IMPROVE, DEVELOP, MAINTAIN AND/OR OPERATE A RAIL SYSTEM AS
56 PROVIDED BY AND SUBJECT TO THE PROVISIONS OF THIS ARTICLE TOGETHER WITH

1 FACILITIES FOR THE PUBLIC INCIDENTAL THERETO. IT IS HEREBY FOUND AND
2 DECLARED THAT SUCH PURPOSES ARE IN ALL RESPECTS FOR THE BENEFIT OF THE
3 PEOPLE OF THE STATE OF NEW YORK FOR THE INCREASE OF THEIR PLEASURE,
4 CONVENIENCE AND WELFARE, FOR THE IMPROVEMENT OF THEIR HEALTH, TO FACILI-
5 TATE TRANSPORTATION FOR THEIR RECREATION AND COMMERCE AND FOR THE COMMON
6 DEFENSE; AND THE AUTHORITY SHALL BE REGARDED AS PERFORMING A GOVERN-
7 MENTAL FUNCTION IN CARRYING OUT ITS CORPORATE PURPOSE AND IN EXERCISING
8 THE POWERS GRANTED BY THIS ARTICLE. IN CARRYING OUT THIS PURPOSE, THE
9 AUTHORITY SHALL PRODUCE SHORT-TERM GOALS TO BE CARRIED OUT BEFORE THE
10 END OF THE CALENDAR YEAR IN WHICH THIS ARTICLE BECOMES EFFECTIVE,
11 MID-TERM GOALS TO BE COMPLETED BEFORE THE END OF CALENDAR YEAR TWO THOU-
12 SAND FIFTEEN AND LONG-TERM GOALS TO BE COMPLETED BEFORE CALENDAR YEAR
13 TWO THOUSAND TWENTY-NINE. EACH OF THESE GOALS SHALL ANTICIPATE IMPROVE-
14 MENTS IN SERVICE, SPEED AND RELIABILITY.

15 S 405. POWERS AND RESPONSIBILITIES OF THE AUTHORITY. 1. EXCEPT AS
16 OTHERWISE LIMITED BY THIS ARTICLE, THE AUTHORITY SHALL HAVE POWER

17 (A) TO SUE AND BE SUED;

18 (B) TO HAVE A SEAL AND TO ALTER THE SAME AT PLEASURE;

19 (C) TO ACQUIRE, HOLD AND DISPOSE OF PERSONAL PROPERTY AND EQUIPMENT
20 FOR ITS CORPORATE PURPOSES;

21 (D) TO ACQUIRE AND HOLD IN THE NAME OF THE STATE BY PURCHASE OR APPRO-
22 PRIATION REAL PROPERTY OR RIGHTS OR EASEMENTS THEREIN AND TO SELL,
23 EXCHANGE, OR OTHERWISE DISPOSE OF ANY REAL PROPERTY NOT NECESSARY FOR
24 ITS CORPORATE PURPOSES OR WHENEVER THE BOARD SHALL DETERMINE THAT IT IS
25 IN THE INTEREST OF THE AUTHORITY; AND UPON SUCH TERMS AND CONDITIONS AND
26 USES AS THE BOARD SHALL DETERMINE, TO LEASE OR TO GRANT PERMITS TO OCCU-
27 PY REAL PROPERTY NOT PRESENTLY REQUIRED FOR RAIL PURPOSES BUT HELD FOR
28 FUTURE USE IN CARRYING OUT ITS CORPORATE PURPOSES;

29 (E) TO MAKE BY-LAWS FOR ITS ORGANIZATION AND INTERNAL MANAGEMENT AND,
30 SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS, RULES AND REGU-
31 LATIONS GOVERNING THE USE OF THE RAILS AND ALL OTHER PROPERTIES AND
32 FACILITIES UNDER ITS JURISDICTION, WHICH SHALL BE FILED WITH THE DEPART-
33 MENT OF STATE IN THE MANNER PROVIDED BY SECTION ONE HUNDRED TWO OF THE
34 EXECUTIVE LAW;

35 (F) TO APPOINT OFFICERS, AGENTS AND EMPLOYEES AND FIX THEIR COMPEN-
36 SATION;

37 (G) TO MAKE CONTRACTS, INCLUDING FRANCHISES, AND TO EXECUTE ALL
38 INSTRUMENTS NECESSARY OR CONVENIENT;

39 (H) SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS, TO FIX AND
40 COLLECT SUCH FEES, RENTALS AND CHARGES FOR THE USE OF THE RAIL SYSTEM OR
41 ANY PART THEREOF NECESSARY OR CONVENIENT, WITH AN ADEQUATE MARGIN OF
42 SAFETY, TO PRODUCE SUFFICIENT REVENUE TO MEET THE EXPENSE OF MAINTENANCE
43 AND OPERATION AND TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE
44 HOLDERS OF ITS NOTES OR BONDS, AND TO ESTABLISH THE RIGHTS AND PRIVI-
45 LEGES GRANTED UPON PAYMENT THEREOF;

46 (I) TO RETAIN AND EMPLOY PRIVATE CONSULTANTS ON A CONTRACT BASIS FOR
47 RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE;

48 (J) TO CONSTRUCT, RECONSTRUCT OR IMPROVE ON OR ALONG THE RAIL SYSTEM
49 IN THE MANNER HEREIN PROVIDED, SUITABLE FACILITIES FOR RESTAURANTS AND
50 OTHER FACILITIES FOR THE PUBLIC, OR TO LEASE THE RIGHT TO CONSTRUCT,
51 RECONSTRUCT OR IMPROVE AND OPERATE SUCH FACILITIES; SUCH FACILITIES
52 SHALL BE PUBLICLY OFFERED FOR LEASING FOR OPERATION, OR THE RIGHT TO
53 CONSTRUCT, RECONSTRUCT OR IMPROVE AND OPERATE SUCH FACILITIES SHALL BE
54 PUBLICLY OFFERED UNDER RULES AND REGULATIONS TO BE ESTABLISHED BY THE
55 AUTHORITY;

1 (K) TO CONSTRUCT AND MAINTAIN OVER, UNDER, ALONG OR ACROSS A RAIL
2 SYSTEM UNDER ITS JURISDICTION TELEPHONE, TELEGRAPH, TELEVISION, ELECTRIC
3 POWER AND OTHER WIRES OR CABLES, PIPE LINES, WATER MAINS AND OTHER
4 CONDUITS AND MECHANICAL EQUIPMENT, NOT INCONSISTENT WITH THE APPROPRIATE
5 USE OF THE RAIL SYSTEM, OR TO CONTRACT FOR SUCH CONSTRUCTION; AND UPON
6 SUCH TERMS AND CONDITIONS AS THE BOARD SHALL DETERMINE, TO LEASE ALL OR
7 ANY PART OF SUCH PROPERTY AND FACILITIES OR THE RIGHT TO USE THE SAME,
8 WHETHER SUCH FACILITIES ARE CONSTRUCTED BY THE AUTHORITY OR UNDER A
9 CONTRACT FOR SUCH CONSTRUCTION, OR TO LEASE THE RIGHT TO CONSTRUCT AND
10 USE SUCH FACILITIES OR TO GRANT PERMITS OR EASEMENTS FOR SUCH PURPOSES
11 TO ANY GOVERNMENTAL AGENCY OF THE STATE OR TO ANY PUBLIC CORPORATION, OR
12 TO THE UNITED STATES OF AMERICA OR ANY GOVERNMENTAL AGENCY THEREOF FOR
13 ANY PUBLIC PURPOSES OR TO INDIVIDUALS, PARTNERSHIPS AND CORPORATIONS,
14 PROVIDED, HOWEVER, THAT NO LEASE OR RENEWAL THEREOF SHALL BE GRANTED FOR
15 A PERIOD OF MORE THAN THIRTY YEARS FROM THE DATE WHEN SUCH LEASE IS
16 MADE;

