

5524

2009-2010 Regular Sessions

I N S E N A T E

May 14, 2009

Introduced by Sen. KRUGER -- 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 and chapter 413 of the laws of 1991, amending the local finance law and other laws relating to providing relief to local governments for certain mandated programs and services, in relation to local government borrowing practices and mandate relief

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

1 Section 1. Paragraph b of section 21.00 of the local finance law, as  
2 amended by chapter 97 of the laws of 2006, is amended to read as  
3 follows:

4 b. Serial bonds shall mature in annual installments. The first  
5 installment shall mature not later than eighteen months after the date  
6 of such bonds or two years after the date of the first bond anticipation  
7 note or notes issued in anticipation of such bonds, whichever is the  
8 earlier, provided, however, that until July fifteenth, two thousand  
9 [nine] TWELVE, the first installment shall mature not later than two  
10 years after the date of such bonds or two years after the date of the  
11 first bond anticipation note or notes issued in anticipation of such  
12 bonds, whichever is the earlier. However, if bond anticipation notes are  
13 issued in anticipation of bonds and if a portion of such notes or the  
14 renewals thereof are redeemed from a source other than the proceeds of  
15 such bonds within two years from the date of the first such note or  
16 notes and a further portion thereof shall be so redeemed prior to the  
17 termination of each twelve months' period succeeding the date such  
18 original portion was so redeemed, the first installment of such bonds  
19 may, in the alternative, be made to mature not later than five years  
20 from the date of the first such note or notes.

21 S 2. Paragraph b of section 53.00 of the local finance law, as amended  
22 by chapter 97 of the laws of 2006, is amended to read as follows:

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

LBD11920-01-9

1 b. If such bonds or notes are payable in installments, the install-  
2 ments remaining unpaid may be called for redemption only (i) in the  
3 inverse order of their maturity or, (ii) in equal proportionate amounts;  
4 provided, however, that for bonds issued during the one-year period  
5 commencing July first, nineteen hundred eighty-eight, and for bonds  
6 issued during the one-year period commencing July first, nineteen  
7 hundred eighty-nine, and for bonds issued during the one-year period  
8 commencing July first, nineteen hundred ninety, and for bonds issued  
9 during the three-year period commencing July first, nineteen hundred  
10 ninety-one, and for bonds issued during the period from July first,  
11 nineteen hundred ninety-four up until and including July fifteenth,  
12 nineteen hundred ninety-seven and for bonds issued during the period  
13 from July fifteenth, nineteen hundred ninety-seven up until and includ-  
14 ing July fifteenth, two thousand, and for bonds issued during the period  
15 from July fifteenth, two thousand up until and including July fifteenth,  
16 two thousand three, and for bonds issued during the period from July  
17 fifteenth, two thousand three up until and including July fifteenth, two  
18 thousand six, and for bonds issued during the period from July  
19 fifteenth, two thousand six up until and including July fifteenth, two  
20 thousand nine, AND FOR BONDS ISSUED DURING THE PERIOD FROM JULY  
21 FIFTEENTH, TWO THOUSAND SIX UP UNTIL AND INCLUDING JULY FIFTEENTH, TWO  
22 THOUSAND TWELVE, installments remaining unpaid on such bonds may be  
23 called for redemption prior to their date of maturity in such amounts,  
24 at such times in such manner and pursuant to such terms as may be deter-  
25 mined by the finance board of a municipality, school district or  
26 district corporation at the time of the issuance thereof. Whenever any  
27 bonds or notes are called for redemption prior to the date of their  
28 maturity, interest shall cease to be paid thereon after the date for  
29 redemption set forth in such call for redemption. The sum to be paid to  
30 redeem any unpaid installment prior to its maturity, exclusive of the  
31 interest accruing on such installment to the date of redemption, shall  
32 in no event be in excess of the lesser amount of either (i) the par  
33 value of such installment plus one-half of one per centum of such par  
34 value for each calendar year or part thereof elapsing between the date  
35 for redemption set forth in such call for redemption and the date of  
36 maturity of such installment, provided, however, that such amount shall  
37 not exceed one hundred five per centum of such par value, or (ii) the  
38 par value of such installment plus the total of all unpaid interest on  
39 such installment which would have accrued from the date of redemption to  
40 the date of maturity thereof had such installment not been redeemed  
41 prior to maturity, except that bonds sold to the state of New York  
42 municipal bond bank agency, which are subject to call as hereinbefore  
43 authorized, may provide for the payment of a redemption premium not to  
44 exceed five per centum of the par value of the bonds to be called, paya-  
45 ble on the date of the redemption thereof; provided, however, that for  
46 bonds issued during the one-year period commencing July first, nineteen  
47 hundred eighty-eight, and for bonds issued during the one-year period  
48 commencing July first, nineteen hundred eighty-nine, and for bonds  
49 issued during the one-year period commencing July first, nineteen  
50 hundred ninety, and for bonds issued during the three-year period  
51 commencing July first, nineteen hundred ninety-one, and for bonds issued  
52 during the period from July first, nineteen hundred ninety-four up until  
53 and including July fifteenth, nineteen hundred ninety-seven, and for  
54 bonds issued during the period from July fifteenth, nineteen hundred  
55 ninety-seven up until and including July fifteenth, two thousand, and  
56 for bonds issued during the period from July fifteenth, two thousand up

