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

4099--A

2011-2012 Regular Sessions

I N S E N A T E

March 17, 2011

Introduced by Sen. SMITH -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- recommitted to the Committee on Banks in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the transportation law, in relation to creating a state infrastructure and economic development bank; and to amend the state finance law, in relation to establishing the New York state infrastructure and economic development bank fund and the New York state infrastructure guarantee trust fund

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

Section 1. The transportation law is amended by adding a new article 24 to read as follows:

ARTICLE XXIV

STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SECTION 500. DEFINITIONS.
501. CREATION OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK.
502. BOARD OF DIRECTORS.
503. DUTIES OF EXECUTIVE DIRECTOR.
504. DUTIES OF THE BOARD OF DIRECTORS.
505. INSURANCE OR REINSURANCE.
506. BONDS.
507. INDEBTEDNESS OF BANK.
508. TAX EXEMPTION.
509. STATE'S PLEDGE AND UNDERTAKING.
510. REPORTS.
511. CRITERIA, PRIORITIES AND GUIDELINES FOR SELECTION OF PROJECTS.
512. MANDATORY RESOLUTION.

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

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513. FINANCING OF ECONOMIC DEVELOPMENT FACILITIES.
514. MANAGEMENT OF THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND.
515. NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND.
516. ISSUANCE OF BONDS; BOND PURCHASE AGREEMENTS.
517. BONDS AUTHORIZED; SOURCES OF REVENUE; ISSUANCE AND SALE.
518. BOND RESOLUTIONS.
519. PURCHASE OF BONDS.
520. TRUST AGREEMENT.
521. LIABILITY OF STATE.
522. REFUND OF OUTSTANDING BONDS; PROJECT ENLARGEMENTS.
523. SECURITY.

S 500. DEFINITIONS. FOR PURPOSES OF THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "BANK" MEANS THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK.

2. "BOARD" OR "BANK BOARD" MEANS THE BOARD OF DIRECTORS OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK.

3. "BOND PURCHASE AGREEMENT" MEANS A CONTRACTUAL AGREEMENT EXECUTED BETWEEN THE BANK AND A SPONSOR OR A SPECIAL PURPOSE TRUST AUTHORIZED BY THE BANK OR A SPONSOR OR BOTH, WHEREBY THE BANK OR SPECIAL PURPOSE TRUST AUTHORIZED BY THE BANK AGREES TO PURCHASE BONDS OF THE SPONSOR FOR RETENTION OR SALE.

4. "BONDS" MEANS BONDS, INCLUDING STRUCTURED, SENIOR AND SUBORDINATED BONDS OR OTHER SECURITIES; LOANS; NOTES, INCLUDING BOND, REVENUE, TAX OR GRANT ANTICIPATION NOTES; COMMERCIAL PAPER; FLOATING RATE AND VARIABLE MATURITY SECURITIES; AND ANY OTHER EVIDENCES OF INDEBTEDNESS OR OWNERSHIP, INCLUDING CERTIFICATES OF PARTICIPATION OR BENEFICIAL INTEREST, ASSET BACKED CERTIFICATES OR LEASE-PURCHASE OR INSTALLMENT PURCHASE AGREEMENTS, WHETHER TAXABLE OR EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES.

5. "COST" AS APPLIED TO A PROJECT OR PORTION THEREOF FINANCED UNDER THIS ARTICLE, MEANS ALL OR ANY PART OF THE COST OF CONSTRUCTION, RENOVATION OR ACQUISITION OF ALL LANDS, STRUCTURES, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY, FRANCHISES, LICENSES, EASEMENTS AND INTERESTS ACQUIRED OR USED FOR A PROJECT; THE COST OF DEMOLISHING OR REMOVING ANY BUILDINGS OR STRUCTURES ON LAND SO ACQUIRED, INCLUDING THE COST OF ACQUIRING ANY LANDS TO WHICH THE BUILDINGS OR STRUCTURES MAY BE MOVED; THE COST OF ALL MACHINERY, EQUIPMENT AND FINANCING CHARGES; INTEREST PRIOR TO, DURING AND FOR A PERIOD AFTER COMPLETION OF CONSTRUCTION, RENOVATION OR ACQUISITION, AS DETERMINED BY THE BANK; PROVISIONS FOR WORKING CAPITAL; RESERVES FOR PRINCIPAL AND INTEREST AND FOR EXTENSIONS, ENLARGEMENTS, ADDITIONS, REPLACEMENTS, RENOVATIONS AND IMPROVEMENTS; AND THE COST OF ARCHITECTURAL, ENGINEERING, FINANCIAL AND LEGAL SERVICES, PLANS, SPECIFICATIONS, ESTIMATES, ADMINISTRATIVE EXPENSES AND OTHER EXPENSES NECESSARY OR INCIDENTAL TO DETERMINING THE FEASIBILITY OF ANY PROJECT OR INCIDENTAL TO THE CONSTRUCTION, ACQUISITION OR FINANCING OF ANY PROJECT.

6. "ECONOMIC DEVELOPMENT FACILITIES" MEANS REAL AND PERSONAL PROPERTY, STRUCTURES, BUILDINGS, EQUIPMENT AND SUPPORTING COMPONENTS THEREOF THAT ARE USED TO PROVIDE INDUSTRIAL, RECREATIONAL, RESEARCH, COMMERCIAL, UTILITY OR SERVICE ENTERPRISE FACILITIES, COMMUNITY, EDUCATIONAL, CULTURAL OR SOCIAL WELFARE FACILITIES AND ANY PARTS OR COMBINATIONS THEREOF AND ALL FACILITIES OR INFRASTRUCTURE NECESSARY OR DESIRABLE IN CONNECTION THEREWITH, INCLUDING PROVISION FOR WORKING CAPITAL, BUT SHALL NOT INCLUDE ANY HOUSING.

7."EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK APPOINTED PURSUANT TO SECTION FIVE HUNDRED ONE OF THIS ARTICLE.

8. "FACILITIES" MEANS REAL AND PERSONAL PROPERTY, STRUCTURES, CONVEYANCES, EQUIPMENT, THOROUGHFARES, BUILDINGS AND SUPPORTING COMPONENTS THEREOF, EXCLUDING ANY HOUSING, THAT ARE DIRECTLY RELATED TO PROVIDING THE FOLLOWING:

(A) "CITY STREETS" INCLUDING ANY STREET, AVENUE, BOULEVARD, ROAD, PARKWAY, DRIVE OR OTHER WAY THAT IS ANY OF THE FOLLOWING:

(1) AN EXISTING MUNICIPAL ROADWAY.

(2) IS SHOWN UPON A PLAT APPROVED PURSUANT TO LAW AND INCLUDES THE LAND BETWEEN THE STREET LINES, WHETHER IMPROVED OR UNIMPROVED AND MAY COMPRISE PAVEMENT, BRIDGES, SHOULDERS, GUTTERS, CURBS, GUARDRAILS, SIDEWALKS, PARKING AREAS, BENCHES, FOUNTAINS, PLANTINGS, LIGHTING SYSTEMS AND OTHER AREAS WITHIN THE STREET LINES, AS WELL AS EQUIPMENT AND FACILITIES USED IN THE CLEANING, GRADING, CLEARANCE, MAINTENANCE AND UPKEEP THEREOF.

(B) "COUNTY ROADS" INCLUDING ANY COUNTY ROADS AS DEFINED IN SUBDIVISION FOUR OF SECTION THREE OF THE HIGHWAY LAW, THAT INCLUDES THE LAND BETWEEN THE HIGHWAY LINES, WHETHER IMPROVED OR UNIMPROVED AND MAY COMPRISE PAVEMENT, BRIDGES, SHOULDERS, GUTTERS, CURBS, GUARDRAILS, SIDEWALKS, PARKING AREAS, BENCHES, FOUNTAINS, PLANTINGS, LIGHTING SYSTEMS AND OTHER AREAS WITHIN THE STREET LINES, AS WELL AS EQUIPMENT AND FACILITIES USED IN THE CLEANING, GRADING, CLEARANCE, MAINTENANCE AND UPKEEP THEREOF.

(C) "DRAINAGE, WATER SUPPLY AND FLOOD CONTROL" INCLUDING, BUT NOT LIMITED TO, DITCHES, CANALS, LEVEES, PUMPS, DAMS, CONDUITS, PIPES, STORM SEWERS AND DIKES NECESSARY TO KEEP OR DIRECT WATER AWAY FROM PEOPLE, EQUIPMENT, BUILDINGS AND OTHER PROTECTED AREAS AS MAY BE ESTABLISHED BY LAWFUL AUTHORITY, AS WELL AS THE ACQUISITION, IMPROVEMENT, MAINTENANCE AND MANAGEMENT OF FLOODPLAIN AREAS AND ALL EQUIPMENT USED IN THE MAINTENANCE AND OPERATION OF THE FOREGOING.

(D) "EDUCATIONAL FACILITIES" INCLUDING SCHOOLS, LIBRARIES, CHILD CARE FACILITIES AND EMPLOYMENT TRAINING FACILITIES.

(E) "ENVIRONMENTAL MITIGATION MEASURES" INCLUDING REQUIRED CONSTRUCTION OR MODIFICATION OF PUBLIC INFRASTRUCTURE AND PURCHASE AND INSTALLATION OF POLLUTION CONTROL AND NOISE ABATEMENT EQUIPMENT.

(F) "PARKS AND RECREATIONAL FACILITIES" INCLUDING LOCAL PARKS, RECREATIONAL PROPERTY AND EQUIPMENT, PARKWAYS AND PROPERTY.

(G) "PORT FACILITIES" INCLUDING DOCKS, HARBORS, PORTS OF ENTRY, PIERS, SHIPS, SMALL BOAT HARBORS AND MARINAS AND ANY OTHER FACILITIES, ADDITIONS OR IMPROVEMENTS IN CONNECTION THEREWITH.

(H) "POWER AND COMMUNICATIONS" INCLUDING FACILITIES FOR THE TRANSMISSION OR DISTRIBUTION OF ELECTRICAL ENERGY, NATURAL GAS AND TELEPHONE AND TELECOMMUNICATIONS SERVICE.

(I) "PUBLIC TRANSIT" INCLUDING AIR AND RAIL TRANSPORT OF GOODS, AIRPORTS, GUIDEWAYS, VEHICLES, RIGHTS-OF-WAY, PASSENGER STATIONS, MAINTENANCE AND STORAGE YARDS AND RELATED STRUCTURES, INCLUDING PUBLIC PARKING FACILITIES, EQUIPMENT USED TO PROVIDE OR ENHANCE TRANSPORTATION BY BUS, RAIL, FERRY OR OTHER CONVEYANCE, EITHER PUBLICLY OR PRIVATELY OWNED, THAT PROVIDES TO THE PUBLIC GENERAL OR SPECIAL SERVICE ON A REGULAR AND CONTINUING BASIS.

(J) "SEWAGE COLLECTION AND TREATMENT" INCLUDING PIPES, PUMPS AND CONDUITS THAT COLLECT WASTEWATER FROM RESIDENTIAL, MANUFACTURING AND COMMERCIAL ESTABLISHMENTS, THE EQUIPMENT, STRUCTURES AND FACILITIES USED IN TREATING WASTEWATER TO REDUCE OR ELIMINATE IMPURITIES OR CONTAMINANTS

AND THE FACILITIES USED IN DISPOSING OF OR TRANSPORTING, REMAINING SLUDGE, AS WELL AS ALL EQUIPMENT USED IN THE MAINTENANCE AND OPERATION OF THE FOREGOING.

(K) "SOLID WASTE COLLECTION AND DISPOSAL" INCLUDING VEHICLES, VEHICLE-COMPATIBLE WASTE RECEPTACLES, TRANSFER STATIONS, RECYCLING CENTERS, SANITARY LANDFILLS AND WASTE CONVERSION FACILITIES NECESSARY TO REMOVE SOLID WASTE, EXCEPT THAT WHICH IS HAZARDOUS, AS DEFINED BY LAW, FROM ITS POINT OF ORIGIN.

(L) "WATER TREATMENT AND DISTRIBUTION" INCLUDING FACILITIES IN WHICH WATER IS PURIFIED AND OTHERWISE TREATED TO MEET RESIDENTIAL, MANUFACTURING OR COMMERCIAL PURPOSES AND THE CONDUITS, PIPES AND PUMPS THAT TRANSPORT IT TO PLACES OF USE.

(M) "DEFENSE CONVERSION" INCLUDING, BUT NOT LIMITED TO, FACILITIES NECESSARY FOR SUCCESSFULLY CONVERTING MILITARY BASES CONSISTENT WITH AN ADOPTED BASE REUSE PLAN.

(N) "PUBLIC SAFETY FACILITIES" INCLUDING, BUT NOT LIMITED TO, POLICE STATIONS, FIRE STATIONS, COURT BUILDINGS, JAILS, JUVENILE HALLS AND JUVENILE DETENTION FACILITIES.

(O) "STATE HIGHWAYS" INCLUDING ANY STATE HIGHWAY AS DEFINED IN SUBDIVISION ONE OF SECTION THREE OF THE HIGHWAY LAW AND THE RELATED COMPONENTS NECESSARY FOR SAFE OPERATION OF THE HIGHWAY.

(P) MILITARY INFRASTRUCTURE, INCLUDING, BUT NOT LIMITED TO, FACILITIES ON OR NEAR A MILITARY INSTALLATION THAT ENHANCE THE MILITARY OPERATIONS AND MISSION OF ONE OR MORE MILITARY INSTALLATIONS IN THIS STATE. FOR PURPOSES OF THIS PARAGRAPH, "MILITARY INSTALLATION" MEANS ANY FACILITY UNDER THE JURISDICTION OF THE UNITED STATES DEPARTMENT OF DEFENSE, AS DEFINED IN PARAGRAPH ONE OF SUBSECTION (E) OF SECTION TWENTY-SIX HUNDRED EIGHTY-SEVEN OF TITLE TEN OF THE UNITED STATES CODE.

