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

8499--A

I N S E N A T E

October 11, 2010

Introduced by Sen. AUBERTINE -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to legalize, validate, ratify and confirm certain actions taken by the village of Black River, in the county of Jefferson, with respect to refunding its low interest loans through the United States department of agriculture and the New York state environmental facilities corporation

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

Section 1. It is hereby found and determined that: (i) the village of Black River, county of Jefferson, duly adopted on March 7, 2005, a bond resolution authorizing issuance of a maximum of $5,000,000.00 of serial bonds in anticipation of financing the costs of a capital improvement project for improvement of facilities of the village wastewater collection and treatment system; (ii) pursuant to such bond resolution, said village obtained financing from the United States Department of Agriculture ("USDA") in the amount of $1,271,000.00 in low interest loans on June 26, 2008, and a $500,000.00 grant for Phase I of the project on May 21, 2009; (iii) pursuant to such bond resolution, said village obtained grant financing of $500,000.00 and $100,000.00 in low interest loans from the USDA for Phase II of the project; (iv) pursuant to such bond resolution, said village also obtained short term financing through the New York State Environmental Facilities Corporation ("EFC") on June 26, 2008 in the amount of $2,916,900.00; (v) pursuant to such bond resolution, said village also obtained financing totaling $946,201.76; (vi) said village returned $1,271,000.00 to the EFC in the year 2010; (vii) said village now wishes to refund the remaining financing at a zero percent (0%) interest rate with the EFC, however, said village has exceeded the bond authorization with the funding that it received from both the USDA and the EFC in violation of section 32.00 of the local finance law; (viii) said village made payments on the bonds in the amounts of $80,451.00 in 2008 and $52,991.00 in 2009 and 2010; (ix)

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

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said village has violated section 21.00 of the local finance law in that the largest payment does exceed the smallest payment by more than one and one half times; (x) said village now wishes to apply the 2009 and 2010 payments to principal and to make up the deficient payment amounts during the balance of the life of the loan.

S 2. Notwithstanding the defects described in section one of this act, to the extent that the village of Black River exceeded their maximum bond authorization and made deficient repayment of principal on the outstanding bonds, such amounts and payments are hereby legalized, validated and ratified.

S 3. Except as otherwise provided in this act, the bond notes issued under authority of the bond resolutions described in section one of this act shall be deemed to have been issued in accordance with the provisions of the local finance law.

S 4. Except as otherwise provided in this act, the payments on the bonds described in section one of this act shall be deemed to have been made in accordance with the provisions of the local finance law.

S 5. If any clause, sentence, subdivision, paragraph or part of this act 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, subdivision, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

S 6. This act shall take effect immediately.