17 (L) TO BORROW MONEY AND ISSUE NEGOTIABLE NOTES, BONDS OR OTHER OBLI-
18 GATIONS AND TO PROVIDE FOR THE RIGHTS OF THE HOLDERS THEREOF;

19 (M) TO ENTER ON ANY LANDS, WATERS, OR PREMISES FOR THE PURPOSE OF
20 MAKING BORINGS, SOUNDINGS, AND SURVEYS;

21 (N) TO ACCEPT GRANTS, FEES, AND ALLOCATIONS FROM THE STATE, FROM POLI-
22 TICAL SUBDIVISIONS OF THE STATE OR FROM THE FEDERAL GOVERNMENT, FOREIGN
23 GOVERNMENTS, AND PRIVATE SOURCES; AND

24 (O) TO DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT ITS PURPOSES
25 AND EXERCISE THE POWERS EXPRESSLY GIVEN IN THIS ARTICLE.

26 2. EXCEPT AS OTHERWISE LIMITED BY THIS ARTICLE, THE AUTHORITY SHALL
27 HAVE THE FOLLOWING RESPONSIBILITIES:

28 (A) TO CONDUCT IN-HOUSE ENGINEERING AND OTHER STUDIES RELATED TO THE
29 SELECTION AND ACQUISITION OF RIGHTS-OF-WAY AND THE SELECTION OF A FRAN-
30 CHISEE, INCLUDING, BUT NOT LIMITED TO, ENVIRONMENTAL IMPACT STUDIES,
31 SOCIOECONOMIC IMPACT STUDIES, AND FINANCIAL FEASIBILITY STUDIES;

32 (B) TO EVALUATE ALTERNATIVE HIGH SPEED RAIL TECHNOLOGIES, SYSTEMS AND
33 OPERATORS, AND SELECT AN APPROPRIATE HIGH SPEED RAIL SYSTEM WHICH MAY
34 BUILD UPON RAIL SYSTEMS ALREADY IN EXISTENCE;

35 (C) TO ESTABLISH CRITERIA FOR THE AWARD OF A FRANCHISE;

36 (D) SELECT A PROPOSED FRANCHISEE, A PROPOSED ROUTE, AND PROPOSED
37 TERMINAL SITES;

38 (E) TO PREPARE AND SUBMIT AN ANNUAL REPORT AS DESIGNED ABOVE;

39 (F) TO PREPARE A BUSINESS PLAN WHICH SHALL BE SUBMITTED AS PART OF THE
40 AUTHORITY'S ANNUAL REPORT AND REVISED AS NEEDED;

41 (G) TO PREPARE A DETAILED FINANCING PLAN, INCLUDING ANY NECESSARY
42 TAXES, FEES, OR BONDS TO PAY FOR THE CONSTRUCTION OF THE HIGH SPEED
43 TRAIN NETWORK AND TO ENTER INTO CONTRACTS WITH PUBLIC AND PRIVATE ENTI-
44 TIES FOR THE PREPARATION OF THE PLAN;

45 (H) TO DEVELOP A PROPOSED HIGH SPEED RAIL FINANCIAL PLAN, INCLUDING
46 NECESSARY TAXES, BONDS, OR BOTH, OR OTHER INDEBTEDNESS, AND SUBMIT THE
47 PLAN TO THE LEGISLATURE AND TO THE GOVERNOR;

48 (I) TO KEEP THE PUBLIC INFORMED OF ITS ACTIVITIES THROUGH ESTABLISH-
49 MENT OF AN AUTHORITY WEBSITE; AND

50 (J) TO CREATE AN AFFORDABLE, HIGH SPEED PASSENGER RAIL NETWORK ACROSS
51 NEW YORK STATE.

52 S 406. OFFICERS AND EMPLOYEES; TRANSFER, PROMOTION AND SENIORITY. 1.
53 UPON BOARD CONFIRMATION, OFFICERS AND EMPLOYEES OF STATE DEPARTMENTS OR
54 AGENCIES MAY BE TRANSFERRED TO THE AUTHORITY AND OFFICERS, AGENTS AND
55 EMPLOYEES OF THE AUTHORITY MAY BE TRANSFERRED TO STATE DEPARTMENTS OR
56 AGENCIES, WITHOUT EXAMINATION AND WITHOUT LOSS OF ANY CIVIL SERVICE

1 STATUS OR RIGHTS. NO SUCH TRANSFER FROM THE AUTHORITY TO ANY STATE
2 DEPARTMENT, AGENCY OR DIVISION MAY, HOWEVER, BE MADE EXCEPT WITH THE
3 APPROVAL OF THE HEAD OF THE STATE DEPARTMENT, AGENCY OR DIVISION
4 INVOLVED AND THE DIRECTOR OF THE BUDGET AND IN COMPLIANCE WITH THE RULES
5 AND REGULATIONS OF THE STATE CIVIL SERVICE COMMISSION PROVIDED THAT,
6 BECAUSE OF THE SPECIALIZED NATURE OF TECHNICAL EXPERTISE REQUIRED FOR
7 POSITIONS AT THE AUTHORITY, NOTHING WITHIN THIS SECTION SHALL LIMIT
8 AUTHORITY HIRING TO CIVIL SERVICE LISTS.

9 2. PROMOTIONS FROM POSITIONS IN STATE DEPARTMENTS AND AGENCIES TO
10 POSITIONS IN THE AUTHORITY, AND VICE VERSA, MAY BE MADE FROM INTERDE-
11 PARTMENTAL PROMOTION LISTS RESULTING FROM PROMOTION EXAMINATIONS IN
12 WHICH EMPLOYEES OF THE AUTHORITY AND EMPLOYEES OF THE STATE ARE ELIGIBLE
13 TO PARTICIPATE.