9. "FINANCIAL ASSISTANCE" IN CONNECTION WITH A PROJECT, INCLUDES, BUT IS NOT LIMITED TO, ANY COMBINATION OF GRANTS, LOANS, THE PROCEEDS OF BONDS ISSUED BY THE BANK OR SPECIAL PURPOSE TRUST, INSURANCE, GUARANTEES OR OTHER CREDIT ENHANCEMENTS OR LIQUIDITY FACILITIES AND CONTRIBUTIONS OF MONEY, PROPERTY, LABOR OR OTHER THINGS OF VALUE, AS MAY BE APPROVED BY RESOLUTION OF THE BOARD OR THE SPONSOR OR BOTH; THE PURCHASE OR RETENTION OF BANK BONDS, THE BONDS OF A SPONSOR FOR THEIR RETENTION OR FOR SALE BY THE BANK OR THE ISSUANCE OF BANK BONDS OR THE BONDS OF A SPECIAL PURPOSE TRUST USED TO FUND THE COST OF A PROJECT FOR WHICH A SPONSOR IS DIRECTLY OR INDIRECTLY LIABLE, INCLUDING, BUT NOT LIMITED TO, BONDS, THE SECURITY FOR WHICH IS PROVIDED IN WHOLE OR IN PART PURSUANT TO THE POWERS GRANTED BY SECTION FIVE HUNDRED FOUR OF THIS ARTICLE; BONDS FOR WHICH THE BANK HAS PROVIDED A GUARANTEE OR ENHANCEMENT, INCLUDING, BUT NOT LIMITED TO, THE PURCHASE OF THE SUBORDINATED BONDS OF THE SPONSOR, THE SUBORDINATED BONDS OF A SPECIAL PURPOSE TRUST OR THE RETENTION OF THE SUBORDINATED BONDS OF THE BANK PURSUANT TO SECTION FIVE HUNDRED FOURTEEN OR FIVE HUNDRED FIFTEEN OF THIS ARTICLE; OR ANY OTHER TYPE OF ASSISTANCE DEEMED APPROPRIATE BY THE BANK OR THE SPONSOR.

FOR PURPOSES OF THIS SUBDIVISION, "GRANT" DOES NOT INCLUDE GRANTS MADE BY THE BANK EXCEPT WHEN ACTING AS AN AGENT OR INTERMEDIARY FOR THE DISTRIBUTION OR PACKAGING OF FINANCING AVAILABLE FROM FEDERAL, PRIVATE OR OTHER PUBLIC SOURCES.

10. "GUARANTEE TRUST FUND" MEANS THE STATE INFRASTRUCTURE GUARANTEE TRUST FUND, ESTABLISHED PURSUANT TO SECTION NINETY-NINE-V OF THE STATE FINANCE LAW.

11. "INFRASTRUCTURE BANK FUND" MEANS THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND, ESTABLISHED PURSUANT TO SECTION NINETY-NINE-U OF THE STATE FINANCE LAW.

12. "LOAN AGREEMENT" MEANS A CONTRACTUAL AGREEMENT EXECUTED BETWEEN THE BANK OR A SPECIAL PURPOSE TRUST AND A SPONSOR THAT PROVIDES THAT THE BANK OR SPECIAL PURPOSE TRUST WILL LOAN FUNDS TO THE SPONSOR AND THAT THE SPONSOR WILL REPAY THE PRINCIPAL AND PAY THE INTEREST AND REDEMPTION PREMIUM, IF ANY, ON THE LOAN.

13. "PARTICIPATING PARTY" MEANS ANY PERSON, ASSOCIATION, PARTNERSHIP, COMPANY, CORPORATION, FIRM, BUSINESS TRUST, JOINT VENTURE, FUND OR OTHER PRIVATE BUSINESS ENTITY, ANY STATE OR MUNICIPAL GOVERNMENTAL ENTITY OR ANY OTHER ENTITY OR GROUP OF ENTITIES, WHETHER ORGANIZED FOR PROFIT OR NOT FOR PROFIT, ENGAGED IN BUSINESS OR OPERATIONS WITHIN THE STATE AND THAT APPLIES FOR FINANCING FROM THE BANK IN CONJUNCTION WITH A SPONSOR FOR THE PURPOSE OF IMPLEMENTING A PROJECT.

14. "PROJECT" MEANS DESIGNING, ACQUIRING, PLANNING, PERMITTING, ENTITLING, CONSTRUCTING, IMPROVING, EXTENDING, RESTORING, FINANCING AND GENERALLY DEVELOPING ECONOMIC DEVELOPMENT FACILITIES WITHIN THE STATE.

15. "REVENUES" MEANS ALL RECEIPTS, PURCHASE PAYMENTS, LOAN REPAYMENTS, LEASE PAYMENTS AND ALL OTHER INCOME OR RECEIPTS DERIVED BY THE BANK OR A SPONSOR FROM THE SALE, LEASE OR OTHER FINANCING ARRANGEMENT UNDERTAKEN BY THE BANK, A SPONSOR OR A PARTICIPATING PARTY, INCLUDING, BUT NOT LIMITED TO, ALL RECEIPTS FROM A BOND PURCHASE AGREEMENT AND ANY INCOME OR REVENUE DERIVED FROM THE INVESTMENT OF ANY MONEY IN ANY FUND OR ACCOUNT OF THE BANK OR A SPONSOR AND ANY RECEIPTS DERIVED FROM PROPERTY. REVENUES SHALL NOT INCLUDE MONEYS IN THE GENERAL FUND OF THE STATE.

16. "SPECIAL PURPOSE TRUST" MEANS A TRUST, PARTNERSHIP, LIMITED PARTNERSHIP, ASSOCIATION, CORPORATION, NOT-FOR-PROFIT CORPORATION OR OTHER ENTITY AUTHORIZED UNDER THE LAWS OF THE STATE TO SERVE AS AN INSTRUMENTALITY OF THE STATE TO ACCOMPLISH PUBLIC PURPOSES AND AUTHORIZED BY THE BANK TO ACQUIRE, BY PURCHASE OR OTHERWISE, FOR RETENTION OR SALE, THE BONDS OF A SPONSOR OR OF THE BANK MADE OR ENTERED INTO PURSUANT TO THIS ARTICLE AND TO ISSUE SPECIAL PURPOSE TRUST BONDS OR OTHER OBLIGATIONS SECURED BY THESE BONDS OR OTHER SOURCES OF PUBLIC OR PRIVATE REVENUES.

17. "SPONSOR" MEANS THE STATE; A COUNTY, CITY, TOWN, VILLAGE OR OTHER MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE; A SCHOOL DISTRICT OR ANY GOVERNMENTAL ENTITY OPERATING A PUBLIC SCHOOL, COLLEGE OR UNIVERSITY; A PUBLIC IMPROVEMENT OR SPECIAL DISTRICT; A PUBLIC AUTHORITY, COMMISSION OR PUBLIC BENEFIT CORPORATION; ANY OTHER PUBLIC CORPORATION, AGENCY OR INSTRUMENTALITY OR UNIT OF GOVERNMENT WHICH EXERCISES GOVERNMENTAL POWERS UNDER THE LAWS OF THE STATE; OR ANY COMBINATION OF THESE ENTITIES THAT MAKES AN APPLICATION TO THE BANK FOR FINANCIAL ASSISTANCE IN CONNECTION WITH A PROJECT IN A MANNER PRESCRIBED BY THE BANK. THIS DEFINITION SHALL NOT BE CONSTRUED TO REQUIRE THAT AN APPLICANT HAVE AN OWNERSHIP INTEREST IN THE PROJECT. IN ADDITION, ANY PERSON, ASSOCIATION, PARTNERSHIP, COMPANY, CORPORATION, FIRM, BUSINESS TRUST, JOINT VENTURE, FUND OR OTHER PRIVATE BUSINESS ENTITY OR ANY OTHER ENTITY OR GROUP ENGAGED IN BUSINESS OR OPERATION WITHIN THE STATE THAT APPLIES FOR FINANCING OF ANY ECONOMIC DEVELOPMENT FACILITY, SHALL BE DEEMED TO BE THE SPONSOR AS WELL AS THE PARTICIPATING PARTY FOR THE PROJECT RELATING TO THE FINANCING OF THAT ECONOMIC DEVELOPMENT FACILITY.

S 501. CREATION OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK. 1. THERE IS HEREBY CREATED THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK WHICH SHALL BE RESPONSIBLE FOR CARRYING OUT THE PROVISIONS OF THIS ARTICLE.

2. THE BANK SHALL BE UNDER THE DIRECTION OF AN EXECUTIVE DIRECTOR APPOINTED BY THE GOVERNOR AND WHO SHALL SERVE AT THE PLEASURE OF THE GOVERNOR. THE APPOINTMENT SHALL BE SUBJECT TO CONFIRMATION BY THE SENATE.

S 502. BOARD OF DIRECTORS. 1. THE BANK SHALL BE GOVERNED AND ITS CORPORATE POWER EXERCISED BY A BOARD OF DIRECTORS THAT SHALL CONSIST OF THE FOLLOWING PERSONS:

(A) THE DIRECTOR OF THE DIVISION OF BUDGET OR HIS OR HER DESIGNEE.

(B) THE STATE COMPTROLLER OR HIS OR HER DESIGNEE.

(C) THE COMMISSIONER OR HIS OR HER DESIGNEE, WHO SHALL SERVE AS CHAIR OF THE BOARD.

(D) AN APPOINTEE OF THE GOVERNOR.

(E) THE SECRETARY OF STATE OR HIS OR HER DESIGNEE.

2. ANY DESIGNATED DIRECTOR SHALL SERVE AT THE PLEASURE OF THE DESIGNATING POWER.

3. THREE OF THE MEMBERS SHALL CONSTITUTE A QUORUM AND THE AFFIRMATIVE VOTE OF THREE BOARD MEMBERS SHALL BE NECESSARY FOR ANY ACTION TO BE TAKEN BY THE BOARD.

4. A MEMBER OF THE BOARD SHALL NOT PARTICIPATE IN ANY BANK ACTION OR ATTEMPT TO INFLUENCE ANY DECISION OR RECOMMENDATION BY ANY EMPLOYEE OF OR CONSULTANT TO, THE BANK THAT INVOLVES A SPONSOR OF WHICH HE OR SHE IS A REPRESENTATIVE OR IN WHICH THE MEMBER OR A MEMBER OF HIS OR HER IMMEDIATE FAMILY HAS A PERSONAL FINANCIAL INTEREST. FOR PURPOSES OF THIS SECTION, "IMMEDIATE FAMILY" MEANS THE SPOUSE, CHILDREN AND PARENTS OF THE MEMBER.

5. EXCEPT AS PROVIDED IN THIS SUBDIVISION, THE MEMBERS OF THE BOARD SHALL SERVE WITHOUT COMPENSATION, BUT SHALL BE REIMBURSED FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES TO THE EXTENT THAT REIMBURSEMENT FOR THESE EXPENSES IS NOT OTHERWISE PROVIDED OR PAYABLE BY ANOTHER PUBLIC AGENCY AND SHALL RECEIVE ONE HUNDRED DOLLARS FOR EACH FULL DAY OF ATTENDING MEETINGS OF THE BOARD.

S 503. DUTIES OF EXECUTIVE DIRECTOR. 1. THE EXECUTIVE DIRECTOR SHALL MANAGE AND CONDUCT THE BUSINESS AND AFFAIRS OF THE BANK, THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND, SUBJECT TO THE DIRECTION OF THE BOARD. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE BOARD MAY ASSIGN TO THE EXECUTIVE DIRECTOR, BY RESOLUTION, THOSE DUTIES GENERALLY NECESSARY OR CONVENIENT TO CARRY OUT ITS POWERS AND PURPOSES UNDER THIS ARTICLE. ANY ACTION INVOLVING FINAL APPROVAL OF ANY BONDS, NOTES OR LOANS SHALL REQUIRE THE APPROVAL OF A MAJORITY OF THE MEMBERS OF THE BOARD. SUBJECT TO ANY CONDITIONS THAT THE BOARD MAY FROM TIME TO TIME PRESCRIBE, THE EXECUTIVE DIRECTOR MAY EXERCISE ANY POWER, FUNCTION OR DUTY CONFERRED BY LAW ON THE BANK IN CONNECTION WITH THE ADMINISTRATION, MANAGEMENT AND CONDUCT OF THE BUSINESS AND AFFAIRS OF THE BANK, THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND.

2. IN ADMINISTERING AND DIRECTING THE DAY-TO-DAY OPERATIONS OF THE BANK, THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND, THE EXECUTIVE DIRECTOR OR WHOEVER HE OR SHE SHALL ASSIGN, MAY DO ANY OF THE FOLLOWING WITHOUT AUTHORIZATION BY RESOLUTION OF THE BOARD UNLESS SPECIFICALLY RESTRICTED BY RESOLUTION OF THE BOARD:

(A) ENTER INTO CONTRACTS FOR INVESTMENT, GUARANTEE OR ENHANCEMENT.

(B) ESTABLISH PROCEDURES, GUIDELINES, CRITERIA, TERMS, CONDITIONS OR OTHER REQUIREMENTS OF ANY CONTRACT, BOND, GRANT OR PROGRAM, AS THE CASE MAY BE, IN ORDER TO CARRY OUT THE INTENTS AND PURPOSES OF THE BOARD IN AUTHORIZING ANY BOND, LOAN OR GRANT PROGRAM PURSUANT TO THIS ARTICLE.

(C) DECLINE TO GUARANTEE ANY RISK OR TO ENTER INTO ANY CONTRACT, IN WHICH THE MINIMUM REQUIREMENTS OF THE GUARANTEE TRUST FUND OR THE INFRASTRUCTURE BANK FUND ARE NOT COMPLIED WITH.

(D) REINSURE ANY RISK OR ANY PART OF ANY RISK.

(E) MAKE RULES FOR PAYMENTS THROUGH THE INFRASTRUCTURE BANK FUND AND THE SETTLEMENT OF CLAIMS AGAINST THE GUARANTEE TRUST FUND AND DETERMINE TO WHOM AND THROUGH WHOM THE PAYMENTS ARE TO BE MADE.

(F) ENTER INTO ANY CONTRACTS OR OBLIGATIONS RELATING TO THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND.

(G) INVEST AND REINVEST THE MONEYS BELONGING TO THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND AS PROVIDED BY THIS ARTICLE AND SECTIONS NINETY-NINE-U AND NINETY-NINE-V OF THE STATE FINANCE LAW.

(H) ENTER INTO ANY CONTRACT OR AGREEMENT, EXECUTE ANY INSTRUMENT, CONDUCT ALL BUSINESS AND AFFAIRS AND PERFORM ALL ACTS RELATING TO THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND WHETHER OR NOT SPECIFICALLY DESIGNATED IN THIS ARTICLE.

3. THE BOARD MAY DELEGATE TO THE EXECUTIVE DIRECTOR OR WHOMEVER HE OR SHE SHALL ASSIGN, THE AUTHORITY TO EXECUTE A CONTRACT OR AGREEMENT, EXECUTE AN INSTRUMENT, CONDUCT ALL BUSINESS AND AFFAIRS AND PERFORM ALL ACTS RELATING TO THE INFRASTRUCTURE BANK FUND AND THE GUARANTEE TRUST FUND.

S 504. DUTIES OF THE BOARD OF DIRECTORS. 1. THE BOARD SHALL DO THE FOLLOWING:

(A) ADOPT BYLAWS FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS.

(B) ADOPT AN OFFICIAL SEAL.

2. THE BOARD MAY DO OR DELEGATE THE FOLLOWING TO THE EXECUTIVE DIRECTOR:

(A) SUE AND BE SUED IN ITS OWN NAME.

