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

19

Eighth Extraordinary Session

I N S E N A T E

June 29, 2009

Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the public authorities law, in relation to bonds issued by the New York city transitional finance authority

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

Section 1. Subdivision 10 of section 2799-bb of the public authorities law, as added by chapter 16 of the laws of 1997, is amended to read as follows:

10. "Project capital costs" or "costs" means costs, appropriated in the capital budget of the city pursuant to chapters nine and ten of the New York city charter, as amended from time to time, providing for the construction, reconstruction, acquisition or installation of physical public betterments or improvements [which would be classified as capital assets under generally accepted accounting principles for municipalities], or the costs of any preliminary studies, surveys, maps, plans, estimates and hearings, or incidental costs, including, but not limited to, legal fees, printing or engraving, publication of notices, taking of title, apportionment of costs, and interest during construction, or any underwriting or other costs incurred in connection with the financing thereof.

S 2. Subdivision 1 and paragraph (b) of subdivision 3 of section 2799-gg of the public authorities law, as amended by chapter 411 of the laws of 2006, are amended to read as follows:

1. The authority shall have the power and is hereby authorized from time to time to issue bonds, in conformity with applicable provisions of the uniform commercial code, in such principal amounts as it may determine to be necessary pursuant to section twenty-seven hundred ninety-nine-ff of this title to pay the cost of any project and to fund

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

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reserves to secure such bonds, including incidental expenses in connection therewith.

The aggregate principal amount of such bonds, notes or other obligations [so issued] OUTSTANDING shall not exceed thirteen billion, five hundred million dollars ($13,500,000,000), excluding bonds, notes or other obligations issued [to refund or otherwise repay bonds, notes or other obligations theretofore issued for such purposes] PURSUANT TO SECTIONS TWENTY-SEVEN HUNDRED NINETY-NINE-SS AND TWENTY-SEVEN HUNDRED NINETY-NINE-TT OF THIS TITLE; provided, however, that upon any refunding or repayment of bonds (which term shall not, for this purpose, include bond anticipation notes), the total aggregate principal amount of outstanding bonds, notes or other obligations may be greater than thirteen billion, five hundred million dollars ($13,500,000,000) only if the refunding or repayment bonds, notes or other obligations were issued in accordance with the provisions of subparagraph (a) of subdivision two of paragraph b of section 90.10 of the local finance law, as amended from time to time. NOTWITHSTANDING THE FOREGOING, BONDS, NOTES OR OTHER OBLIGATIONS ISSUED BY THE AUTHORITY MAY BE OUTSTANDING IN AN AMOUNT GREATER THAN THE AMOUNT PERMITTED BY THE PRECEDING SENTENCE, PROVIDED THAT SUCH ADDITIONAL AMOUNT AT ISSUANCE, TOGETHER WITH THE AMOUNT OF INDEBTEDNESS CONTRACTED BY THE CITY OF NEW YORK, SHALL NOT EXCEED THE LIMIT PRESCRIBED BY SECTION 104.00 OF THE LOCAL FINANCE LAW. The authority shall have the power from time to time to refund any bonds of the authority by the issuance of new bonds whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds of the authority then outstanding and partly to pay the cost of any project pursuant to section twenty-seven hundred ninety-nine-ff of this title. Bonds issued by the authority shall be payable solely out of particular revenues or other moneys of the authority as may be designated in the proceedings of the authority under which the bonds shall be authorized to be issued, subject to any agreements entered into between the authority and the city, and subject to any agreements with the holders of outstanding bonds pledging any particular revenues or moneys.

(b) The authority shall not issue variable rate bonds [if the principal amount of its variable rate bonds outstanding after such issuance would exceed two billion, seven hundred million dollars ($2,700,000,000)] PURSUANT TO THIS SECTION IN AN AMOUNT OUTSTANDING AT ISSUANCE EXCEEDING TWENTY PERCENT OF THE LIMIT PRESCRIBED BY SUBDIVISION ONE OF THIS SECTION, excluding bonds (i) bearing interest at rates and for periods of time that are specified without reference to future events or contingencies, OR (ii) the interest RATE on which is [economically fixed] REASONABLY EXPECTED TO BE EQUIVALENT TO A FIXED RATE OVER TIME in conjunction with other bonds[,] or [(iii) the interest on which is offset] by REASON OF PAYMENTS MADE PURSUANT TO agreements with financially responsible third parties.

S 3. Separability. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgement shall have been rendered.

S 4. This act shall take effect immediately.