14 3. IN COMPUTING SENIORITY FOR PURPOSES OF PROMOTION OR FOR PURPOSES OF
15 SUSPENSION OR DEMOTION UPON THE ABOLITION OF POSITIONS IN THE SERVICE OF
16 THE AUTHORITY OR IN THE SERVICE OF THE STATE, IN THE CASE OF AN EMPLOYEE
17 OF THE AUTHORITY A PERIOD OF PRIOR EMPLOYMENT IN THE SERVICE OF THE
18 STATE SHALL BE COUNTED IN THE SAME MANNER AS THOUGH SUCH PERIOD OF
19 EMPLOYMENT HAD BEEN IN THE SERVICE OF THE AUTHORITY, AND IN THE CASE OF
20 AN EMPLOYEE OF THE STATE A PERIOD OF PRIOR EMPLOYMENT IN THE SERVICE OF
21 THE AUTHORITY SHALL BE COUNTED IN THE SAME MANNER AS THOUGH SUCH PERIOD
22 OF EMPLOYMENT HAD BEEN IN THE SERVICE OF THE STATE. FOR THE PURPOSES OF
23 THE ESTABLISHMENT AND CERTIFICATION OF PREFERRED LISTS, EMPLOYEES
24 SUSPENDED FROM THE AUTHORITY SHALL BE ELIGIBLE FOR REINSTATEMENT IN THE
25 SERVICE OF THE STATE, AND EMPLOYEES SUSPENDED FROM THE SERVICE OF THE
26 STATE SHALL BE ELIGIBLE FOR REINSTATEMENT IN THE SERVICE OF THE AUTHORI-
27 TY, IN THE SAME MANNER AS THOUGH THE AUTHORITY WERE A DEPARTMENT OF THE
28 STATE.

29 S 407. ACQUISITION OF REAL PROPERTY BY THE AUTHORITY. THE AUTHORITY
30 MAY FROM TIME TO TIME DETERMINE WHAT REAL PROPERTY IS NECESSARY FOR THE
31 CONSTRUCTION, IMPROVEMENT AND OPERATION OF RAIL SYSTEMS OR PART THEREOF,
32 AND THEREUPON MAY ACQUIRE SUCH REAL PROPERTY BY CONDEMNATION PURSUANT TO
33 THE EMINENT DOMAIN PROCEDURE LAW. THE AUTHORITY MAY ALSO, AND IN ANY
34 CASE, ACQUIRE REAL PROPERTY IN THE NAME OF THE STATE BY DEED AND MAY PAY
35 SUCH PRICE THEREFOR AS SHALL BE AGREED WITH THE OWNER THEREOF.

36 S 408. CONSTRUCTION, RECONSTRUCTION AND IMPROVEMENT. 1. ON ASSUMING
37 JURISDICTION OF A RAIL OR ANY PART THEREOF, OR OF A HIGHWAY CONNECTION,
38 THE AUTHORITY SHALL PROCEED WITH THE CONSTRUCTION, RECONSTRUCTION OR
39 IMPROVEMENT THEREOF. ALL SUCH WORK SHALL BE DONE PURSUANT TO A CONTRACT
40 OR CONTRACTS WHICH SHALL BE LET TO THE LOWEST RESPONSIBLE BIDDER, BY
41 SEALED PROPOSALS PUBLICLY OPENED, AFTER PUBLIC ADVERTISEMENT AND UPON
42 SUCH TERMS AND CONDITIONS AS THE AUTHORITY SHALL REQUIRE; PROVIDED,
43 HOWEVER, THAT THE AUTHORITY MAY REJECT ANY AND ALL PROPOSALS AND MAY
44 ADVERTISE FOR NEW PROPOSALS, AS PROVIDED IN THIS ARTICLE, IF IN ITS
45 OPINION, THE BEST INTERESTS OF THE AUTHORITY WILL THEREBY BE PROMOTED.

46 2. ALL CONTRACTS FOR THE CONSTRUCTION, RECONSTRUCTION, REHABILITATION
47 OR IMPROVEMENT OF BUILDINGS LET BY THE AUTHORITY SHALL COMPLY WITH THE
48 PROVISIONS OF SECTION TWO HUNDRED TWENTY OF THE LABOR LAW AND SHALL ALSO
49 BE SUBJECT TO THE PROVISIONS OF LAW APPLICABLE TO CONTRACTS LET BY A
50 MUNICIPAL CORPORATION, EXCEPT AS OTHERWISE PROVIDED HEREIN.

51 3. ALL CONTRACTS FOR THE CONSTRUCTION, RECONSTRUCTION, REHABILITATION
52 OR IMPROVEMENT OF BUILDINGS LET BY THE AUTHORITY SHALL BE IN CONFORMITY
53 WITH THE APPLICABLE PROVISIONS OF SECTION ONE HUNDRED THIRTY-FIVE OF THE
54 STATE FINANCE LAW.

55 4. THE AUTHORITY MAY, IN ITS DISCRETION, ASSIGN CONTRACTS FOR SUPER-
56 VISION AND COORDINATION TO THE SUCCESSFUL BIDDER FOR ANY SUBDIVISION OF

1 WORK FOR WHICH THE AUTHORITY RECEIVES BIDS. ANY CONSTRUCTION CONTRACT
2 AWARDED BY THE AUTHORITY SHALL CONTAIN SUCH OTHER TERMS AND CONDITIONS
3 AS THE AUTHORITY MAY DEEM DESIRABLE. THE AUTHORITY SHALL AWARD ANY
4 CONSTRUCTION CONTRACT INVOLVING AN EXPENDITURE OF MORE THAN FIVE THOU-
5 SAND DOLLARS TO THE LOWEST BIDDER WHO, IN ITS OPINION, IS QUALIFIED TO
6 PERFORM THE WORK REQUIRED AND WHO IS RESPONSIBLE AND RELIABLE. THE
7 AUTHORITY MAY, HOWEVER, REJECT ANY OR ALL BIDS OR WAIVE ANY INFORMALITY
8 IN A BID IF IT BELIEVES THAT THE PUBLIC INTEREST WILL BE PROMOTED THERE-
9 BY. THE AUTHORITY MAY REJECT ANY BID, IF, IN ITS JUDGMENT, THE BUSINESS
10 AND TECHNICAL ORGANIZATION, PLANT, RESOURCES, FINANCIAL STANDING, OR
11 EXPERIENCE OF THE BIDDER JUSTIFIES SUCH REJECTION IN VIEW OF THE WORK TO
12 BE PERFORMED.

13 5. FOR THE PURPOSES OF ARTICLE FIFTEEN-A OF THE EXECUTIVE LAW ONLY,
14 THE AUTHORITY SHALL BE DEEMED A STATE AGENCY AS THAT TERM IS USED IN
15 SUCH ARTICLE, AND ALL CONTRACTS FOR PROCUREMENT, DESIGN, CONSTRUCTION,
16 SERVICES AND MATERIALS SHALL BE DEEMED STATE CONTRACTS WITHIN THE MEAN-
17 ING OF THAT TERM AS SET FORTH IN SUCH ARTICLE.

18 S 409. JURISDICTION IN CERTAIN SUITS AGAINST THE AUTHORITY. EXCLUSIVE
19 JURISDICTION IS HEREBY CONFERRED UPON THE COURT OF CLAIMS TO HEAR AND
20 DETERMINE THE CLAIMS OF ANY PERSON AGAINST THE AUTHORITY (1) FOR ITS
21 TORTIOUS ACTS AND THOSE OF ITS AGENTS, AND (2) FOR BREACH OF A CONTRACT
22 RELATING TO CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, MAINTENANCE OR
23 OPERATION, IN THE SAME MANNER AND TO THE EXTENT PROVIDED BY AND SUBJECT
24 TO THE PROVISIONS OF THE COURT OF CLAIMS ACT WITH RESPECT TO CLAIMS
25 AGAINST THE STATE, AND TO MAKE AWARDS AND RENDER JUDGMENTS THEREFOR. ALL
26 AWARDS AND JUDGMENTS ARISING FROM SUCH CLAIMS SHALL BE PAID OUT OF
27 MONEYS OF THE AUTHORITY.