(B) PURCHASE INSURANCE FOR ITS FIDUCIARIES OR FOR ITSELF TO COVER LIABILITY OR LOSSES OCCURRING BY REASON OF THE ACT OR OMISSION OF A FIDUCIARY, IF THE INSURANCE PERMITS RECOURSE BY THE INSURER AGAINST THE FIDUCIARY IN THE CASE OF A BREACH OF FIDUCIARY OBLIGATION BY THE FIDUCIARY.

(C) AS PROVIDED IN SECTION NINETY-NINE-V OF THE STATE FINANCE LAW AND SECTION FIVE HUNDRED FIFTEEN OF THIS ARTICLE, ISSUE BONDS AND AUTHORIZE SPECIAL PURPOSE TRUSTS TO ISSUE BONDS, INCLUDING, AT THE OPTION OF THE BOARD, BONDS BEARING INTEREST THAT IS TAXABLE FOR THE PURPOSE OF FEDERAL INCOME TAXATION OR BORROW MONEY TO PAY ALL OR ANY PART OF THE COST OF ANY PROJECT OR TO OTHERWISE CARRY OUT THE PURPOSES OF THIS ARTICLE.

(D) ENGAGE THE SERVICES OF PRIVATE CONSULTANTS TO RENDER PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE IN CARRYING OUT THE PURPOSES OF THIS ARTICLE.

(E) EMPLOY ATTORNEYS, FINANCIAL CONSULTANTS AND OTHER ADVISERS AS MAY, IN THE BOARD'S JUDGMENT, BE NECESSARY IN CONNECTION WITH THE ISSUANCE AND SALE OR AUTHORIZATION OF SPECIAL PURPOSE TRUSTS FOR THE ISSUANCE AND SALE, OF ANY BONDS.

(F) CONTRACT FOR ENGINEERING, ARCHITECTURAL, ACCOUNTING OR OTHER SERVICES OF APPROPRIATE STATE AGENCIES AS MAY, IN ITS JUDGMENT, BE NECESSARY FOR THE SUCCESSFUL DEVELOPMENT OF A PROJECT.

(G) PAY THE REASONABLE COSTS OF CONSULTING ENGINEERS, ARCHITECTS, ACCOUNTANTS AND CONSTRUCTION, LAND USE, RECREATION AND ENVIRONMENTAL EXPERTS EMPLOYED BY ANY SPONSOR OR PARTICIPATING PARTY IF, IN THE BANK'S JUDGMENT, THOSE SERVICES ARE NECESSARY FOR THE SUCCESSFUL DEVELOPMENT OF A PROJECT.

(H) ACQUIRE, TAKE TITLE TO AND SELL BY INSTALLMENT SALE OR OTHERWISE, LANDS, STRUCTURES, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY, FRANCHISES, EASEMENTS AND OTHER INTERESTS IN LANDS THAT ARE LOCATED WITHIN THE STATE, AS THE BANK MAY DEEM NECESSARY OR CONVENIENT FOR THE

FINANCING OF THE PROJECT, UPON TERMS AND CONDITIONS THAT IT CONSIDERS TO BE REASONABLE.

(I) RECEIVE AND ACCEPT FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE FEDERAL GOVERNMENT, THE STATE OR ANY AGENCY THEREOF, LOANS, CONTRIBUTIONS OR GRANTS, IN MONEY, PROPERTY, LABOR OR OTHER THINGS OF VALUE, FOR OR IN AID OF, A PROJECT OR ANY PORTION THEREOF.

(J) MAKE LOANS TO ANY SPONSOR OR PARTICIPATING PARTY, EITHER DIRECTLY OR BY MAKING A LOAN TO A LENDING INSTITUTION, IN CONNECTION WITH THE FINANCING OF A PROJECT IN ACCORDANCE WITH AN AGREEMENT BETWEEN THE BANK AND THE SPONSOR OR A PARTICIPATING PARTY, EITHER AS A SOLE LENDER OR IN PARTICIPATION WITH OTHER LENDERS. HOWEVER, NO LOAN SHALL EXCEED THE TOTAL COST OF THE PROJECT AS DETERMINED BY THE SPONSOR OR THE PARTICIPATING PARTY AND APPROVED BY THE BANK.

(K) MAKE LOANS TO ANY SPONSOR OR PARTICIPATING PARTY, EITHER DIRECTLY OR BY MAKING A LOAN TO A LENDING INSTITUTION, IN ACCORDANCE WITH AN AGREEMENT BETWEEN THE BANK AND THE SPONSOR OR PARTICIPATING PARTY TO REFINANCE INDEBTEDNESS INCURRED BY THE SPONSOR OR PARTICIPATING PARTY IN CONNECTION WITH PROJECTS UNDERTAKEN AND COMPLETED PRIOR TO ANY AGREEMENT WITH THE BANK OR EXPECTATION THAT THE BANK WOULD PROVIDE FINANCING, EITHER AS A SOLE LENDER OR IN PARTICIPATION WITH OTHER LENDERS.

(L) MORTGAGE ALL OR ANY PORTION OF THE BANK'S INTEREST IN A PROJECT AND THE PROPERTY ON WHICH ANY PROJECT IS LOCATED, WHETHER OWNED OR THEREAFTER ACQUIRED, INCLUDING THE GRANTING OF A SECURITY INTEREST IN ANY PROPERTY, TANGIBLE OR INTANGIBLE.

(M) ASSIGN OR PLEDGE ALL OR ANY PORTION OF THE BANK'S INTERESTS IN PROPERTY AND THE REVENUES THEREFROM OR ASSETS, THINGS OF VALUE, MORTGAGES, DEEDS OF TRUST, BONDS, BOND PURCHASE AGREEMENTS, LOAN AGREEMENTS, INDENTURES OF MORTGAGE OR TRUST OR SIMILAR INSTRUMENTS, NOTES AND SECURITY INTERESTS IN PROPERTY, TANGIBLE OR INTANGIBLE AND THE REVENUES THEREFROM, OF A SPONSOR OR A PARTICIPATING PARTY TO WHICH THE BANK HAS MADE LOANS AND THE REVENUES THEREFROM, INCLUDING PAYMENT OR INCOME FROM ANY INTEREST OWNED OR HELD BY THE BANK, FOR THE BENEFIT OF THE HOLDERS OF BONDS.

(N) MAKE, RECEIVE OR SERVE AS A CONDUIT FOR THE MAKING OF OR OTHERWISE PROVIDE FOR, GRANTS, CONTRIBUTIONS, GUARANTEES, INSURANCE, CREDIT ENHANCEMENTS OR LIQUIDITY FACILITIES OR OTHER FINANCIAL ENHANCEMENTS TO A SPONSOR OR A PARTICIPATING PARTY AS FINANCIAL ASSISTANCE FOR A PROJECT.

(O) LEASE THE PROJECT BEING FINANCED TO A SPONSOR OR A PARTICIPATING PARTY, UPON TERMS AND CONDITIONS THAT THE BANK DEEMS PROPER, PROVIDED THAT SUCH PROJECT SHALL NOT BE LEASED AT A LOSS; CHARGE AND COLLECT RENTS THEREFOR; TERMINATE ANY LEASE UPON THE FAILURE OF THE LESSEE TO COMPLY WITH ANY OF THE OBLIGATIONS THEREOF; INCLUDE IN ANY LEASE, IF DESIRED, PROVISIONS THAT THE LESSEE SHALL HAVE OPTIONS TO RENEW THE LEASE FOR A PERIOD OR PERIODS AND AT RENTS DETERMINED BY THE BANK; PURCHASE ANY OR ALL OF THE PROJECT; OR, UPON PAYMENT OF ALL THE INDEBTEDNESS INCURRED BY THE BANK FOR THE FINANCING OF THE PROJECT, THE BANK MAY CONVEY ANY OR ALL OF THE PROJECT TO THE LESSEE OR LESSEES.

(P) CHARGE AND EQUITABLY APPORTION AMONG SPONSORS AND PARTICIPATING PARTIES THE BANK'S ADMINISTRATIVE COSTS AND EXPENSES INCURRED IN THE EXERCISE OF THE POWERS AND DUTIES CONFERRED BY THIS ARTICLE.

(Q) ISSUE, OBTAIN OR AID IN OBTAINING, FROM ANY DEPARTMENT OR AGENCY OF THE UNITED STATES, FROM OTHER AGENCIES OF THE STATE OR FROM ANY PRIVATE COMPANY, ANY INSURANCE OR GUARANTEE TO OR FOR, THE PAYMENT OR REPAYMENT OF INTEREST OR PRINCIPAL OR BOTH OR ANY PART THEREOF, ON ANY

LOAN, LEASE OR OBLIGATION OR ANY INSTRUMENT EVIDENCING OR SECURING THE SAME, MADE OR ENTERED INTO PURSUANT TO THIS ARTICLE.

(R) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, ENTER INTO ANY AGREEMENT, CONTRACT OR ANY OTHER INSTRUMENT WITH RESPECT TO ANY INSURANCE OR GUARANTEE; ACCEPT PAYMENT IN THE MANNER AND FORM AS PROVIDED THEREIN IN THE EVENT OF DEFAULT BY A SPONSOR OR A PARTICIPATING PARTY; AND ISSUE OR ASSIGN ANY INSURANCE OR GUARANTEE AS SECURITY FOR THE BANK'S BONDS.

(S) ENTER INTO ANY AGREEMENT OR CONTRACT, EXECUTE ANY INSTRUMENT AND PERFORM ANY ACT OR THING NECESSARY OR CONVENIENT TO, DIRECTLY OR INDIRECTLY, SECURE THE BANK'S BONDS, THE BONDS ISSUED BY A SPECIAL PURPOSE TRUST OR A SPONSOR'S OBLIGATIONS TO THE BANK OR TO A SPECIAL PURPOSE TRUST, INCLUDING, BUT NOT LIMITED TO, BONDS OF A SPONSOR PURCHASED BY THE BANK OR A SPECIAL PURPOSE TRUST FOR RETENTION OR SALE, WITH FUNDS OR MONEYS THAT ARE LEGALLY AVAILABLE AND THAT ARE DUE OR PAYABLE TO THE SPONSOR BY REASON OF ANY GRANT, ALLOCATION, APPORTIONMENT OR APPROPRIATION OF THE STATE OR AGENCIES THEREOF, TO THE EXTENT THAT THE STATE COMPTROLLER SHALL BE THE CUSTODIAN AT ANY TIME OF THESE FUNDS OR MONEYS OR WITH FUNDS OR MONEYS THAT ARE OR WILL BE LEGALLY AVAILABLE TO THE SPONSOR, THE BANK OR THE STATE OR ANY AGENCIES THEREOF BY REASON OF ANY GRANT, ALLOCATION, APPORTIONMENT OR APPROPRIATION OF THE FEDERAL GOVERNMENT OR AGENCIES THEREOF; AND IN THE EVENT OF WRITTEN NOTICE THAT THE SPONSOR HAS NOT PAID OR IS IN DEFAULT ON ITS OBLIGATIONS TO THE BANK OR A SPECIAL PURPOSE TRUST, DIRECT THE STATE COMPTROLLER TO WITHHOLD PAYMENT OF THOSE FUNDS OR MONEYS FROM THE SPONSOR OVER WHICH IT IS OR WILL BE CUSTODIAN AND TO PAY THE SAME TO THE BANK OR SPECIAL PURPOSE TRUST OR THEIR ASSIGNEE OR DIRECT THE STATE OR ANY AGENCIES THEREOF TO WHICH ANY GRANT, ALLOCATION, APPORTIONMENT OR APPROPRIATION OF THE FEDERAL GOVERNMENT OR AGENCIES THEREOF IS OR WILL BE LEGALLY AVAILABLE TO PAY THE SAME UPON RECEIPT BY THE BANK OR SPECIAL PURPOSE TRUST OR THEIR ASSIGNEE, UNTIL THE DEFAULT HAS BEEN CURED AND THE AMOUNTS THEN DUE AND UNPAID HAVE BEEN PAID TO THE BANK OR SPECIAL PURPOSE TRUST OR THEIR ASSIGNEE OR UNTIL ARRANGEMENTS SATISFACTORY TO THE BANK OR SPECIAL PURPOSE TRUST HAVE BEEN MADE TO CURE THE DEFAULT.

(T) ENTER INTO ANY AGREEMENT OR CONTRACT, EXECUTE ANY INSTRUMENT AND PERFORM ANY ACT OR THING NECESSARY, CONVENIENT OR APPROPRIATE TO CARRY OUT ANY POWER EXPRESSLY GIVEN TO THE BANK BY THIS ARTICLE, INCLUDING, BUT NOT LIMITED TO, AGREEMENTS FOR THE SALE OF ALL OR ANY PART, INCLUDING PRINCIPAL, INTEREST, REDEMPTION RIGHTS OR ANY OTHER RIGHTS OR OBLIGATIONS, OF BONDS OF THE BANK OR OF A SPECIAL PURPOSE TRUST, LIQUIDITY AGREEMENTS, CONTRACTS COMMONLY KNOWN AS INTEREST RATE SWAP AGREEMENTS, FORWARD PAYMENT CONVERSION AGREEMENTS, FUTURES OR CONTRACTS PROVIDING FOR PAYMENTS BASED ON LEVELS OF OR CHANGES IN, INTEREST RATES OR CURRENCY EXCHANGE RATES OR CONTRACTS TO EXCHANGE CASH-FLOWS OR A SERIES OF PAYMENTS OR CONTRACTS, INCLUDING OPTIONS, PUTS OR CALLS TO HEDGE PAYMENTS, RATE, SPREAD, CURRENCY EXCHANGE OR SIMILAR EXPOSURE OR ANY OTHER FINANCIAL INSTRUMENT COMMONLY KNOWN AS A STRUCTURED FINANCIAL PRODUCT.

(U) PURCHASE, WITH THE PROCEEDS OF THE BANK'S BONDS, PROPERTY OR BONDS ISSUED BY OR FOR THE BENEFIT OF, ANY SPONSOR IN CONNECTION WITH A PROJECT, PURSUANT TO A BOND PURCHASE AGREEMENT OR OTHERWISE. BONDS OR PROPERTY PURCHASED PURSUANT TO THIS ARTICLE MAY BE HELD BY THE BANK, PLEDGED OR ASSIGNED BY THE BANK OR SOLD TO PUBLIC OR PRIVATE PURCHASERS AT PUBLIC OR NEGOTIATED SALE, IN WHOLE OR IN PART, SEPARATELY OR TOGETHER WITH OTHER BONDS ISSUED BY THE BANK AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, MAY BE BOUGHT BY THE BANK AT PRIVATE SALE.

(V) ENTER INTO PURCHASE AND SALE AGREEMENTS WITH ALL ENTITIES, PUBLIC AND PRIVATE, INCLUDING STATE AND LOCAL GOVERNMENT PENSION FUNDS, WITH RESPECT TO THE SALE OR PURCHASE OF BONDS OR PROPERTY.

