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

897

2009-2010 Regular Sessions

I N S E N A T E

January 21, 2009

Introduced by Sen. KRUGER -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to the reserves for the retirement of stocks and debentures

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

Section 1. Subdivision 1 of section 28 of the private housing finance law, as amended by chapter 628 of the laws of 1962, is amended to read as follows:

1. There shall be paid annually out of the earnings of the company, after providing for all taxes, assessments and expenses, a sum for interest on and amortization of the mortgage indebtedness of all mortgages of the company, depreciation charges and reserves if, when and to the extent deemed necessary by the commissioner or the supervising agency, as the case may be, plus a dividend of six per centum on outstanding stock and interest not exceeding six per centum on the outstanding income debentures of the company; the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, depreciation, reserves, if any, and dividends in any year shall be paid either from any cash surplus derived from earnings remaining in the treasury of the company in excess of the amount necessary to provide such cumulative annual sums or from the first available earnings in subsequent years. If, at the end of any three year period, the gross receipts should exceed the payments or charges necessary for the purposes of the project or projects and are not needed for a sinking fund, reserves or other purposes, the balance may be paid in further reduction of any indebtedness to the extent and upon terms and conditions approved by the commissioner and the state comptroller or by the supervising agency, as the case may be. A sinking fund may be authorized by the commissioner or the supervising agency, to purchase and

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

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retire bonds, income debentures or stock of the company at a price approved by the commissioner or the supervising agency, as the case may be, not exceeding par value thereof with accrued or unpaid dividends or interest or if it be not practical to purchase such stock or income debentures at a price so approved, the money in such sinking fund may be added to the surplus of such company. SUCH SINKING FUND SHALL BE AUTHORIZED ONLY WHEN THE EARNINGS OF THE HOUSING COMPANY EXCEED SIX PER CENTUM. DEPOSITS TO A SINKING FUND SHALL NOT BE A FACTOR IN THE DETERMINATION OF RENTS. Any stock or income debentures purchased out of such sinking fund shall be cancelled and shall not be reissued.

S 2. This act shall take effect on the first of July next succeeding the date on which it shall have become a law.