28 S 410. ANNUAL REPORT. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, TO
29 THE LEGISLATURE, TO THE COMPTROLLER AND TO THE DIRECTOR OF THE BUDGET ON
30 OR BEFORE THE FIRST DAY OF FEBRUARY OF EACH YEAR A DETAILED REPORT
31 SETTING FORTH ITS OPERATIONS AND FISCAL TRANSACTIONS DURING THE PRECED-
32 ING CALENDAR YEAR WITH A STATEMENT OF ITS FINANCIAL CONDITION AS OF THE
33 END OF SUCH YEAR AND A STATEMENT OF ALL RECEIPTS AND EXPENDITURES DURING
34 SUCH YEAR. THE AUTHORITY SHALL SUBMIT REPORTS PURSUANT TO THIS SECTION
35 IN ACCORDANCE WITH SECTION TWENTY-EIGHT HUNDRED OF THIS CHAPTER.

36 S 411. DEPOSIT AND INVESTMENT OF MONEYS OF THE AUTHORITY. ALL MONEYS
37 OF THE AUTHORITY FROM WHATEVER SOURCE DERIVED SHALL BE PAID TO THE COMP-
38 TROLLER AS AGENT OF THE AUTHORITY, WHO SHALL NOT COMMINGLE SUCH MONEYS
39 WITH ANY OTHER MONEYS. SUCH MONEYS SHALL BE DEPOSITED IN A SEPARATE
40 BANK ACCOUNT OR ACCOUNTS. THE MONEYS IN SUCH ACCOUNTS SHALL BE PAID OUT
41 ON CHECK OF THE COMPTROLLER ON REQUISITION OF THE CHAIR OF THE AUTHORITY
42 OR OF SUCH OTHER PERSON AS THE AUTHORITY MAY AUTHORIZE TO MAKE SUCH
43 REQUISITION. ALL DEPOSITS OF SUCH MONEYS SHALL, IF REQUIRED BY THE
44 COMPTROLLER OR THE AUTHORITY, BE SECURED BY OBLIGATIONS OF THE UNITED
45 STATES OR OF THE STATE OF A MARKET VALUE EQUAL AT ALL TIMES TO THE
46 AMOUNT OF THE DEPOSIT AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED
47 TO GIVE SUCH SECURITY FOR SUCH DEPOSITS. THE COMPTROLLER AND HIS OR HER
48 LEGALLY AUTHORIZED REPRESENTATIVES ARE HEREBY AUTHORIZED AND EMPOWERED
49 FROM TIME TO TIME TO EXAMINE THE ACCOUNTS AND BOOKS OF THE AUTHORITY,
50 INCLUDING ITS RECEIPTS, DISBURSEMENTS, CONTRACTS, LEASES, SINKING FUNDS,
51 INVESTMENTS AND ANY OTHER MATTERS RELATING TO ITS FINANCIAL STANDING.

52 NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE AUTHORITY SHALL
53 HAVE POWER TO CONTRACT WITH THE HOLDERS OF ANY OF ITS NOTES OR BONDS AS
54 TO THE CUSTODY, COLLECTION, SECURING, INVESTMENT AND PAYMENT OF ANY
55 MONEYS OF THE AUTHORITY, OR ANY MONEYS HELD IN TRUST OR OTHERWISE FOR
56 THE PAYMENT OF NOTES OR BONDS OR IN ANY WAY TO SECURE NOTES OR BONDS,

1 AND TO CARRY OUT ANY SUCH CONTRACT. MONEYS HELD IN TRUST OR OTHERWISE
2 FOR THE PAYMENT OF NOTES OR BONDS OR IN ANY WAY TO SECURE NOTES OR BONDS
3 AND DEPOSITS OF SUCH MONEYS MAY BE SECURED IN THE SAME MANNER AS MONEYS
4 OF THE AUTHORITY, AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED TO
5 GIVE SUCH SECURITY FOR SUCH DEPOSITS.

6 MONEYS OF THE AUTHORITY NOT REQUIRED FOR IMMEDIATE USE MAY, IN THE
7 DISCRETION OF THE AUTHORITY, BE INVESTED BY THE COMPTROLLER IN OBLI-
8 GATIONS IN WHICH THE COMPTROLLER MAY INVEST PURSUANT TO SECTION NINETY-
9 EIGHT-A OF THE STATE FINANCE LAW.

10 SUBJECT TO AGREEMENTS WITH NOTEHOLDERS AND BONDHOLDERS, THE AUTHORITY
11 SHALL PRESCRIBE A SYSTEM OF ACCOUNTS.

12 S 412. NOTES OR BONDS OF THE AUTHORITY. 1. (A) SUBJECT TO THE
13 PROVISIONS OF SECTION FOUR HUNDRED THIRTEEN OF THIS ARTICLE, THE AUTHOR-
14 ITY SHALL HAVE THE POWER AND IS HEREBY AUTHORIZED FROM TIME TO TIME TO
15 ISSUE ITS NEGOTIABLE NOTES AND BONDS IN CONFORMITY WITH APPLICABLE
16 PROVISIONS OF THE UNIFORM COMMERCIAL CODE IN SUCH PRINCIPAL AMOUNT AS,
17 IN THE OPINION OF THE AUTHORITY, SHALL BE NECESSARY TO PROVIDE SUFFI-
18 CIENT MONEYS FOR ACHIEVING THE CORPORATE PURPOSES THEREOF, TOGETHER WITH
19 SUITABLE FACILITIES AND APPURTENANCES, THE PAYMENT OF ALL INDEBTEDNESS
20 TO THE STATE, THE COST OF ACQUISITION OF ALL REAL PROPERTY, THE EXPENSE
21 OF MAINTENANCE AND OPERATION, INTEREST ON NOTES AND BONDS DURING
22 CONSTRUCTION AND FOR A REASONABLE PERIOD THEREAFTER, ESTABLISHMENT OF
23 RESERVES TO SECURE NOTES OR BONDS, AND ALL OTHER EXPENDITURES OF THE
24 AUTHORITY INCIDENT TO AND NECESSARY OR CONVENIENT TO CARRY OUT ITS
25 CORPORATE PURPOSES AND POWERS.

26 (B) THE AUTHORITY SHALL HAVE POWER FROM TIME TO TIME TO ISSUE RENEWAL
27 NOTES, TO ISSUE BONDS TO PAY NOTES, AND WHENEVER IT DEEMS REFUNDING
28 EXPEDIENT, TO REFUND ANY BONDS BY THE ISSUANCE OF NEW BONDS, WHETHER THE
29 BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, AND MAY ISSUE BONDS PART-
30 LY TO REFUND BONDS THEN OUTSTANDING AND PARTLY FOR ANY OTHER PURPOSE.
31 THE REFUNDING BONDS SHALL BE SOLD AND THE PROCEEDS APPLIED TO THE
32 PURCHASE, REDEMPTION OR PAYMENT OF THE BONDS TO BE REFUNDED.