(W) INVEST ANY MONEYS HELD IN RESERVE OR SINKING FUNDS OR ANY MONEYS NOT REQUIRED FOR IMMEDIATE USE OR DISBURSEMENT, IN OBLIGATIONS THAT ARE AUTHORIZED BY LAW FOR THE INVESTMENT OF TRUST FUNDS IN THE CUSTODY OF THE STATE COMPTROLLER.

(X) AUTHORIZE A SPECIAL PURPOSE TRUST OR TRUSTS TO PURCHASE OR RETAIN, WITH THE PROCEEDS OF THE BONDS OF A SPECIAL PURPOSE TRUST, BONDS ISSUED BY OR FOR THE BENEFIT OF, ANY SPONSOR IN CONNECTION WITH A PROJECT OR ISSUED BY THE BANK OR A SPECIAL PURPOSE TRUST, PURSUANT TO A BOND PURCHASE AGREEMENT OR OTHERWISE. BONDS OR PROPERTY PURCHASED PURSUANT TO THIS ARTICLE MAY BE HELD BY A SPECIAL PURPOSE ENTITY, PLEDGED OR ASSIGNED BY A SPECIAL PURPOSE ENTITY OR SOLD TO PUBLIC OR PRIVATE PURCHASERS AT PUBLIC OR NEGOTIATED SALE, IN WHOLE OR IN PART, WITH OR WITHOUT STRUCTURING, SUBORDINATION OR CREDIT ENHANCEMENT, SEPARATELY OR TOGETHER WITH OTHER BONDS ISSUED BY A SPECIAL PURPOSE TRUST AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, MAY BE BOUGHT BY THE BANK OR BY A SPECIAL PURPOSE TRUST AT PRIVATE SALE.

(Y) APPLY FOR AND ACCEPT SUBVENTIONS, GRANTS, LOANS, ADVANCES AND CONTRIBUTIONS FROM ANY SOURCE OF MONEY, PROPERTY, LABOR OR OTHER THINGS OF VALUE. THE SOURCES MAY INCLUDE BOND PROCEEDS, DEDICATED TAXES, STATE APPROPRIATIONS, FEDERAL APPROPRIATIONS, FEDERAL GRANT AND LOAN FUNDS, PUBLIC AND PRIVATE SECTOR RETIREMENT SYSTEM FUNDS AND PROCEEDS OF LOANS FROM THE GENERAL FUND.

(Z) ESTABLISH A REASONABLE SCHEDULE OF ADMINISTRATIVE FEES, WHICH SHALL BE PAID BY THE SPONSOR OR THE PARTICIPATING PARTY PURSUANT TO SECTION FIVE HUNDRED SEVENTEEN OF THIS ARTICLE, TO REIMBURSE THE STATE FOR THE COSTS OF ADMINISTERING THIS ARTICLE.

(AA) DO ALL THINGS NECESSARY AND CONVENIENT TO CARRY OUT ITS PURPOSES AND EXERCISE ITS POWERS, PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED TO AUTHORIZE THE BANK TO ENGAGE DIRECTLY IN THE BUSINESS OF A MANUFACTURING, INDUSTRIAL, REAL ESTATE DEVELOPMENT OR NONGOVERNMENTAL SERVICE ENTERPRISE. FURTHER, THE BANK SHALL NOT BE ORGANIZED TO ACCEPT DEPOSITS OF MONEY FOR TIME OR DEMAND DEPOSITS OR TO CONSTITUTE A BANK OR TRUST COMPANY.

S 505. INSURANCE OR REINSURANCE. 1. THE BANK MAY PROVIDE INSURANCE OR REINSURANCE OF LOANS OR PORTIONS THEREOF OR THEIR DEBT SERVICE, INCLUDING AMOUNTS PAYABLE AS PREMIUMS OF PENALTIES IN THE EVENT OF MANDATORY OR OPTIONAL PREPAYMENT, MADE TO FINANCE A PROJECT AND TO PROVIDE INSURANCE OR REINSURANCE OR RESERVES OR PORTIONS THEREOF OR THE YIELD THEREFROM, ESTABLISHED TO SECURE BONDS ISSUED TO FUND THOSE LOANS OR RESERVES.

2. THE BANK MAY ENTER INTO OR ARRANGE AGREEMENTS FOR INSURANCE OR REINSURANCE WITH USERS, MORTGAGORS, LENDING INSTITUTIONS, INSURERS AND OTHERS, THE BANK BEING AUTHORIZED TO REINSURE OR CEDE RISKS TO THE INSURERS IN ANY AMOUNTS AS THE BANK MAY DETERMINE AND THE INSURERS, IF OTHERWISE AUTHORIZED TO REINSURE OR INSURE THOSE RISKS IN THE STATE, BEING HEREBY AUTHORIZED TO REINSURE THE BANK OR CEDE RISKS TO THE BANK TO THE SAME EXTENT AS IF THE BANK WERE A COMPANY AUTHORIZED TO REINSURE OR INSURE THOSE RISKS.

3. THE BANK MAY FIX A RATE OR RATES OF PREMIUM FOR INSURANCE OR REINSURANCE, WHICH NEED NOT BE UNIFORM AND MAY REFLECT ANY RISKS AND CLASSIFICATIONS OF RISK AS THE BANK DETERMINES TO BE REASONABLE.

4. THE BANK MAY EXERCISE THOSE OTHER POWERS AS ARE NECESSARY OR INCIDENTAL TO INSURANCE, REINSURANCE AND RELATED MATTERS.

5. THE BANK SHALL MAKE REASONABLE PROVISIONS FOR THE SECURITY OF LOANS MADE BY THE BANK AND ANY INSURANCE, REINSURANCE AND OTHER FINANCING ARRANGEMENTS NEGOTIATED BY THE BANK.

6. THE INSURANCE OR REINSURANCE PROVIDED FOR BY THE BANK SHALL NOT CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR ANY SUBDIVISION OF THE STATE.

S 506. BONDS. 1. BONDS ISSUED BY THE BANK OR A SPECIAL PURPOSE TRUST ARE LEGAL INVESTMENTS FOR ALL TRUST FUNDS, THE FUNDS OF ALL INSURANCE COMPANIES, BANKS, BOTH COMMERCIAL AND SAVINGS, TRUST COMPANIES, EXECUTORS, ADMINISTRATORS, TRUSTEES AND OTHER FIDUCIARIES, FOR STATE SCHOOL FUNDS, PENSION FUNDS AND FOR ANY FUNDS THAT MAY BE INVESTED IN COUNTY, SCHOOL OR MUNICIPAL BONDS. THESE BONDS ARE SECURITIES THAT MAY LEGALLY BE DEPOSITED WITH AND RECEIVED BY, ANY STATE OR MUNICIPAL OFFICER OR AGENCY OR POLITICAL SUBDIVISION OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OBLIGATIONS OF THE STATE IS NOW OR MAY HEREAFTER BE, AUTHORIZED BY LAW, INCLUDING, DEPOSITS TO SECURE PUBLIC FUNDS.

2. WHERE A STATE AGENCY IS AUTHORIZED UNDER STATE LAW TO REQUEST THAT THE BANK ISSUE BONDS ON ITS BEHALF, THE AGENCY MAY REQUEST AND THE BANK MAY ISSUE, THE BONDS FOR THE PURPOSE AUTHORIZED BY STATE LAW AND TO FUND ANY NECESSARY RESERVES, CAPITALIZED INTEREST AND COSTS OF ISSUANCE ASSOCIATED WITH THE BONDS.

S 507. INDEBTEDNESS OF BANK. NO LIABILITY SHALL BE INCURRED BY THE BANK BEYOND THE EXTENT TO WHICH FUNDS HAVE BEEN PROVIDED UNDER THIS ARTICLE. HOWEVER, FOR THE PURPOSES OF MEETING THE NECESSARY EXPENSES OF INITIAL ORGANIZATION AND OPERATION UNTIL THE DATE THAT THE BANK DERIVES REVENUES OR PROCEEDS FROM BONDS AS PROVIDED UNDER THIS ARTICLE, THE BANK MAY BORROW MONEY AS NEEDED FROM THE GENERAL FUND, AS SPECIFIED IN SUBDIVISION (Y) OF SECTION FIVE HUNDRED FOUR OF THIS ARTICLE OR FROM ANY SPECIAL FUNDS, INCLUDING THE SPECIAL FUNDS OF EXISTING FINANCING AUTHORITIES. THE BORROWED MONEY SHALL BE REPAID WITH INTEREST WITHIN A REASONABLE TIME AFTER THE BANK RECEIVES REVENUES OR PROCEEDS FROM BONDS AS PROVIDED UNDER THIS ARTICLE.

S 508. TAX EXEMPTION. 1. NEITHER THE BANK NOR A SPECIAL PURPOSE TRUST AUTHORIZED BY THE BANK SHALL BE REQUIRED TO PAY ANY PROPERTY TAXES OR ASSESSMENTS UPON OR WITH RESPECT TO, ANY PROJECT OR ANY PROPERTY ACQUIRED BY OR FOR, THE BANK UNDER THIS ARTICLE OR UPON THE INCOME THEREFROM, SO LONG AS THE BANK, ON BEHALF OF THE STATE, HOLDS TITLE TO THE PROJECT OR TO THE PROPERTY CONTAINED IN THE PROJECT.

2. THE EXEMPTION OF THE BANK OR OF A SPECIAL PURPOSE TRUST FROM TAXATION OF ANY PROPERTY SHALL CEASE WHEN TITLE TO THE PROPERTY IS TRANSFERRED FROM THE BANK TO ANY TAXABLE PERSON OR ENTITY. THIS SECTION SHALL NOT EXEMPT ANY TAXABLE PERSON OR ENTITY FROM TAXATION, INCLUDING, BUT NOT LIMITED TO, TAXATION UPON A POSSESSORY INTEREST, WITH RESPECT TO ANY PROJECT OR THE PROPERTY OF FACILITIES CONTAINED IN ANY PROJECT THAT MAY OTHERWISE BE APPLICABLE TO THE PERSON.

S 509. STATE'S PLEDGE AND UNDERTAKING. THE STATE DOES HEREBY PLEDGE TO AND AGREES WITH, THE HOLDERS OF ANY BONDS ISSUED UNDER THIS ARTICLE AND WITH THOSE PARTIES WHO MAY ENTER INTO CONTRACTS WITH THE BANK PURSUANT TO THIS ARTICLE, THAT THE STATE WILL NOT LIMIT OR ALTER THE RIGHTS HEREBY VESTED IN THE BANK TO FINANCE ANY PROJECT AND TO FULFILL THE TERMS OF ANY LOAN AGREEMENT, LEASE OR OTHER CONTRACT WITH THE BANK PURSUANT TO THIS ARTICLE OR IN ANY WAY IMPAIR THE RIGHTS OR REMEDIES OF THE BONDHOLDERS OR OF THE PARTIES UNTIL THOSE BONDS, TOGETHER WITH INTEREST THEREON, ARE FULLY DISCHARGED OR PROVISION FOR THIS DISCHARGE HAS BEEN MADE AND THOSE CONTRACTS ARE FULLY PERFORMED ON THE PART OF THE BANK.

THE BANK, AS AGENT FOR THE STATE, MAY INCLUDE THIS PLEDGE AND UNDERTAKING FOR THE STATE IN ITS OBLIGATIONS OR CONTRACTS.

S 510. REPORTS. 1. THE BANK SHALL, NOT LATER THAN THE FIRST OF NOVEMBER OF EACH YEAR, SUBMIT TO THE GOVERNOR, THE DIRECTOR OF THE BUDGET, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY, A REPORT OF ITS ACTIVITIES PURSUANT TO THIS ARTICLE FOR THE PRECEDING FISCAL YEAR. THE REPORT SHALL INCLUDE ALL OF THE FOLLOWING:

(A) A LISTING OF APPLICATIONS ACCEPTED, INCLUDING A DESCRIPTION OF THE EXPECTED EMPLOYMENT IMPACT OF EACH PROJECT.

(B) A SPECIFICATION OF BONDS SOLD AND INTEREST RATES THEREON.

(C) THE AMOUNT OF OTHER PUBLIC AND PRIVATE FUNDS LEVERAGED BY THE ASSISTANCE PROVIDED.

(D) A REPORT OF REVENUES AND EXPENDITURES FOR THE PRECEDING FISCAL YEAR, INCLUDING ALL OF THE BANK'S COSTS. THE INFORMATION PROVIDED PURSUANT TO THIS PARAGRAPH SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, BOTH OF THE FOLLOWING:

(I) THE AMOUNT AND SOURCE OF TOTAL BANK REVENUES. REVENUES SHALL BE SHOWN BY MAIN CATEGORIES OF REVENUES, INCLUDING INTEREST EARNINGS, FEES COLLECTED AND BOND PROCEEDS, FOR EACH BANK PROGRAM.

(II) THE AMOUNT AND TYPE OF TOTAL BANK EXPENDITURES. EXPENDITURES SHALL BE SHOWN BY MAJOR CATEGORIES OF EXPENDITURES, INCLUDING LOANS PROVIDED, DEBT SERVICE PAYMENTS AND PROGRAM SUPPORT COSTS, FOR EACH BANK PROGRAM.

(E) A PROJECTION OF THE BANK'S NEEDS AND REQUIREMENTS FOR THE COMING YEAR.

(F) RECOMMENDATIONS FOR CHANGES IN STATE AND FEDERAL LAW NECESSARY TO MEET THE OBJECTIVES OF THIS ARTICLE.

2. THE REPORT REQUIRED BY THIS SECTION SHALL BE SUBMITTED TO THE GOVERNOR, THE DIRECTOR OF THE BUDGET, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY ON A QUARTERLY BASIS DURING THE TWO THOUSAND THIRTEEN--TWO THOUSAND FOURTEEN FISCAL YEAR AND THE TWO THOUSAND FOURTEEN--TWO THOUSAND FIFTEEN FISCAL YEAR.

S 511. CRITERIA, PRIORITIES AND GUIDELINES FOR SELECTION OF PROJECTS. 1. FOLLOWING CONSULTATION WITH APPROPRIATE STATE AND LOCAL AGENCIES, INCLUDING, BUT NOT LIMITED TO, THE DEPARTMENT, THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION AND THE DEPARTMENT OF ECONOMIC DEVELOPMENT, THE BANK SHALL ESTABLISH CRITERIA, PRIORITIES AND GUIDELINES FOR THE SELECTION OF PROJECTS TO RECEIVE ASSISTANCE FROM THE BANK. PROJECTS SHALL COMPLY WITH THE CRITERIA, PRIORITIES AND GUIDELINES ADOPTED BY THE BANK.

2. WHEN THE BANK ESTABLISHES OR MAKES CHANGES TO THE CRITERIA, PRIORITIES AND GUIDELINES, THE BANK SHALL NOTIFY THE GOVERNOR, THE DIRECTOR OF THE BUDGET, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY AND APPROPRIATE STATE AND LOCAL AGENCIES.