1 until and including July fifteenth, two thousand three, and for bonds  
2 issued during the period from July fifteenth, two thousand three up  
3 until and including July fifteenth, two thousand six, and for bonds  
4 issued during the period from July fifteenth, two thousand six up until  
5 and including July fifteenth, two thousand nine, AND FOR BONDS ISSUED  
6 DURING THE PERIOD FROM JULY FIFTEENTH, TWO THOUSAND NINE UP UNTIL AND  
7 INCLUDING JULY FIFTEENTH, TWO THOUSAND TWELVE, a municipality, school  
8 district, or district corporation may provide for redemption of such  
9 bonds prior to the date of their maturity at a price or prices as may be  
10 as determined by the issuer of such bonds or notes at the time of the  
11 issuance thereof.

12 S 3. The opening paragraph of paragraph a of section 54.90 of the  
13 local finance law, as amended by chapter 97 of the laws of 2006, is  
14 amended to read as follows:

15 Whenever in the judgment of the finance board the interest of a muni-  
16 cipality would be served thereby, the municipality may issue bonds or  
17 notes, on or before July fifteenth, two thousand [nine] TWELVE, with  
18 interest rates that vary in accordance with a formula or procedure and  
19 are subject to a maximum rate of interest set forth or referred to in  
20 the bonds or notes and may provide the holders thereof with such rights  
21 to require the municipality or other persons to purchase such bonds or  
22 notes or renewals thereof from the proceeds of the resale thereof or  
23 otherwise from time to time prior to the final maturity of such bonds or  
24 notes as the finance board may determine and the municipality may  
25 resell, at any time prior to final maturity, any such bonds or notes  
26 acquired as a result of the exercise of such rights; provided, however,  
27 that at no time shall the total principal amount of bonds and notes  
28 issued pursuant to this paragraph (other than bonds and notes bearing  
29 interest at rates and for periods of time that are specified at issu-  
30 ance) exceed ten percent of the limit prescribed by section 104.00 of  
31 this article.

32 S 4. Subdivision 9 of paragraph d of section 107.00 of the local  
33 finance law, as amended by chapter 97 of the laws of 2006, is amended to  
34 read as follows:

35 9. Notwithstanding any other provision of law, the financing by any  
36 municipality, prior to July fifteenth, two thousand [nine] TWELVE, of  
37 any object or purpose which has a period of probable usefulness deter-  
38 mined by law, by the issuance of any bonds and notes, including (i) the  
39 issuance of bonds or notes, to redeem notes previously issued for the  
40 object or purpose for which the bonds or notes are being issued or (ii)  
41 the issuance of bonds to refund bonds previously issued for the object  
42 or purpose for which bonds are being issued.

43 S 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws  
44 of 1991, amending the local finance law and other laws relating to  
45 providing relief to local governments for certain mandated programs and  
46 services, as amended by chapter 97 of the laws of 2006, are amended to  
47 read as follows:

48 (a) section six, sixteen and seventeen of this act shall expire and be  
49 deemed repealed on and after July 15, [2009] 2012, and upon such date  
50 the amendments made to the provisions of the local finance law by such  
51 sections shall also expire and such provisions shall revert to and be  
52 read as set out in law on the date immediately preceding the effective  
53 date of such sections six, sixteen and seventeen of this act;

54 (e) subdivision (b) of section thirty-five of this act shall expire  
55 and be deemed repealed on and after July 15, [2009] 2012;

56 S 6. This act shall take effect immediately.