33 (C) EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED BY THE AUTHORITY,
34 EVERY ISSUE OF THE NOTES OR BONDS SHALL BE GENERAL OBLIGATIONS PAYABLE
35 OUT OF ANY MONEYS OR REVENUES OF THE AUTHORITY, SUBJECT ONLY TO ANY
36 AGREEMENTS WITH THE HOLDERS OF NOTES OR BONDS PLEDGING ANY RECEIPTS OR
37 REVENUES.

38 2. THE NOTES AND BONDS SHALL BE AUTHORIZED BY RESOLUTION OF THE BOARD,
39 SHALL BEAR SUCH DATE OR DATES AND MATURE AT SUCH TIME OR TIMES, IN THE
40 CASE OF NOTES AND ANY RENEWALS THEREOF WITHIN FIVE YEARS AFTER THEIR
41 RESPECTIVE DATES AND IN THE CASE OF BONDS NOT EXCEEDING FORTY YEARS FROM
42 THEIR RESPECTIVE DATES, AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE.
43 THE NOTES AND BONDS SHALL BEAR INTEREST AT SUCH RATE OR RATES, BE IN
44 SUCH DENOMINATIONS, BE IN SUCH FORM, EITHER COUPON OR REGISTERED, CARRY
45 SUCH REGISTRATION PRIVILEGES, BE EXECUTED IN SUCH MANNER, BE PAYABLE IN
46 SUCH MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES, AND BE SUBJECT TO SUCH
47 TERMS OF REDEMPTION AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE. BONDS
48 AND NOTES SHALL BE SOLD BY THE AUTHORITY, AT PUBLIC OR PRIVATE SALE, AT
49 SUCH PRICE OR PRICES AS THE AUTHORITY MAY DETERMINE.

50 3. ANY RESOLUTION OR RESOLUTIONS AUTHORIZING ANY NOTES OR BONDS OR ANY
51 ISSUE THEREOF MAY CONTAIN PROVISIONS, WHICH SHALL BE A PART OF THE
52 CONTRACT WITH THE HOLDERS THEREOF, AS TO

53 (A) PLEDGING ALL OR ANY PART OF THE FEES, CHARGES, GIFTS, GRANTS,
54 RENTS, REVENUES OR OTHER MONEYS RECEIVED OR TO BE RECEIVED AND LEASES OR
55 AGREEMENTS TO SECURE THE PAYMENT OF THE NOTES OR BONDS OR OF ANY ISSUE
56 THEREOF SUBJECT TO SUCH AGREEMENTS WITH BONDHOLDERS AS MAY THEN EXIST;

1 (B) THE RATES OF THE FEES OR CHARGES TO BE ESTABLISHED, AND THE
2 AMOUNTS TO BE RAISED IN EACH YEAR THEREBY AND THE USE AND DISPOSITION OF
3 THE FEES, CHARGES, GIFTS, GRANTS, RENTS, REVENUES OR OTHER MONEYS
4 RECEIVED OR TO BE RECEIVED;

5 (C) THE SETTING ASIDE OF RESERVES OR SINKING FUNDS, AND THE REGULATION
6 AND DISPOSITION THEREOF;

7 (D) LIMITATIONS ON THE PURPOSE TO WHICH THE PROCEEDS OF SALE OF ANY
8 ISSUE OF NOTES OR BONDS THEN OR THEREAFTER TO BE ISSUED MAY BE APPLIED
9 AND PLEDGING SUCH PROCEEDS TO SECURE THE PAYMENT OF THE NOTES OR BONDS
10 OR OF ANY ISSUE THEREOF;

11 (E) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL NOTES OR BONDS; THE
12 TERMS UPON WHICH ADDITIONAL NOTES OR BONDS MAY BE ISSUED AND SECURED;
13 THE REFUNDING OF OUTSTANDING OR OTHER NOTES OR BONDS;

14 (F) THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH
15 NOTEHOLDERS OR BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF
16 NOTES OR BONDS THE HOLDERS OF WHICH MUST CONSENT THERETO, AND THE MANNER
17 IN WHICH SUCH CONSENT MAY BE GIVEN;

18 (G) LIMITATIONS ON THE AMOUNT OF MONEYS TO BE EXPENDED BY THE AUTHORI-
19 TY FOR OPERATING, ADMINISTRATIVE OR OTHER EXPENSES OF THE AUTHORITY;

20 (H) IN THE CASE OF NOTES OR BONDS NOT GUARANTEED BY THE STATE, VESTING
21 IN A TRUSTEE OR TRUSTEES SUCH PROPERTY, RIGHTS, POWERS AND DUTIES IN
22 TRUST AS THE AUTHORITY MAY DETERMINE WHICH MAY INCLUDE ANY OR ALL OF THE
23 RIGHTS, POWERS AND DUTIES OF THE TRUSTEE APPOINTED BY THE BONDHOLDERS
24 PURSUANT TO THIS ARTICLE, AND LIMITING OR ABROGATING THE RIGHT OF THE
25 BONDHOLDERS TO APPOINT A TRUSTEE UNDER THIS ARTICLE OR LIMITING THE
26 RIGHTS, DUTIES AND POWERS OF SUCH TRUSTEE;

27 (I) THE ACQUISITION OF JURISDICTION OVER, AND OF PROPERTY FOR, RAILS
28 AND THE CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, MAINTENANCE OR OPERA-
29 TION THEREOF;

30 (J) ANY OTHER MATTERS, OF LIKE OR DIFFERENT CHARACTER, WHICH IN ANY
31 WAY AFFECT THE SECURITY OR PROTECTION OF THE NOTES OR BONDS.

32 4. WHENEVER THE AUTHORITY PLEDGES ITS REVENUES UNDER A RESOLUTION
33 AUTHORIZED BY THIS SECTION, SUCH RESOLUTION SHALL NOT PROHIBIT THE
34 AUTHORITY FROM FINANCING FOR ADDITIONAL CORPORATE TRANSPORTATION
35 PURPOSES AUTHORIZED BY LAW SECURED BY AN ADDITIONAL PLEDGE OF SUCH
36 REVENUES. SUCH ADDITIONAL PLEDGE OF REVENUES MAY, IN THE DISCRETION OF
37 THE AUTHORITY, BE SUBORDINATE TO THE PLEDGE OF SUCH REVENUES SECURING
38 OTHER BONDS, NOTES OR OTHER EVIDENCE OF INDEBTEDNESS OF THE AUTHORITY.
39 PROVIDED, HOWEVER, THE AUTHORITY SHALL NOT MAKE ANY SUCH ADDITIONAL
40 PLEDGE IF THE SECURITY OF THE BONDS, NOTES OR OTHER EVIDENCES OF INDEBT-
41 EDNESS PREVIOUSLY ISSUED WILL BE IMPAIRED AS A RESULT THEREOF.
42 PROVIDED, HOWEVER, THE AUTHORITY SHALL NOT MAKE ANY SUCH ADDITIONAL
43 PLEDGE IF THE SECURITY OF THE BONDS, NOTES OR OTHER EVIDENCES OF INDEBT-
44 EDNESS PREVIOUSLY ISSUED WILL BE IMPAIRED AS A RESULT THEREOF.