3. THE RESOLUTION REQUIRED IN SECTION FIVE HUNDRED TWELVE OF THIS ARTICLE SHALL HAVE BEEN ADOPTED PRIOR TO THE PROJECT'S SELECTION BY THE BANK.

S 512. MANDATORY RESOLUTION. 1. PRIOR TO SUBMITTING A PROJECT TO THE BANK FOR CONSIDERATION, THE LEGISLATIVE BODY OR BODIES OF A MUNICIPAL SPONSOR OR SPONSORS OF A PROJECT SHALL FIND, BY RESOLUTION, EACH OF THE FOLLOWING:

(A) THE PROJECT IS CONSISTENT WITH THE GENERAL PLAN OF BOTH THE CITY AND/OR THE COUNTY IN WHICH THE PROJECT IS LOCATED.

(B) THE PROPOSED FINANCING IS APPROPRIATE FOR THE SPECIFIC PROJECT.

(C) THE PROJECT FACILITATES EFFECTIVE AND EFFICIENT USE OF EXISTING AND FUTURE PUBLIC RESOURCES SO AS TO PROMOTE BOTH ECONOMIC DEVELOPMENT

AND CONSERVATION OF NATURAL RESOURCES. THE PROJECT DEVELOPS AND ENHANCES PUBLIC INFRASTRUCTURE IN A MANNER THAT WILL ATTRACT, CREATE AND SUSTAIN LONG-TERM EMPLOYMENT OPPORTUNITIES.

(D) THE PROJECT IS CONSISTENT WITH THE CRITERIA, PRIORITIES AND GUIDELINES FOR THE SELECTION OF PROJECTS ADOPTED PURSUANT TO SECTION FIVE HUNDRED ELEVEN OF THIS ARTICLE.

2. UPON THE ADOPTION OF THE RESOLUTION BY THE LEGISLATIVE BODY PURSUANT TO SUBDIVISION ONE OF THIS SECTION, THE LEGISLATIVE BODY SHALL TRANSMIT THE RESOLUTION TO THE EXECUTIVE DIRECTOR.

S 513. FINANCING OF ECONOMIC DEVELOPMENT FACILITIES. 1. THE BANK SHALL CONSIDER A PROJECT FOR CONDUIT FINANCING FOR ECONOMIC DEVELOPMENT FACILITIES UPON FILING OF AN APPLICATION WITH THE BANK BY AN APPROPRIATE PARTICIPATING PARTY, ON THE TERMS AND CONDITIONS THE BANK SHALL DETERMINE. THE BANK SHALL ESTABLISH PROCEDURES FOR THE EXPEDITIOUS REVIEW OF APPLICATIONS FOR THE ISSUANCE OR APPROVAL OF BONDS TO FINANCE ECONOMIC DEVELOPMENT FACILITIES.

2. IN ORDER TO PROVIDE OR ARRANGE FOR THE FINANCING OF ECONOMIC DEVELOPMENT FACILITIES, THE BANK MAY:

(A) ISSUE TAXABLE REVENUE BONDS PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS ARTICLE TO PROVIDE FINANCING FOR ECONOMIC DEVELOPMENT PROJECTS COMPATIBLE WITH THE PUBLIC INTEREST AS SPECIFIED IN SUBDIVISION THREE OF THIS SECTION.

(B) ISSUE TAXABLE REVENUE BONDS PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS ARTICLE TO PROVIDE FINANCING FOR THE REVOLVING LOAN FUNDS AND ECONOMIC DEVELOPMENT PROJECTS OF SMALL BUSINESS DEVELOPMENT CORPORATIONS, LOCAL ECONOMIC DEVELOPMENT CORPORATIONS, COMMUNITY DEVELOPMENT CORPORATIONS AND NONPROFIT ORGANIZATIONS, WHICH REVOLVING LOAN FUNDS AND ECONOMIC DEVELOPMENT PROJECTS SHALL BE COMPATIBLE WITH THE PUBLIC INTEREST AS SPECIFIED IN SUBDIVISION THREE OF THIS SECTION.

(C) ISSUE TAX-EXEMPT REVENUE BONDS PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS ARTICLE TO PROVIDE FINANCING FOR ECONOMIC DEVELOPMENT FACILITIES AS PERMITTED BY FEDERAL LAW AND IN ACCORDANCE WITH APPLICABLE STATE LAW RELATING TO THE DISTRIBUTION OF STATE ALLOCATIONS FOR PRIVATE ACTIVITY BONDS. PROJECTS SO FINANCED SHALL BE COMPATIBLE WITH THE PUBLIC INTEREST AS SPECIFIED IN SUBDIVISION THREE OF THIS SECTION.

(D) ISSUE TAX-EXEMPT REVENUE BONDS PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS ARTICLE FOR ECONOMIC DEVELOPMENT FACILITIES OF THE PUBLIC SECTOR AND NONPROFIT ORGANIZATIONS QUALIFYING FOR EXEMPTION UNDER FEDERAL LAW.

3. NO FINANCING SHALL BE MADE BY THE BANK UNDER THIS SECTION UNLESS THE BANK SHALL HAVE FIRST DETERMINED THAT THE FINANCING OR ASSISTANCE MEETS THE FOLLOWING PUBLIC INTEREST CRITERIA:

(A) THE FINANCING, LOAN, GRANT OR OTHER ASSISTANCE IS FOR A PROJECT OR A USE IN THE STATE.

(B) THOSE SEEKING FUNDS OR OTHER ASSISTANCE ARE CAPABLE OF MEETING OBLIGATIONS INCURRED UNDER RELEVANT AGREEMENTS.

(C) IN THE CASE OF LOANS OR BONDS, PAYMENTS TO BE MADE UNDER APPLICABLE FINANCING DOCUMENTS ARE ADEQUATE TO PAY THE CURRENT EXPENSES OF THE BANK IN CONNECTION WITH THE FINANCING AND TO MAKE PAYMENTS ON THE BONDS.

(D) THE PROPOSED FINANCING IS APPROPRIATE FOR THE SPECIFIC PROJECT.

4. (A) ANY LOAN ENTERED INTO PURSUANT TO THIS SECTION MAY CONTAIN PROVISIONS FOR PAYMENT OF A PENALTY IF ANY RECIPIENT OF FUNDS UNDER THIS ARTICLE LEAVES THIS STATE PRIOR TO THE COMPLETION OF THE FULL TERM OF THE LOAN.

(B) PROJECTS THAT THE BOARD DETERMINES WILL PRODUCE LONG-TERM EMPLOYMENT CREATION OR RETENTION SHALL RECEIVE FIRST PRIORITY FOR FINANCING.

(C) ANY RECIPIENT OF FUNDS UNDER THIS ARTICLE THAT UTILIZES THE FUNDS FOR CONSTRUCTION PURPOSES, SHALL CERTIFY THAT THE CONTRACTORS ARE PROPERLY LICENSED.

(D) THE BANK SHALL REQUIRE THAT THE PROPOSED ECONOMIC DEVELOPMENT FACILITIES BE CONSISTENT WITH ANY EXISTING LOCAL OR REGIONAL COMPREHENSIVE PLAN.

(E) THE BANK SHALL DEVELOP A POLICY REGARDING FINANCING COMPANIES THAT MOVE WITHIN THIS STATE SO AS TO MINIMIZE ANY DISPLACEMENT OF JOBS.

(F) IN ADDITION TO ANY OTHER METHODS THE BANK MAY USE TO IDENTIFY ECONOMIC DEVELOPMENT PROJECTS, THE BANK SHALL UTILIZE EXISTING LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS TO IDENTIFY THESE PROJECTS AND PREPARE A PLAN, IN CONSULTATION WITH SUCH ORGANIZATIONS AND THEIR REPRESENTATIVES, TO IMPLEMENT THIS POLICY.

S 514. MANAGEMENT OF THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND 1. THE BANK MAY PLEDGE ANY OR ALL OF THE MONEYS IN THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND ESTABLISHED PURSUANT TO SECTION NINETY-NINE-U OF THE STATE FINANCE LAW AS SECURITY FOR PAYMENT OF THE PRINCIPAL OF AND INTEREST ON, ANY PARTICULAR ISSUANCE OF BONDS ISSUED PURSUANT TO THIS ARTICLE. TO THE EXTENT PERMITTED BY LAW, THE BANK MAY ALSO INVEST MONEYS OF THE GUARANTEE TRUST FUND IN OBLIGATIONS OF FINANCIAL INSTITUTIONS THAT ARE PERMITTED BY BOARD RESOLUTION. THE BANK MAY USE ANY OR ALL OF THE MONEYS IN THE INFRASTRUCTURE BANK FUND, INCLUDING THE GRANT ACCOUNT, TO RETAIN OR PURCHASE FOR RETENTION OR SALE, SUBORDINATED BONDS ISSUED BY THE BANK, BY A SPECIAL PURPOSE TRUST OR BY A SPONSOR PURSUANT TO THIS ARTICLE. FOR THESE PURPOSES OR AS NECESSARY OR CONVENIENT TO THE ACCOMPLISHMENT OF ANY OTHER PURPOSE OF THE BANK, THE BANK MAY DIVIDE THE INFRASTRUCTURE BANK FUND INTO SEPARATE ACCOUNTS OR SUBACCOUNTS. ALL MONEYS ACCRUING TO THE BANK PURSUANT TO THIS ARTICLE FROM ANY SOURCES SHALL BE DEPOSITED IN THE INFRASTRUCTURE BANK FUND.

2. SUBJECT TO PRIORITIES THAT MAY BE CREATED BY THE PLEDGE OF PARTICULAR MONEYS IN THE INFRASTRUCTURE BANK FUND TO SECURE ANY ISSUANCE OF REVENUE BONDS OF THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR AND SUBJECT FURTHER TO REASONABLE COSTS THAT MAY BE INCURRED BY THE BANK IN ADMINISTERING THE PROGRAM AUTHORIZED BY THIS ARTICLE, ALL MONEYS IN THE INFRASTRUCTURE BANK FUND DERIVED FROM ANY SOURCE, SHALL BE HELD IN TRUST FOR THE SECURITY AND PAYMENT OF REVENUE BONDS OF THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR AND SHALL NOT BE USED OR PLEDGED FOR ANY OTHER PURPOSE SO LONG AS THE REVENUE BONDS ARE OUTSTANDING AND UNPAID.

3. PURSUANT TO ANY AGREEMENTS WITH THE HOLDERS OF REVENUE BONDS PLEDGING ANY PARTICULAR ASSETS, REVENUES OR MONEYS, THE BANK MAY CREATE SEPARATE ACCOUNTS OR SUBACCOUNTS IN THE INFRASTRUCTURE BANK FUND TO MANAGE THESE ASSETS, REVENUES OR MONEYS IN THE MANNER SET FORTH IN THE AGREEMENTS.

4. THE BANK MAY, FROM TIME TO TIME, DIRECT THE COMPTROLLER TO INVEST MONEYS IN THE INFRASTRUCTURE BANK FUND THAT ARE NOT REQUIRED FOR ITS CURRENT NEEDS, INCLUDING PROCEEDS FROM THE SALE OF ANY BONDS, IN ANY ELIGIBLE SECURITIES SPECIFIED IN SECTION NINETY-EIGHT-A OF THE STATE FINANCE LAW, AS THE BANK SHALL DESIGNATE. THE BANK MAY DIRECT THE COMPTROLLER TO DEPOSIT MONEYS IN INTEREST-BEARING ACCOUNTS IN ANY BANK IN THIS STATE OR IN ANY SAVINGS AND LOAN ASSOCIATION IN THIS STATE. THE COMPTROLLER SHALL BE EMPOWERED TO INVEST SUCH FUNDS PURSUANT TO SECTION NINETY-EIGHT-A OF THE STATE FINANCE LAW CONSISTENT WITH THE PURPOSES OF THIS ARTICLE. ALL INTEREST OR OTHER INCREMENT RESULTING FROM THE INVESTMENT OR DEPOSIT OF MONEYS FROM THE INFRASTRUCTURE BANK FUND SHALL BE DEPOSITED IN THE INFRASTRUCTURE BANK FUND.

5. THE ASSETS OF THE INFRASTRUCTURE BANK FUND SHALL BE AVAILABLE FOR THE PAYMENT OF THE SALARIES AND OTHER EXPENSES CHARGED AGAINST IT IN ACCORDANCE WITH THIS ARTICLE.

6. ALL EXPENSES INCURRED IN CARRYING OUT THE PURPOSES OF THIS ARTICLE SHALL BE PAYABLE SOLELY FROM FUNDS PROVIDED PURSUANT TO THIS SECTION AND NO LIABILITY OR OBLIGATION SHALL BE IMPOSED UPON THE STATE AND NONE SHALL BE INCURRED BY THE BANK BEYOND THE EXTENT TO WHICH MONEY SHALL HAVE BEEN PROVIDED PURSUANT TO THIS ARTICLE.

7. (A) MONEYS IN THE INFRASTRUCTURE BANK FUND RECEIVED FROM THE PROCEEDS OF BONDS ISSUED PURSUANT TO THIS ARTICLE MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS NECESSARY TO PAY THE EXPENSES OF OPERATING THE PROGRAM AUTHORIZED BY THIS ARTICLE, NOR SHALL THE BANK UTILIZE ANY MONEYS UNDER THE DIRECTION AND CONTROL OF THE NEW YORK MORTGAGE AGENCY, INCLUDING, BUT NOT LIMITED TO, MONEYS IN THE NEW YORK STATE INFRASTRUCTURE TRUST FUND, ESTABLISHED BY SECTION EIGHTY-EIGHT OF THE STATE FINANCE LAW OR THE HOUSING ASSISTANCE FUND ESTABLISHED BY SECTION NINETY-TWO-Q OF THE STATE FINANCE LAW, OTHER THAN MONEYS IN THE INFRASTRUCTURE BANK FUND TO SATISFY LIABILITIES ARISING FROM PROJECTS AUTHORIZED BY THIS ARTICLE.

(B) THE INFRASTRUCTURE BANK FUND, ON BEHALF OF THE BANK, MAY BORROW OR RECEIVE MONEYS FROM THE BANK OR FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR PRIVATE ENTITY, IN ORDER TO CREATE RESERVES IN THE INFRASTRUCTURE BANK FUND AS PROVIDED IN THIS ARTICLE AND AS AUTHORIZED BY RESOLUTION OF THE BOARD.

