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

S. 2781 A. 4074

2011-2012 Regular Sessions

S E N A T E - A S S E M B L Y

February 1, 2011

IN SENATE -- Introduced by Sen. RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

IN ASSEMBLY -- Introduced by M. of A. RUSSELL, BLANKENBUSH -- read once and referred to the Committee on Local Governments

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 28, 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 May 8, 2008 in the amount of $2,916,900.00; (v) the village also obtained financing for the project totaling $950,586.48 from contributions from Merit Corporation, the town of LeRoy, the town of Rutland and a municipal contribution from the village of Black River; (vi) said

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

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village returned the USDA proceeds of $1,271,000.00 to EFC in 2010 instead of 2008, as it was required to do under the terms of the EFC short-term financing; (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 maximum project authorization with the funding that it received from both the USDA and the EFC.

S 2. It is hereby further found and determined that: (i) the village of Black River, county of Jefferson, exceeded its maximum project authorization pursuant to section 32.00 of the local finance law during a period from 2008 to 2010 where the money received on the long-term USDA funding of $1,271,000.00 was outstanding at the same time as it was part of the short-term financing from EFC during which time the maximum amount of financing that was outstanding on the project exceeded the maximum project cost authorization of the $5,000,000.00 bond resolution dated March 28, 2005; (ii) the village made principal payments on the EFC short-term financing bond anticipation note of $80,451.00 in 2008, $19,491.75 in 2009, and $19,000.00 in 2010; (iii) sections 21.00 and 23.00 of the local finance law state that no annual installment of bonds or bond anticipation notes shall be more than fifty per centum of the smallest prior installment; (iv) the village's underpayment on the EFC note in 2009 and 2010 renders it incapable of amortizing any long-term conversion of the short-term EFC financing to comply with the aforesaid fifty per centum requirements of sections 21.00 and 23.00 of the local finance law.

S 3. Notwithstanding the defects described in section one of this act, to the extent that the village of Black River exceeded their maximum project authorization, such amounts are hereby legalized, validated and ratified.

S 4. Notwithstanding the defects described in section two of this act, to the extent that the village of Black River underpaid the principal of the note, such underpayment is hereby forgiven and the village shall be authorized to pay the deficient amount during the balance of the life of the loan.

S 5. 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 6. 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 7. This act shall take effect immediately.