45 5. IT IS THE INTENTION HEREOF THAT ANY PLEDGE MADE BY THE AUTHORITY
46 SHALL BE VALID AND BINDING FROM THE TIME WHEN THE PLEDGE IS MADE; THAT
47 THE MONEYS SO PLEDGED AND THEREAFTER RECEIVED BY THE AUTHORITY SHALL
48 IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE WITHOUT ANY PHYSICAL
49 DELIVERY THEREOF OR FURTHER ACT, AND THAT THE LIEN OF ANY SUCH PLEDGE
50 SHALL BE VALID AND BINDING AS AGAINST ALL PARTIES HAVING CLAIMS OF ANY
51 KIND IN TORT, CONTRACT OR OTHERWISE AGAINST THE AUTHORITY IRRESPECTIVE
52 OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF. NEITHER THE RESOLUTION NOR
53 ANY OTHER INSTRUMENT BY WHICH A PLEDGE IS CREATED NEED BE RECORDED.

54 6. NEITHER THE MEMBERS OF THE BOARD NOR ANY PERSON EXECUTING THE NOTES
55 OR BONDS SHALL BE LIABLE PERSONALLY ON THE NOTES OR BONDS OR BE SUBJECT

1 TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE
2 THEREOF.

3 7. THE AUTHORITY SHALL HAVE POWER OUT OF ANY FUNDS AVAILABLE THEREFOR
4 TO PURCHASE NOTES OR BONDS, WHICH SHALL THEREUPON BE CANCELLED, AT A
5 PRICE NOT EXCEEDING (A) IF THE NOTES OR BONDS ARE THEN REDEEMABLE, THE
6 REDEMPTION PRICE THEN APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT
7 INTEREST PAYMENT DATE THEREON, OR (B) IF THE NOTES OR BONDS ARE NOT THEN
8 REDEEMABLE, THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER SUCH
9 PURCHASE UPON WHICH THE NOTES OR BONDS BECOME SUBJECT TO REDEMPTION PLUS
10 ACCRUED INTEREST TO SAID DATE.

11 S 413. GUARANTY BY THE STATE. 1. TO THE EXTENT AUTHORIZED BY THE
12 CONSTITUTION AT THE TIME OF THE ISSUANCE OF NOTES OR BONDS, THE PUNCTUAL
13 PAYMENT OF THE NOTES AND BONDS SHALL BE, AND THE SAME HEREBY IS, FULLY
14 AND UNCONDITIONALLY GUARANTEED BY THE STATE, BOTH AS TO PRINCIPAL AND
15 INTEREST, ACCORDING TO THEIR TERMS; AND SUCH GUARANTY SHALL BE EXPRESSED
16 UPON THE FACE THEREOF BY THE SIGNATURE OR FACSIMILE SIGNATURE OF THE
17 COMPTROLLER OR A DEPUTY COMPTROLLER. IN THE EVENT THAT THE AUTHORITY
18 SHALL FAIL TO PAY WHEN DUE, THE PRINCIPAL OF, OR INTEREST ON, THE NOTES
19 OR BONDS, THE COMPTROLLER SHALL PAY THE HOLDER THEREOF, AND THEREUPON
20 THE STATE SHALL BE SUBROGATED TO THE RIGHTS OF THE NOTEHOLDERS OR BOND-
21 HOLDERS SO PAID.

22 2. THE AUTHORITY SHALL HAVE POWER TO ISSUE NOTES AND BONDS WITHOUT THE
23 GUARANTY OF THE STATE AND MAY ISSUE SUCH NOTES OR BONDS BEFORE AND AFTER
24 THE ISSUANCE OF NOTES OR BONDS SO GUARANTEED.

25 3. WHEN GUARANTEED NOTES OR GUARANTEED BONDS ARE OUTSTANDING, NOTES OR
26 BONDS SECURED BY A PLEDGE OF RECEIPTS OR REVENUES HAVING PRIORITY OVER
27 SUCH OUTSTANDING GUARANTEED NOTES OR GUARANTEED BONDS SHALL NOT BE
28 ISSUED, EXCEPT WITH THE CONSENT OF THE COMPTROLLER, AND UNLESS THE
29 AUTHORITY SHALL BY RESOLUTION FIRST FIND AND DETERMINE THAT, NOTWITH-
30 STANDING SUCH PLEDGE, THE AUTHORITY WILL HAVE ADEQUATE MEANS TO MEET ITS
31 OBLIGATIONS TO THE HOLDERS OF SUCH OUTSTANDING GUARANTEED NOTES OR
32 BONDS.

33 4. WHEN NOTES OR BONDS ARE OUTSTANDING SECURED BY A PLEDGE OF RECEIPTS
34 OR REVENUES, GUARANTEED NOTES OR BONDS EITHER UNSECURED, OR SECURED BY A
35 PLEDGE OF RECEIPTS OR REVENUES SUBORDINATE TO THE PLEDGE SECURING SUCH
36 OUTSTANDING NOTES OR BONDS, SHALL NOT BE ISSUED UNLESS THE AUTHORITY
37 SHALL FIRST FIND AND DETERMINE BY RESOLUTION THAT NOTWITHSTANDING THE
38 PLEDGE SECURING SUCH OUTSTANDING NOTES OR BONDS, THE AUTHORITY WILL HAVE
39 ADEQUATE MEANS TO MEET ITS OBLIGATIONS ON THE GUARANTEED NOTES OR BONDS
40 ABOUT TO BE ISSUED.

41 S 414. STATE'S RIGHT TO REQUIRE REDEMPTION OF BONDS. NOTWITHSTANDING
42 AND IN ADDITION TO ANY PROVISIONS FOR THE REDEMPTION OF BONDS WHICH MAY
43 BE CONTAINED IN ANY CONTRACT WITH THE HOLDERS OF THE BONDS, THE STATE
44 MAY, UPON FURNISHING SUFFICIENT FUNDS THEREFOR, REQUIRE THE AUTHORITY TO
45 REDEEM, PRIOR TO MATURITY, AS A WHOLE, ANY ISSUE OF BONDS ON ANY INTER-
46 EST PAYMENT DATE NOT LESS THAN FIFTEEN YEARS AFTER THE DATE OF THE BONDS
47 OF SUCH ISSUE AT ONE HUNDRED FOUR PER CENTUM OF THEIR FACE VALUE AND
48 ACCRUED INTEREST OR AT SUCH LOWER REDEMPTION PRICE AS MAY BE PROVIDED IN
49 THE BONDS IN CASE OF THE REDEMPTION THEREOF AS A WHOLE ON THE REDEMPTION
50 DATE. NOTICE OF SUCH REDEMPTION SHALL BE PUBLISHED IN AT LEAST TWO NEWS-
51 PAPERS PUBLISHED AND CIRCULATING RESPECTIVELY IN THE CITIES OF ALBANY
52 AND NEW YORK AT LEAST TWICE, THE FIRST PUBLICATION TO BE AT LEAST THIRTY
53 DAYS BEFORE THE DATE OF REDEMPTION.