S 515. NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND. 1. THE BANK MAY, FROM TIME TO TIME, DIRECT THE COMPTROLLER TO INVEST MONEYS IN THE NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND ESTABLISHED PURSUANT TO SECTION NINETY-NINE-V OF THE STATE FINANCE LAW THAT ARE NOT REQUIRED FOR ITS CURRENT NEEDS IN ANY ELIGIBLE SECURITIES SPECIFIED IN SECTION NINETY-EIGHT-A OF THE STATE FINANCE LAW, AS THE BANK SHALL DESIGNATE. TO THE EXTENT PERMITTED BY LAW, THE BANK MAY ALSO INVEST MONEYS OF THE NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND IN OBLIGATIONS OF FINANCIAL INSTITUTIONS THAT ARE PERMITTED BY BOARD RESOLUTION. THE BANK MAY DIRECT THE COMPTROLLER TO INVEST THE MONEYS BY ENTERING INTO REPURCHASE AGREEMENTS OR REVERSE REPURCHASE AGREEMENTS, WHICH, FOR PURPOSES OF THIS SECTION, SHALL MEAN AGREEMENTS FOR THE PURCHASE OR SALE OF ELIGIBLE SECURITIES PURSUANT TO WHICH THE SELLER OR BUYER AGREES TO REPURCHASE OR SELL BACK THE SECURITIES ON OR BEFORE A SPECIFIED DATE AND FOR A SPECIFIED AMOUNT. THE BANK MAY DIRECT THE COMPTROLLER TO INVEST THE MONEYS IN THE SUBORDINATED SECURITIES OF THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR. THE BANK MAY DIRECT THE COMPTROLLER TO INVEST THE MONEYS IN INVESTMENT AGREEMENTS WITH CORPORATIONS, FINANCIAL INSTITUTIONS OR NATIONAL ASSOCIATIONS WITHIN THE UNITED STATES THAT ARE RATED BY A NATIONALLY RECOGNIZED RATING SERVICE WITHIN THE TOP THREE RATING CATEGORIES OF THE SERVICE. FOR PURPOSES OF THIS SECTION, INVESTMENT AGREEMENTS SHALL MEAN ANY AGREEMENT FOR THE INVESTMENT OF MONEYS IN THE GUARANTEE TRUST FUND WHETHER AT FIXED OR VARIABLE INTEREST RATES AND MAY INCLUDE, BUT NOT BE LIMITED TO, REPURCHASE AGREEMENTS, NOTES, UNCOLLATERALIZED TIME DEPOSITS, CERTIFICATES OF DEPOSIT AND THE SUBORDINATED SECURITIES OF THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR. THE BANK MAY DIRECT THE COMPTROLLER TO DEPOSIT MONEYS IN INTEREST-BEARING ACCOUNTS IN STATE OR NATIONAL BANKS OR OTHER FINANCIAL INSTITUTIONS HAVING PRINCIPAL OFFICES IN THIS STATE. ALL INTEREST OR OTHER INCREMENT RESULTING FROM THE INVESTMENT OR DEPOSIT SHALL BE DEPOSITED IN THE GUARANTEE TRUST FUND.

2. (A) THE BANK SHALL TAKE ALL REASONABLE STEPS TO ENSURE THAT THE GUARANTEE RESERVE ACCOUNT IS CONTINUOUSLY MAINTAINED AT NOT LESS THAN THE RESERVE ACCOUNT REQUIREMENT ESTABLISHED PURSUANT TO PARAGRAPH (B) OF SUBDIVISION SEVEN OF SECTION NINETY-NINE-V OF THE STATE FINANCE LAW. THE BANK SHALL PAY ALL OF THE FOLLOWING INTO THE GUARANTEE RESERVE ACCOUNT:

(I) MONEYS APPROPRIATED AND MADE AVAILABLE BY THE LEGISLATURE FOR DEPOSIT IN THE ACCOUNT.

(II) ANY PROCEEDS OF BONDS, INCLUDING GENERAL OBLIGATION BONDS, TO THE EXTENT PROVIDED IN THE RESOLUTION, TRUST AGREEMENT, RESOLUTIONS OR TRUST AGREEMENTS AUTHORIZING THE ISSUE THEREOF.

(III) ANY OTHER MONEYS THAT THE BANK MAY MAKE AVAILABLE FOR THE PURPOSE OF DEPOSIT TO THE GUARANTEE RESERVE ACCOUNT.

(B) THE BANK SHALL NOT CAUSE SUMS TO BE WITHDRAWN FROM THE GUARANTEE RESERVE ACCOUNT IN AMOUNTS THAT WOULD REDUCE THE MONEYS THEREIN TO LESS THAN THE RESERVE ACCOUNT REQUIREMENT, EXCEPT AS NECESSARY TO SATISFY LIABILITIES ARISING UNDER CONTRACTS OF GUARANTEE. IN THE EVENT THAT THE LOAN GUARANTEE RESERVE ACCOUNT IS REDUCED TO LESS THAN THE RESERVE ACCOUNT REQUIREMENT, THE BANK SHALL CEASE MAKING COMMITMENTS FOR AND CONTRACTS OF, GUARANTEES AND ENHANCEMENTS UNTIL THE GUARANTEE RESERVE ACCOUNT HAS BEEN RESTORED TO THAT REQUIREMENT.

3. THE BANK MAY CREATE OTHER ACCOUNTS WITHIN THE GUARANTEE TRUST FUND AS ARE NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS ARTICLE.

4. (A) THE OBLIGATION OF THE BANK AND OF THE STATE TO PAY ANY GUARANTEE BENEFIT PURSUANT TO CONTRACTS OF GUARANTEE OR ANY OTHER CONTRACTS OR OBLIGATIONS OF THE BANK, A SPECIAL PURPOSE TRUST OR SPONSOR SHALL BE A LIMITED OBLIGATION OF THE BANK PAYABLE SOLELY FROM AMOUNTS DEPOSITED IN THE GUARANTEE TRUST FUND THAT ARE MADE AVAILABLE THEREFOR UNDER THE RESPECTIVE CONTRACTS OF GUARANTEE. THE GUARANTEE OF LOANS OR BONDS UNDER THIS ARTICLE SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

(B) ALL CONTRACTS OF GUARANTEE OR ANY OTHER CONTRACTS OR OBLIGATIONS OF THE BANK, SPECIAL PURPOSE TRUST OR A SPONSOR PURSUANT TO THIS ARTICLE SHALL CONTAIN ON THE FACE THEREOF A STATEMENT TO THE FOLLOWING EFFECT: "NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS CONTRACT OF GUARANTEE."

5. THE BANK MAY CHARGE AND COLLECT INSURANCE GUARANTEE OR ENHANCEMENT PREMIUMS OR OTHER FEES FOR THE INSURANCE GUARANTEES OR ENHANCEMENTS DESCRIBED IN THIS ARTICLE AND IMPOSE OTHER REASONABLE CHARGES AND FEES FOR SERVICES PERFORMED IN CONNECTION WITH APPROVAL AND PROCESSING OF THE GUARANTEES OR ENHANCEMENTS OR FOR POOL ASSEMBLY, LOAN SERVICING OR OTHER SERVICES THE BANK MAY PROVIDE TO A SPECIAL SERVICE TRUST.

S 516. ISSUANCE OF BONDS; BOND PURCHASE AGREEMENTS. 1. (A) THE BANK MAY, FROM TIME TO TIME, ISSUE ITS REVENUE BONDS IN A PRINCIPAL AMOUNT THAT THE BANK SHALL DETERMINE TO BE NECESSARY TO PROVIDE SUFFICIENT FUNDS FOR ITS PURPOSES, WHICH MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, PROVIDING FUNDS FOR THE PAYMENT OF COSTS OF A PROJECT, FOR THE PURCHASE OF BONDS OF A SPECIAL PURPOSE TRUST OR A SPONSOR, PAYMENT OF INTEREST ON BONDS OF THE BANK OR OF A SPECIAL PURPOSE TRUST, ESTABLISHMENT OF RESERVES TO SECURE BONDS, REFUNDING PREVIOUSLY ISSUED BONDS OR REFUNDING BONDS OF THE BANK, SPECIAL PURPOSE TRUST OR A SPONSOR AND PAYMENT OF OTHER EXPENDITURES OF THE BANK OR SPECIAL PURPOSE TRUST INCIDENT TO ISSUANCE OF BONDS OR REFUNDING BONDS OF THE BANK.

(B) THE BANK, BY PRIVATE SALE PURSUANT TO A BOND PURCHASE AGREEMENT, MAY PURCHASE THE BONDS OF ANY LOCAL SPONSOR OR OF ANY SPECIAL PURPOSE TRUST THAT ARE ISSUED PURSUANT TO ANY OTHER PROVISION OF APPLICABLE LAW AND MAY BE SECURED WITH ANY FUNDS, MONEYS OR REVENUES THAT ARE LEGALLY AVAILABLE.

(C) THE BANK MAY ALSO ISSUE BONDS OR AUTHORIZE A SPECIAL PURPOSE TRUST TO ISSUE BONDS FOR THE PURPOSE OF MAKING LOANS TO A SPONSOR TO BE USED BY A SPONSOR TO PAY FOR THE COST OF A PROJECT AND THAT LOAN MAY BE SECURED WITH ANY FUNDS, MONEYS OR REVENUES THAT ARE LEGALLY AVAILABLE, INCLUDING, BUT NOT LIMITED TO, ANY LEGALLY AVAILABLE FUNDS OR MONEYS THAT ARE DUE OR PAYABLE TO THE SPONSOR BY REASON OF ANY GRANT, ALLOCATION OR APPROPRIATION OF THE STATE OR AGENCIES THEREOF, TO THE EXTENT THAT THE COMPTROLLER SHALL BE THE CUSTODIAN AT ANY TIME OF THESE FUNDS OR MONEYS AND ANY LEGALLY AVAILABLE FUNDS OR MONEYS THAT ARE OR WILL BE DUE OR PAYABLE TO ANY SPONSOR, THE BANK OR THE STATE OR THE AGENCIES THEREOF BY REASON OF ANY GRANT, ALLOCATION, APPORTIONMENT OR APPROPRIATION OF THE FEDERAL GOVERNMENT OR AGENCIES THEREOF.

2. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, BUT CONSISTENT WITH ARTICLES SEVEN AND EIGHT OF THE STATE CONSTITUTION, A SPONSOR MAY ISSUE BONDS FOR PURCHASE BY THE BANK PURSUANT TO A BOND PURCHASE AGREEMENT. THE BANK MAY ISSUE BONDS OR AUTHORIZE A SPECIAL PURPOSE TRUST TO ISSUE BONDS. THESE BONDS MAY BE ISSUED PURSUANT TO THE CHARTER OF ANY CITY OR ANY CITY AND COUNTY THAT AUTHORIZED THE ISSUANCE OF THESE BONDS AS A SPONSOR AND MAY ALSO BE ISSUED BY ANY SPONSOR PURSUANT TO STATE LAW, INCLUDING THE PUBLIC AUTHORITIES LAW, TO PAY THE COSTS AND EXPENSES PURSUANT TO THIS ARTICLE, SUBJECT TO THE FOLLOWING CONDITIONS:

(A) WITH THE PRIOR APPROVAL OF THE BANK, THE SPONSOR MAY SELL THESE BONDS IN ANY MANNER AS IT MAY DETERMINE, EITHER BY PRIVATE SALE OR BY MEANS OF COMPETITIVE BID.

(B) NOTWITHSTANDING SECTION FIFTY-SEVEN OF THE STATE FINANCE LAW, THE BONDS MAY BE SOLD AT A DISCOUNT AT ANY RATE AS THE BANK AND SPONSOR SHALL DETERMINE.

(C) NOTWITHSTANDING SECTION FIFTY-SEVEN OF THE STATE FINANCE LAW, THE BONDS SHALL BEAR INTEREST AT ANY RATE AND BE PAYABLE AT ANY TIME AS THE SPONSOR SHALL DETERMINE WITH THE CONSENT OF THE BANK.

3. BONDS FOR WHICH MONEYS OR SECURITIES HAVE BEEN DEPOSITED IN TRUST, IN AMOUNTS NECESSARY TO PAY OR REDEEM THE PRINCIPAL, INTEREST AND ANY REDEMPTION PREMIUM THEREON, SHALL BE DEEMED NOT TO BE OUTSTANDING FOR PURPOSES OF THIS SECTION.

4. (A) THE BANK MAY GIVE FINAL APPROVAL FOR THE ISSUANCE OF THE BONDS OR OF THE AUTHORIZATION OF A SPECIAL PURPOSE TRUST UPON TERMS IT DEEMS NECESSARY OR DESIRABLE.

(B) THE EXECUTIVE DIRECTOR MAY ESTABLISH THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS OR OF THE AUTHORIZATION OF A SPECIAL PURPOSE TRUST AND TAKE ANY OTHER ACTION NECESSARY OR DESIRABLE FOR THE ISSUANCE OF THE BONDS OR OF A SPECIAL PURPOSE TRUST AUTHORIZED BY THE BANK.

(C) ANY ACTION UNDER THIS SECTION SHALL BE AT THE DISCRETION OF THE BANK.

5. THE COMPTROLLER, THE GOVERNOR OR THE LIEUTENANT GOVERNOR IS AN ELECTED REPRESENTATIVE OF THE STATE AUTHORIZED TO FULFILL THE PUBLIC APPROVAL REQUIREMENT OF SUBDIVISION (F) OF SECTION ONE HUNDRED FORTY-SEVEN OF TITLE TWENTY-SIX OF THE INTERNAL REVENUE CODE (26 U.S.C.A. SEC. 147(F)), INCLUDING SUBSEQUENT AMENDMENTS THERETO OR ITS SUCCESSOR PROVISION, FOR THE ISSUANCE OF TAX-EXEMPT BONDS ISSUED BY THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR PURSUANT TO THIS ARTICLE.

S 517. BONDS AUTHORIZED; SOURCES OF REVENUE; ISSUANCE AND SALE. 1. BONDS MAY BE AUTHORIZED TO FINANCE A SINGLE PROJECT FOR A SINGLE SPONSOR OR A PARTICIPATING PARTY, A SERIES OF PROJECTS FOR A SINGLE SPONSOR OR A PARTICIPATING PARTY, A SINGLE PROJECT FOR SEVERAL SPONSORS OR PARTICIPATING PARTIES OR SEVERAL PROJECTS FOR SEVERAL SPONSORS OR PARTICIPATING PARTIES.

2. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY THE BANK, EVERY ISSUE OF ITS BONDS SHALL BE PAYABLE FROM ANY REVENUES OR OTHER MONEYS OF THE BANK AVAILABLE THEREFOR AND NOT OTHERWISE PLEDGED. THESE REVENUES OR MONEYS MAY INCLUDE THE PROCEEDS OF ADDITIONAL BONDS, SUBJECT ONLY TO ANY AGREEMENTS WITH THE HOLDERS OF PARTICULAR BONDS PLEDGING ANY PARTICULAR REVENUES OR MONEYS. NOTWITHSTANDING THAT THE BONDS MAY BE PAYABLE FROM A SPECIAL FUND, THESE BONDS SHALL BE DEEMED TO BE NEGOTIABLE INSTRUMENTS FOR ALL PURPOSES.