54 S 415. REMEDIES OF NOTEHOLDERS AND BONDHOLDERS. 1. IN THE EVENT THAT
55 THE AUTHORITY SHALL DEFAULT IN THE PAYMENT OF PRINCIPAL OF OR INTEREST
56 ON ANY ISSUE OF NOTES OR BONDS AFTER THE SAME SHALL BECOME DUE, WHETHER

1 AT MATURITY OR UPON CALL FOR REDEMPTION, AND SUCH DEFAULT SHALL CONTINUE
2 FOR A PERIOD OF THIRTY DAYS, OR IN THE EVENT THAT THE AUTHORITY SHALL
3 FAIL OR REFUSE TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE, OR SHALL
4 DEFAULT IN ANY AGREEMENT MADE WITH THE HOLDERS OF ANY ISSUE OF NOTES OR
5 BONDS, THE HOLDERS OF TWENTY-FIVE PER CENTUM IN AGGREGATE PRINCIPAL
6 AMOUNT OF THE NOTES OR BONDS OF SUCH ISSUE THEN OUTSTANDING, BY INSTRU-
7 MENT OR INSTRUMENTS FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF
8 ALBANY AND PROVED OR ACKNOWLEDGED IN THE SAME MANNER AS A DEED TO BE
9 RECORDED, MAY APPOINT A TRUSTEE TO REPRESENT THE HOLDERS OF SUCH NOTES
10 OR BONDS FOR THE PURPOSES HEREIN PROVIDED.

11 2. SUCH TRUSTEE MAY, AND UPON WRITTEN REQUEST OF THE HOLDERS OF TWEN-
12 TY-FIVE PER CENTUM IN PRINCIPAL AMOUNT OF SUCH NOTES OR BONDS THEN
13 OUTSTANDING SHALL, IN HIS OR ITS OWN NAME:

14 (A) BY MANDAMUS OR OTHER SUIT, ACTION OR PROCEEDING AT LAW OR IN EQUI-
15 TY ENFORCE ALL RIGHTS OF THE NOTEHOLDERS OR BONDHOLDERS, INCLUDING THE
16 RIGHT TO REQUIRE THE AUTHORITY TO COLLECT FEES, RENTALS AND CHARGES
17 ADEQUATE TO CARRY OUT ANY AGREEMENTS WITH THE HOLDERS OF SUCH NOTES OR
18 BONDS AND TO PERFORM ITS DUTIES UNDER THIS ARTICLE;

19 (B) BRING SUIT UPON SUCH NOTES OR BONDS;

20 (C) BY ACTION OR SUIT IN EQUITY, REQUIRE THE AUTHORITY TO ACCOUNT AS
21 IF IT WERE THE TRUSTEE OF AN EXPRESS TRUST FOR THE HOLDERS OF SUCH NOTES
22 OR BONDS;

23 (D) BY ACTION OR SUIT IN EQUITY, ENJOIN ANY ACTS OR THINGS WHICH MAY
24 BE UNLAWFUL OR IN VIOLATION OF THE RIGHTS OF THE HOLDERS OF SUCH NOTES
25 OR BONDS;

26 (E) DECLARE ALL SUCH NOTES OR BONDS DUE AND PAYABLE, AND IF ALL
27 DEFAULTS SHALL BE MADE GOOD THEN WITH THE CONSENT OF THE HOLDERS OF
28 TWENTY-FIVE PER CENTUM OF THE PRINCIPAL AMOUNT OF SUCH NOTES OR BONDS
29 THEN OUTSTANDING, TO ANNUL SUCH DECLARATION AND ITS CONSEQUENCES;
30 PROVIDED, HOWEVER, THAT THIS CLAUSE SHALL NOT BE APPLICABLE IN THE CASE
31 OF NOTES OR BONDS GUARANTEED BY THE STATE.

32 3. SUCH TRUSTEE, WHETHER OR NOT THE ISSUE OF BONDS OR NOTES REPRES-
33 ENTED BY SUCH TRUSTEE HAS BEEN DECLARED DUE AND PAYABLE, SHALL BE ENTI-
34 TLED AS OF RIGHT TO THE APPOINTMENT OF A RECEIVER OF ANY PART OR PARTS
35 OF THE RAILS, THE FEES, RENTALS, CHARGES OR OTHER REVENUES OF WHICH ARE
36 PLEDGED FOR THE SECURITY OF THE BONDS OR NOTES OF SUCH ISSUE AND SUCH
37 RECEIVER MAY ENTER AND TAKE POSSESSION OF SUCH PART OR PARTS OF THE
38 RAILS AND, SUBJECT TO ANY PLEDGE OR AGREEMENT WITH BONDHOLDERS, SHALL
39 TAKE POSSESSION OF ALL MONEYS AND OTHER PROPERTY DERIVED FROM OR APPLI-
40 CABLE TO THE CONSTRUCTION, OPERATION, MAINTENANCE AND RECONSTRUCTION OF
41 SUCH PART OR PARTS OF THE RAILS AND PROCEED WITH ANY CONSTRUCTION THERE-
42 ON WHICH THE AUTHORITY IS UNDER OBLIGATION TO DO AND SHALL OPERATE,
43 MAINTAIN AND RECONSTRUCT SUCH PART OR PARTS OF THE RAILS, AND COLLECT
44 AND RECEIVE ALL FEES, RENTALS, CHARGES AND OTHER REVENUES THEREAFTER
45 ARISING THEREFROM SUBJECT TO ANY PLEDGE THEREOF OR AGREEMENT WITH BOND-
46 HOLDERS OR NOTEHOLDERS RELATING THERETO AND PERFORM THE PUBLIC DUTIES
47 AND CARRY OUT THE AGREEMENTS AND OBLIGATIONS OF THE AUTHORITY UNDER THE
48 DIRECTION OF THE COURT. IN ANY SUIT, ACTION OR PROCEEDING BY THE TRUSTEE
49 THE FEES, COUNSEL FEES AND EXPENSES OF THE TRUSTEE AND OF THE RECEIVER,
50 IF ANY, SHALL CONSTITUTE TAXABLE DISBURSEMENTS AND ALL COSTS AND
51 DISBURSEMENTS ALLOWED BY THE COURT SHALL BE A FIRST CHARGE ON ANY TOLLS,
52 RENTALS AND OTHER REVENUES DERIVED FROM SUCH PART OR PARTS OF THE RAILS.

53 4. SUCH TRUSTEE SHALL IN ADDITION TO THE FOREGOING HAVE AND POSSESS
54 ALL OF THE POWERS NECESSARY OR APPROPRIATE FOR THE EXERCISE OF ANY FUNC-
55 TIONS SPECIFICALLY SET FORTH HEREIN OR INCIDENT TO THE GENERAL REPRESENT-

1 TATION OF BONDHOLDERS OR NOTEHOLDERS IN THE ENFORCEMENT AND PROTECTION
2 OF THEIR RIGHTS.

3 5. THE SUPREME COURT SHALL HAVE JURISDICTION OF ANY SUIT, ACTION OR
4 PROCEEDING BY THE TRUSTEE ON BEHALF OF SUCH NOTEHOLDERS OR BONDHOLDERS.
5 THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE LAID IN THE
6 COUNTY OF ALBANY.

7 6. BEFORE DECLARING THE PRINCIPAL OF NOTES OR BONDS NOT GUARANTEED BY
8 THE STATE DUE AND PAYABLE, THE TRUSTEE SHALL FIRST GIVE THIRTY DAYS'
9 NOTICE IN WRITING TO THE AUTHORITY.

10 S 416. LIABILITY OF STATE. THE STATE SHALL BE LIABLE ON NOTES OR BONDS
11 GUARANTEED PURSUANT TO THIS ARTICLE BUT SHALL NOT BE LIABLE ON NOTES OR
12 BONDS NOT GUARANTEED BY THE STATE WHICH SHALL NOT BE A DEBT OF THE
13 STATE.

14 S 417. NOTES AND BONDS LEGAL INVESTMENTS FOR PUBLIC OFFICERS AND FIDU-
15 CIARIES. THE NOTES AND BONDS ARE HEREBY MADE SECURITIES IN WHICH ALL
16 PUBLIC OFFICERS AND BODIES OF THIS STATE AND ALL MUNICIPALITIES AND
17 MUNICIPAL SUBDIVISIONS, ALL INSURANCE COMPANIES AND ASSOCIATIONS AND
18 OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS, ALL BANKS, BANKERS,
19 TRUST COMPANIES, SAVINGS BANKS AND SAVINGS ASSOCIATIONS, INCLUDING
20 SAVINGS AND LOAN ASSOCIATIONS, BUILDING AND LOAN ASSOCIATIONS, INVEST-
21 MENT COMPANIES AND OTHER PERSONS CARRYING ON A BANKING BUSINESS, ALL
22 ADMINISTRATORS, GUARDIANS, EXECUTORS, TRUSTEES AND OTHER FIDUCIARIES AND
23 ALL OTHER PERSONS WHATSOEVER WHO ARE NOW OR MAY HEREAFTER BE AUTHORIZED
24 TO INVEST IN BONDS OR OTHER OBLIGATIONS OF THE STATE, MAY PROPERLY AND
25 LEGALLY INVEST FUNDS INCLUDING CAPITAL IN THEIR CONTROL OR BELONGING TO
26 THEM. THE NOTES AND BONDS ARE ALSO HEREBY MADE SECURITIES WHICH MAY BE
27 DEPOSITED WITH AND MAY BE RECEIVED BY ALL PUBLIC OFFICERS AND BODIES OF
28 THIS STATE AND ALL MUNICIPALITIES AND MUNICIPAL SUBDIVISIONS FOR ANY
29 PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF THIS
30 STATE IS NOW OR MAY HEREAFTER BE AUTHORIZED.

31 S 418. TAX EXEMPTION. THE PROPERTY OF THE AUTHORITY AND ITS INCOME AND
32 OPERATIONS SHALL BE EXEMPT FROM TAXATION.

33 S 419. TAX COVENANT. THE STATE COVENANTS WITH THE PURCHASERS AND WITH
34 ALL SUBSEQUENT HOLDERS AND TRANSFEREES OF NOTES AND BONDS ISSUED BY THE
35 AUTHORITY, IN CONSIDERATION OF THE ACCEPTANCE OF AND PAYMENT FOR THE
36 NOTES AND BONDS, THAT THE NOTES AND BONDS OF THE AUTHORITY ISSUED PURSU-
37 ANT TO THIS ARTICLE AND THE INCOME THEREFROM AND ALL ITS FEES, CHARGES,
38 RENTS, GIFTS, GRANTS, REVENUES, RECEIPTS AND OTHER MONEYS RECEIVED OR TO
39 BE RECEIVED, PLEDGED TO PAY OR SECURE THE PAYMENT OF SUCH NOTES OR BONDS
40 SHALL AT ALL TIMES BE FREE FROM TAXATION EXCEPT FOR ESTATE OR GIFT TAXES
41 AND TAXES ON TRANSFERS.

42 S 420. AGREEMENT OF THE STATE. THE STATE DOES PLEDGE TO AND AGREE WITH
43 THE HOLDERS OF NOTES, BONDS, OR OTHER OBLIGATIONS OF THE AUTHORITY NOT
44 GUARANTEED BY THE STATE THAT THE STATE WILL NOT LIMIT OR ALTER THE
45 RIGHTS HEREBY VESTED IN THE AUTHORITY TO ESTABLISH AND COLLECT SUCH
46 FEES, RENTALS AND CHARGES AS MAY BE CONVENIENT OR NECESSARY TO PRODUCE
47 SUFFICIENT REVENUE TO MEET THE EXPENSE OF MAINTENANCE AND OPERATION AND
48 TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS THEREOF, OR
49 IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF SUCH HOLDERS UNTIL SUCH
50 NOTES, BONDS, AND OTHER OBLIGATIONS, TOGETHER WITH THE INTEREST THEREON,
51 WITH INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST, AND ALL COSTS AND
52 EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF
53 SUCH HOLDERS, ARE FULLY MET AND DISCHARGED.

54 S 421. ARTICLE NOT AFFECTED IF IN PART UNCONSTITUTIONAL. IF ANY
55 SECTION, CLAUSE OR PROVISION OF THIS ARTICLE SHALL BE UNCONSTITUTIONAL
56 OR BE INEFFECTIVE IN WHOLE OR IN PART, TO THE EXTENT THAT IT IS NOT

1 UNCONSTITUTIONAL OR INEFFECTIVE, IT SHALL BE VALID AND EFFECTIVE AND NO
2 OTHER SECTION, CLAUSE OR PROVISION SHALL ON ACCOUNT THEREOF BE DEEMED
3 INVALID OR INEFFECTIVE.

4 S 422. INCONSISTENT PROVISIONS IN OTHER ACTS SUPERSEDED. IN SO FAR AS
5 THE PROVISIONS OF THIS ARTICLE ARE INCONSISTENT WITH THE PROVISIONS OF
6 ANY OTHER ACT, GENERAL OR SPECIAL, THE PROVISIONS OF THIS ARTICLE SHALL
7 BE CONTROLLING, PROVIDED HOWEVER, THAT THE AUTHORITY SHALL COMPLY WITH
8 ALL APPLICABLE PROVISIONS OF CHAPTER SEVEN HUNDRED SIXTY-SIX OF THE LAWS
9 OF TWO THOUSAND FIVE, CONSTITUTING THE PUBLIC AUTHORITIES ACCOUNTABILITY
10 ACT OF 2005.

11 S 2. This act shall take effect on the one hundred eightieth day after
12 it shall have become a law, provided that any and all actions necessary
13 to implement the provisions of this act on its effective date are
14 authorized to be completed on or before such effective date.