3. SUBJECT TO THE LIMITATIONS IN SECTION FIVE HUNDRED SIXTEEN OF THIS ARTICLE, BONDS MAY BE ISSUED IN ONE OR MORE SERIES, MAY BE ISSUED AS SERIAL BONDS OR AS TERM BONDS OR AS A COMBINATION THEREOF. THE BONDS SHALL BE AUTHORIZED BY RESOLUTION OF THE BANK AND SHALL, AS PROVIDED BY THE RESOLUTION, BEAR THE DATE OF ISSUANCE, THE TIME OF MATURITY, WHICH SHALL NOT EXCEED FIFTY YEARS FROM THE DATE OF ISSUANCE, BEAR THE RATE OR RATES OF INTEREST, BE PAYABLE AT THE TIME OR TIMES PROVIDED, BE IN THE DENOMINATIONS PROVIDED, BE IN THE FORM OR FORMS PROVIDED, CARRY THE REGISTRATION PRIVILEGES PROVIDED, BE EXECUTED IN THE MANNER PROVIDED, BE PAYABLE IN LAWFUL MONEY OF THE UNITED STATES OR OTHER DESIGNATED CURRENCY, AT THE PLACE OR PLACES PROVIDED AND BE SUBJECT TO ANY TERMS OF REDEMPTION PROVIDED THEREIN.

4. SALE OF THE BONDS OF THE BANK OR OF A SPECIAL PURPOSE TRUST SHALL BE COORDINATED BY THE COMPTROLLER IN ACCORDANCE WITH SECTION FIFTY-SEVEN OF THE STATE FINANCE LAW. THE COMPTROLLER SHALL SELL THE BONDS WITHIN NINETY DAYS OF RECEIVING A CERTIFIED COPY OF THE RESOLUTION AUTHORIZING THE SALE OF BONDS, UNLESS THE BOARD ADOPTS A RESOLUTION EXTENDING THE NINETY-DAY PERIOD.

5. THE SALE MAY BE A PUBLIC OR PRIVATE SALE AND FOR ANY PRICE OR PRICES AND ON ANY TERMS AND CONDITIONS, AS THE BANK DETERMINES PROPER, AFTER GIVING DUE CONSIDERATION TO THE RECOMMENDATIONS OF ANY SPECIAL PURPOSE TRUST AND ANY SPONSOR TO BE ASSISTED FROM THE PROCEEDS OF THE BONDS. PENDING PREPARATION OF DEFINITIVE BONDS, THE COMPTROLLER MAY ISSUE INTERIM RECEIPTS, CERTIFICATES OR TEMPORARY BONDS THAT SHALL BE EXCHANGED FOR DEFINITIVE BONDS.

S 518. BOND RESOLUTIONS. ANY RESOLUTION AUTHORIZING ANY BONDS OR THE AUTHORIZATION OF A SPECIAL PURPOSE TRUST OR ANY ISSUE OF BONDS OF THE BANK OR A SPECIAL PURPOSE TRUST MAY CONTAIN THE FOLLOWING PROVISIONS, WHICH SHALL BE A PART OF THE CONTRACT WITH THE HOLDERS OF THE BONDS TO BE AUTHORIZED:

1. PROVISIONS PLEDGING THE FULL FAITH AND CREDIT OF THE BANK OR PLEDGING ALL OR ANY PART OF THE REVENUES OF ANY PROJECT OR ANY REVENUE-PRODUCING CONTRACT OR CONTRACTS MADE BY THE BANK WITH ANY SPONSOR OR ANY OTHER MONEYS OF THE BANK, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY PARTICULAR ISSUE OF BONDS, SUBJECT TO THOSE AGREEMENTS WITH BONDHOLDERS AS MAY THEN EXIST AND CONSISTENT WITH ARTICLES SEVEN AND EIGHT OF THE STATE CONSTITUTION.

2. PROVISIONS SETTING OUT THE RENTALS, FEES, PURCHASE PAYMENTS, LOAN REPAYMENTS AND OTHER CHARGES AND THE AMOUNTS TO BE RAISED IN EACH YEAR THEREBY AND THE USE AND DISPOSITION OF THE REVENUES.

3. PROVISIONS SETTING ASIDE RESERVES OR SINKING FUNDS OR PROVIDING FOR THE USE OF SUBORDINATED CLASSES OF BONDS BY THE BANK OR A SPECIAL PURPOSE TRUST AND THE REGULATION AND DISPOSITION THEREOF.

4. LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS, THE TERMS UPON WHICH ADDITIONAL BONDS MAY BE ISSUED AND SECURED AND THE REFUNDING OF OUTSTANDING BONDS.

5. THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS AND THE HOLDERS THEREOF THAT ARE REQUIRED TO GIVE CONSENT THERETO AND THE MANNER IN WHICH THE CONSENT MAY BE GIVEN.

6. LIMITATIONS ON THE BANK'S EXPENDITURES FOR OPERATION AND ADMINISTRATION OR OTHER EXPENSES.

7. DEFINITIONS OF ACTS OR OMISSIONS TO ACT THAT CONSTITUTE A DEFAULT IN THE DUTIES OF THE BANK TO HOLDERS OF ITS OBLIGATIONS AND PROVIDING THE RIGHTS AND REMEDIES OF THE HOLDERS IN THE EVENT OF A DEFAULT.

8. THE MORTGAGING OF ANY PROJECT AND THE SITE THEREOF FOR THE PURPOSE OF SECURING THE INTERESTS OF THE BONDHOLDERS.

9. THE MORTGAGING OF LAND, IMPROVEMENTS OR OTHER ASSETS OWNED BY A SPONSOR OR PARTICIPATING PARTY FOR THE PURPOSE OF SECURING THE INTERESTS OF THE BONDHOLDERS.

S 519. PURCHASE OF BONDS. THE BANK, A SPECIAL PURPOSE TRUST OR ANY SPONSOR OR PARTICIPATING PARTY MAY, OUT OF ANY FUNDS AVAILABLE THEREFOR, PURCHASE THEIR RESPECTIVE BONDS. THE BANK AND A SPECIAL PURPOSE TRUST MAY HOLD, PLEDGE, CANCEL OR RESELL THEIR BONDS, SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH BONDHOLDERS.

S 520. TRUST AGREEMENT. IN THE DISCRETION OF THE BANK, A SPECIAL PURPOSE TRUST OR THE SPONSOR, AS THE CASE MAY BE, ANY BONDS ISSUED UNDER THIS ARTICLE MAY BE SECURED BY A TRUST AGREEMENT BETWEEN THE BANK, A SPECIAL PURPOSE TRUST OR THE SPONSOR AND A CORPORATE TRUSTEE OR TRUSTEES, THAT MAY INCLUDE THE COMPTROLLER OR ANY TRUST COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY WITHIN OR WITHOUT THE STATE.

1. THE TRUST AGREEMENT OR THE RESOLUTION PROVIDING FOR THE ISSUANCE OF THE BONDS MAY PLEDGE OR ASSIGN ANY FUNDS OR ASSETS OF THE BANK OR SPECIAL PURPOSE TRUST LEGALLY AVAILABLE FOR PLEDGE OR ASSIGNMENT, ALL OR A PORTION OF THE REVENUES TO BE RECEIVED BY THE BANK, DIRECTLY OR INDIRECTLY, WITH RESPECT TO THE PROJECT OR THE PROCEEDS OF ANY CONTRACT OR CONTRACTS, LOAN OR LOAN AGREEMENTS, BOND OR BOND PURCHASE AGREEMENTS AND MAY CONVEY OR MORTGAGE THE PROJECT OR PROJECTS OR ANY PORTION THEREOF, TO BE FINANCED OUT OF THE PROCEEDS OF THE BONDS. THE TRUST AGREEMENT OR RESOLUTION PROVIDING FOR THE ISSUANCE OF THE BONDS MAY CONTAIN PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF BONDHOLDERS AS MAY BE REASONABLE AND PROPER AND NOT IN VIOLATION OF LAW, INCLUDING PROVISIONS SPECIFICALLY AUTHORIZED TO BE INCLUDED IN ANY RESOLUTION OR RESOLUTIONS OF THE BANK OR A SPONSOR AUTHORIZING BONDS.

2. ANY BANK OR TRUST COMPANY DOING BUSINESS UNDER THE LAWS OF THE STATE THAT MAY ACT AS A DEPOSITORY OF THE PROCEEDS OF BONDS OR OF REVENUES OR OTHER MONEYS SHALL FURNISH INDEMNIFYING BONDS OR PLEDGE SECURITIES WHEN REQUIRED BY THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR.

3. THE TRUST AGREEMENT MAY SET FORTH THE RIGHTS AND REMEDIES OF THE BONDHOLDERS AND OF THE TRUSTEE OR TRUSTEES AND MAY RESTRICT THE INDIVIDUAL RIGHT OF ACTION BY BONDHOLDERS. IN ADDITION, ANY TRUST AGREEMENT OR RESOLUTION MAY CONTAIN OTHER PROVISIONS THAT THE BANK MAY DEEM REASONABLE AND PROPER FOR THE SECURITY OF THE BONDHOLDERS.

4. THE TRUST AGREEMENT MAY PROVIDE FOR THE PLEDGE OR ASSIGNMENT OF FUNDS OR MONEYS IN THE CUSTODY OF THE COMPTROLLER THAT ARE LEGALLY AVAILABLE TO A SPONSOR AND THAT ARE DUE OR PAYABLE TO THE SPONSOR BY

REASON OF ANY GRANT, ALLOCATION, APPORTIONMENT OR APPROPRIATION OF THE STATE OR AGENCIES THEREOF AND ANY LEGALLY AVAILABLE FUNDS OR MONEYS THAT ARE OR WILL BE DUE OR PAYABLE, TO ANY SPONSOR, THE BANK, THE STATE OR THE AGENCIES THEREOF BY REASON OF ANY GRANT, ALLOCATION, APPORTIONMENT OR APPROPRIATION OF THE FEDERAL GOVERNMENT OR AGENCIES THEREOF.

S 521. LIABILITY OF STATE. 1. BONDS ISSUED UNDER THIS ARTICLE DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE BANK OR A SPECIAL PURPOSE TRUST AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, OTHER THAN THE BANK OR SPECIAL PURPOSE TRUST, BUT ARE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THIS ARTICLE AND SHALL BE CONSISTENT WITH ARTICLES SEVEN AND EIGHT OF THE STATE CONSTITUTION. THIS SUBDIVISION SHALL IN NO WAY PRECLUDE BOND GUARANTEES OR ENHANCEMENTS PURSUANT TO THIS ARTICLE. ALL THE BONDS SHALL CONTAIN ON THE FACE THEREOF A STATEMENT TO THE FOLLOWING EFFECT: "NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON, THIS BOND."

2. THE ISSUANCE OF BONDS UNDER THIS ARTICLE SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NOTHING IN THIS SECTION SHALL PREVENT OR BE CONSTRUED TO PREVENT, THE BANK FROM PLEDGING THE FULL FAITH AND CREDIT OF THE INFRASTRUCTURE BANK FUND TO THE PAYMENT OF BONDS OR ISSUANCE OF BONDS AUTHORIZED PURSUANT TO THIS ARTICLE.

S 522. REFUND OF OUTSTANDING BONDS; PROJECT ENLARGEMENTS. 1. THE BANK OR A SPECIAL PURPOSE TRUST MAY ISSUE BONDS FOR THE PURPOSE OF REFUNDING ANY BONDS, NOTES OR OTHER SECURITIES OF THE BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR THEN OUTSTANDING, INCLUDING THE PAYMENT OF ANY REDEMPTION PREMIUM THEREON AND ANY INTEREST ACCRUED OR TO ACCRUE, ON THEIR EARLIEST OR ANY SUBSEQUENT DATE OF REDEMPTION, PURCHASE OR MATURITY OF THESE BONDS. THE BANK OR A SPONSOR, IF IT DEEMS ADVISABLE, MAY ISSUE OR AUTHORIZE A SPONSOR TO ISSUE BONDS FOR THE ADDITIONAL PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF CONSTRUCTING AND ACQUIRING ADDITIONS, IMPROVEMENTS, EXTENSIONS OR ENLARGEMENTS OF ANY PROJECT OR ANY PORTION THEREOF.

2. THE PROCEEDS OF ANY BONDS ISSUED FOR THE PURPOSE OF REFUNDING OUTSTANDING BONDS AS PROVIDED IN SUBDIVISION ONE OF THIS SECTION MAY, IN THE DISCRETION OF THE BANK, BE APPLIED TO THE PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION OF THOSE OUTSTANDING BONDS EITHER ON THEIR EARLIEST OR ANY SUBSEQUENT REDEMPTION DATE OR UPON THE PURCHASE OR RETIREMENT AT THE MATURITY THEREOF AND MAY, PENDING THIS APPLICATION, BE PLACED IN ESCROW TO BE APPLIED TO THE PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION OF THOSE OUTSTANDING BONDS ON THE DATE OR DATES AS MAY BE DETERMINED BY THE BANK.

3. PENDING THIS USE, THE ESCROWED PROCEEDS MAY BE INVESTED AND REINVESTED BY THE COMPTROLLER OR A TRUSTEE IN OBLIGATIONS OF OR GUARANTEED BY, THE UNITED STATES OR IN CERTIFICATES OF DEPOSIT OR TIME DEPOSITS SECURED BY OBLIGATIONS OF OR GUARANTEED BY, THE UNITED STATES, MATURING AT THE TIME OR TIMES APPROPRIATE TO ASSURE PROMPT PAYMENT, OF THE PRINCIPAL, INTEREST AND REDEMPTION PREMIUM, IF ANY, OF THE OUTSTANDING BONDS TO BE REFUNDED. THE INTEREST, INCOME AND PROFITS, IF ANY, EARNED OR REALIZED ON THE INVESTMENT MAY ALSO BE APPLIED TO THE PAYMENT OF THE OUTSTANDING BONDS TO BE REFUNDED. AFTER THE TERMS OF THE ESCROW HAVE BEEN FULLY SATISFIED AND CARRIED OUT, ANY BALANCE OF THE PROCEEDS AND INTEREST, INCOME AND PROFITS, IF ANY, EARNED OR REALIZED ON THE INVEST-

MENTS THEREOF, SHALL BE RETURNED TO THE BANK FOR USE IN CARRYING OUT THE PURPOSES OF THIS ARTICLE.

4. THE PORTION OF THE PROCEEDS OF THE BONDS ISSUED FOR THE ADDITIONAL PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF CONSTRUCTION AND ACQUIRING ADDITIONS, IMPROVEMENTS, EXTENSIONS OR ENLARGEMENTS OF ANY PROJECT MAY BE INVESTED AND REINVESTED BY THE COMPTROLLER OR A TRUSTEE IN OBLIGATIONS OF OR GUARANTEED BY, THE UNITED STATES OR IN CERTIFICATES OF DEPOSIT OR TIME DEPOSITS SECURED BY OBLIGATIONS OF OR GUARANTEED BY, THE UNITED STATES, MATURING NOT LATER THAN THE TIME OR TIMES WHEN THESE PROCEEDS WILL BE NEEDED FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST. THE INTEREST, INCOME AND PROFITS, IF ANY, EARNED OR REALIZED ON THIS INVESTMENT MAY BE APPLIED TO THE PAYMENT OF ALL OR ANY PART OF, THE COST OR MAY BE USED BY THE BANK IN CARRYING OUT THE PURPOSES OF THIS ARTICLE.

S 523. SECURITY. 1. ANY ISSUE OF REVENUE BONDS BY THE BANK MAY BE SECURED AND MADE MORE ATTRACTIVE TO CAPITAL MARKETS THROUGH FINANCIAL INSTRUMENTS, INCLUDING, BUT NOT LIMITED TO:

(A) DEEDS OF TRUST ON THE RESOURCES, FACILITIES AND REVENUES OF THE PROJECTS.

(B) CREDIT ENHANCEMENTS, INCLUDING, BUT NOT LIMITED TO, LETTERS OF CREDIT, BOND INSURANCE AND SURETY BONDS PROVIDED BY PRIVATE FINANCIAL INSTITUTIONS.

(C) INSURANCE AND GUARANTEES PROVIDED BY THE BANK ITSELF.

2. THE BANK MAY MAKE LOANS TO HELP ESTABLISH AND SUPPORT THE REVOLVING LOAN FUNDS OF SMALL BUSINESS DEVELOPMENT CORPORATIONS, ECONOMIC DEVELOPMENT CORPORATIONS, COMMUNITY DEVELOPMENT CORPORATIONS AND NONPROFIT CORPORATIONS. THE LOANS MAY BE MADE FROM ANY APPROPRIATE ACCOUNT OR SUBACCOUNT OF THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND, AS PROVIDED IN SECTION NINETY-NINE-U OF THE STATE FINANCE LAW AND AS DETERMINED BY THE BANK.

S 2. The state finance law is amended by adding two new sections 99-u and 99-v to read as follows:

S 99-U. NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND. 1. THERE IS HEREBY ESTABLISHED IN THE CUSTODY OF THE COMPTROLLER A FUND TO BE KNOWN AS THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND FOR THE PURPOSE OF IMPLEMENTING THE OBJECTIVES AND PROVISIONS OF ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW. WITHIN THE FUND THERE SHALL ALSO BE ESTABLISHED A SPONSOR REVENUE BOND ACCOUNT, A PARTICIPATING PARTY REVENUE BOND ACCOUNT, A STATE INFRASTRUCTURE REVOLVING ACCOUNT AND ADDITIONAL ACCOUNTS AND SUBACCOUNTS THAT THE BANK MAY ESTABLISH FROM TIME TO TIME. ALL MONEYS RECEIVED BY THE FUND PURSUANT TO ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW FROM WHATEVER SOURCE DERIVED SHALL BE DEPOSITED TO THE EXCLUSIVE CREDIT OF SUCH FUND ACCOUNT. SAID MONEYS SHALL BE KEPT SEPARATE AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEYS IN THE CUSTODY OF THE COMPTROLLER.

2. EXCEPT AS PROVIDED IN SUBDIVISION THREE OF THIS SECTION, ALL MONEYS IN THE FUND SHALL BE RETAINED BY THE FUND AND SHALL BE RELEASED BY THE COMPTROLLER ONLY UPON CERTIFICATES SIGNED BY THE EXECUTIVE DIRECTOR OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE SUPPORT OF THE BANK AND SHALL BE AVAILABLE FOR EXPENDITURE FOR THE PURPOSES STATED IN THIS SECTION AND IN ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW.

3. MONEYS IN THE FUND SHALL BE AVAILABLE FOR THE PURPOSE OF GENERAL ADMINISTRATION OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK ONLY UPON APPROPRIATION BY THE LEGISLATURE, BUT NOT MORE THAN FIVE PERCENT OF ANY BOND PROCEEDS ADMINISTERED BY THE STATE INFRASTRUCTURE

AND ECONOMIC DEVELOPMENT BANK MAY BE EXPENDED TO COVER THE COSTS OF ISSUANCE, AS THAT TERMINOLOGY IS DEFINED UNDER SUBDIVISION (G) OF SECTION ONE HUNDRED FORTY-SEVEN OF THE INTERNAL REVENUE CODE. THIS SUBDIVISION SHALL NOT LIMIT THE AUTHORITY OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK TO EXPEND FUNDS DIRECTLY RELATED TO THE SERVICING OF APPROVED DEBT.

4. (A) THE EXECUTIVE DIRECTOR OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK MAY TRANSFER FUNDS BETWEEN THE INFRASTRUCTURE BANK FUND AND THE NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND, ESTABLISHED PURSUANT TO SECTION NINETY-NINE-V OF THIS ARTICLE, WHEN APPROPRIATE TO ACCOMPLISH THE FINANCING OBJECTIVES OF THIS SECTION AND ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW.

(B) MONEYS IN THE FUND RECEIVED FROM THE PROCEEDS OF BONDS ISSUED PURSUANT TO ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS NECESSARY TO PAY THE EXPENSES OF OPERATING THE PROGRAM AUTHORIZED BY SUCH ARTICLE, NOR SHALL THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK UTILIZE ANY MONEYS UNDER THE DIRECTION AND CONTROL OF THE DEPARTMENT OF TRANSPORTATION, OTHER THAN MONEYS IN THE FUND, TO SATISFY LIABILITIES ARISING FROM PROJECTS AUTHORIZED BY ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW.

(C) THE INFRASTRUCTURE BANK FUND, ON BEHALF OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK OR A SPECIAL PURPOSE TRUST, MAY BORROW OR RECEIVE MONEYS FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR PRIVATE ENTITY, IN ORDER TO CREATE RESERVES IN THE INFRASTRUCTURE BANK FUND AS PROVIDED IN ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW AND AS AUTHORIZED BY RESOLUTION OF THE BOARD OF DIRECTORS OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK.

S 99-V. NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND. 1. THERE IS HEREBY ESTABLISHED IN THE CUSTODY OF THE COMPTROLLER A SPECIAL FUND TO BE KNOWN AS THE NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND.

2. THE FUND SHALL BE A TRUST FUND AND SHALL CONSIST OF A TRUST ACCOUNT, A GUARANTEE RESERVE ACCOUNT AND AN OPERATING ACCOUNT. ALL INSURANCE PREMIUMS RECEIVED BY THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR INSURANCE, GUARANTEES OR ENHANCEMENTS PROVIDED PURSUANT TO ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW SHALL BE DEPOSITED IN THE FUND.

3. EXCEPT AS PROVIDED IN SUBDIVISION FOUR OF THIS SECTION, ALL MONEYS IN THE FUND SHALL BE RETAINED BY THE FUND AND SHALL BE RELEASED BY THE COMPTROLLER ONLY UPON CERTIFICATES SIGNED BY THE EXECUTIVE DIRECTOR OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE PURPOSE OF INSURING ALL OR A PORTION OF THE ACCOUNTS AND SUBACCOUNTS WITHIN THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND, ESTABLISHED PURSUANT TO SECTION NINETY-NINE-U OF THIS ARTICLE, ANY CONTRACTS OR OBLIGATIONS OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK OR A SPONSOR AND ALL OR A PART OF ANY SERIES OF BONDS ISSUED BY THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, BY A SPECIAL PURPOSE TRUST OR BY A SPONSOR PURSUANT TO ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW AND FOR THE PURPOSE OF DEFRAYING ADMINISTRATIVE EXPENSES INCURRED BY THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK IN OPERATING THE PROGRAMS OF LOAN AND BOND GUARANTEE. THE FUND IS AUTHORIZED TO GUARANTEE ALL OR A PART OF ANY OF THE ACCOUNTS AND SUBACCOUNTS WITHIN THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND, ANY CONTRACTS OR OBLIGATIONS OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, A SPECIAL PURPOSE TRUST OR A SPONSOR AND ALL OR PART OF ANY SERIES OF BONDS ISSUED BY THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, BY A SPECIAL PURPOSE TRUST OR BY A SPONSOR

AND TO AUTHORIZE PAYMENT ON ANY GUARANTEE OR ENHANCEMENT OF THE GUARANTEE TRUST FUND.

4. THIS SECTION SHALL NOT LIMIT THE AUTHORITY OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK TO EXPEND FUNDS DIRECTLY RELATED TO THE SERVICING OF APPROVED DEBT.

5. PURSUANT TO SECTION FIVE HUNDRED FIFTEEN OF THE TRANSPORTATION LAW, ANY MONEYS IN THE FUND AND IN ANY OF THE ACCOUNTS IN SUCH FUND MAY, AT THE DIRECTION OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, BE INVESTED BY THE COMPTROLLER IN SECURITIES AND OBLIGATIONS AS DEFINED BY SECTION NINETY-EIGHT-A OF THIS ARTICLE. ANY INCOME EARNED BY THE INVESTMENT OF MONEYS IN ANY OF THE ACCOUNTS IN SUCH FUND SHALL BE ADDED TO AND BECOME A PART OF AND SHALL BE USED FOR THE PURPOSES OF SUCH ACCOUNT.

6. (A) THERE SHALL BE A GUARANTEE RESERVE ACCOUNT IN THE NEW YORK STATE INFRASTRUCTURE GUARANTEE TRUST FUND TO SECURE COMMITMENTS UNDER CONTRACTS TO GUARANTEE ALL OR PART OF THE BONDS OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, A SPECIAL PURPOSE TRUST OR OF A SPONSOR, ANY CONTRACTS OR OBLIGATIONS OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, A SPECIAL PURPOSE TRUST OR OF A SPONSOR AND ALL OR PART OF THE ACCOUNTS OR SUBACCOUNTS WITHIN THE NEW YORK STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND. THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK SHALL TAKE ALL REASONABLE STEPS TO ENSURE THAT THE GUARANTEE RESERVE ACCOUNT IS CONTINUOUSLY MAINTAINED AT NOT LESS THAN THE RESERVE ACCOUNT REQUIREMENT ESTABLISHED PURSUANT TO SUBDIVISION SEVEN OF THIS SECTION. THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK SHALL PAY ALL OF THE FOLLOWING INTO THE GUARANTEE RESERVE ACCOUNT:

(I) MONEYS APPROPRIATED AND MADE AVAILABLE BY THE LEGISLATURE FOR DEPOSIT IN THE ACCOUNT.

(II) ANY PROCEEDS OF BONDS, INCLUDING GENERAL OBLIGATION BONDS, TO THE EXTENT PROVIDED IN THE RESOLUTION, TRUST AGREEMENT, RESOLUTIONS OR TRUST AGREEMENTS AUTHORIZING THE ISSUE THEREOF.

(III) ANY OTHER MONEYS THAT THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK MAY MAKE AVAILABLE FOR THE PURPOSE OF DEPOSIT TO THE GUARANTEE RESERVE ACCOUNT.

(B) THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK SHALL NOT CAUSE SUMS TO BE WITHDRAWN FROM THE GUARANTEE RESERVE ACCOUNT IN AMOUNTS THAT WOULD REDUCE THE MONEYS THEREIN TO LESS THAN THE RESERVE ACCOUNT REQUIREMENT, EXCEPT AS NECESSARY TO SATISFY LIABILITIES ARISING UNDER CONTRACTS OF GUARANTEE. IN THE EVENT THAT THE LOAN GUARANTEE RESERVE ACCOUNT IS REDUCED TO LESS THAN THE RESERVE ACCOUNT REQUIREMENT, THE BANK SHALL CEASE MAKING COMMITMENTS FOR AND CONTRACTS OF, GUARANTEES AND ENHANCEMENTS UNTIL THE GUARANTEE RESERVE ACCOUNT HAS BEEN RESTORED TO THAT REQUIREMENT.

7. (A) THE LEGISLATURE MAY FROM TIME TO TIME APPROPRIATE OR TRANSFER TO THE GUARANTEE RESERVE ACCOUNT FROM FUNDS OR ACCOUNTS THAT ARE LEGALLY AVAILABLE, AN AMOUNT OR AMOUNTS AS THE LEGISLATURE MAY DETERMINE. THE LEGISLATURE MAY ESTABLISH AND FROM TIME TO TIME INCREASE, FOR THE GUARANTEE RESERVE ACCOUNT A REQUIREMENT THAT SHALL BE KNOWN AS THE "RESERVE ACCOUNT REQUIREMENT."

(B) IF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK DETERMINES THAT THE AMOUNT IN THE RESERVE ACCOUNT IS BELOW THE RESERVE ACCOUNT REQUIREMENT, THE EXECUTIVE DIRECTOR OF THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK SHALL IMMEDIATELY CERTIFY IN WRITING TO THE GOVERNOR, THE DIRECTOR OF THE BUDGET, THE TEMPORARY PRESIDENT OF THE

SENATE AND THE SPEAKER OF THE ASSEMBLY, THE SUM REQUIRED TO RESTORE THE RESERVE FUND TO THE RESERVE ACCOUNT REQUIREMENT.

(C) UPON RECEIVING NOTICE THAT THE AMOUNT IN THE RESERVE ACCOUNT IS BELOW THE RESERVE ACCOUNT REQUIREMENT, THE LEGISLATURE MAY, AT ITS DISCRETION, CHOOSE TO APPROPRIATE AND PAY TO THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR DEPOSIT INTO THE GUARANTEE RESERVE ACCOUNT THAT SUM THAT WOULD RESTORE THE RESERVE ACCOUNT TO AN AMOUNT EQUAL TO THE RESERVE ACCOUNT REQUIREMENT.

(D) THE STATE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK MAY UTILIZE ANY MONEYS THAT MAY BE APPROPRIATED TO THE GUARANTEE TRUST FUND FROM TIME TO TIME BY THE LEGISLATURE FOR EFFECTUATING ITS PURPOSES, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF THE INITIAL EXPENSES OF ADMINISTRATION AND OPERATION AND THE RESTORATION OF THE RESERVE ACCOUNT TO THE RESERVE ACCOUNT REQUIREMENT.

8. MONEYS IN THE GUARANTEE TRUST FUND MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT FOR PAYMENT ON ANY GUARANTEE OR ENHANCEMENTS OR EXCEPT AS NECESSARY TO PAY THE EXPENSES OF OPERATING THE PROGRAM OF BOND GUARANTEE AND ENHANCEMENT AUTHORIZED BY THIS SECTION AND ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW, NOR SHALL THE BANK UTILIZE ANY MONEYS UNDER THE DIRECTION AND CONTROL OF THE DEPARTMENT OF TRANSPORTATION, OTHER THAN MONEYS IN THE GUARANTEE TRUST FUND, TO SATISFY LIABILITIES ARISING FROM CONTRACTS OF GUARANTEE AUTHORIZED BY THIS SECTION AND ARTICLE TWENTY-FOUR OF THE TRANSPORTATION LAW.

S 3. This act shall take effect on the one hundred twentieth day after it shall have become a law.