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I N   S E N A T E

June 11, 2012

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Introduced by Sen. MARTINS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the local finance law and chapter 413 of the laws of 1991, amending the local finance law and other laws relating to providing relief to local governments for certain mandated programs and services, in relation to local government borrowing practices and mandate relief

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

1     Section 1. Paragraph b of section 21.00 of the local finance law, as  
2     amended by chapter 186 of the laws of 2009, is amended to read as  
3     follows:  
4     b. Serial bonds shall mature in annual installments. The first  
5     installment shall mature not later than eighteen months after the date  
6     of such bonds or two years after the date of the first bond anticipation  
7     note or notes issued in anticipation of such bonds, whichever is the  
8     earlier, provided, however, that until July fifteenth, two thousand  
9     [twelve] FIFTEEN, the first installment shall mature not later than two  
10    years after the date of such bonds or two years after the date of the  
11    first bond anticipation note or notes issued in anticipation of such  
12    bonds, whichever is the earlier. However, if bond anticipation notes are  
13    issued in anticipation of bonds and if a portion of such notes or the  
14    renewals thereof are redeemed from a source other than the proceeds of  
15    such bonds within two years from the date of the first such note or  
16    notes and a further portion thereof shall be so redeemed prior to the  
17    termination of each twelve months' period succeeding the date such  
18    original portion was so redeemed, the first installment of such bonds  
19    may, in the alternative, be made to mature not later than five years  
20    from the date of the first such note or notes.  
21    S 2. Paragraph b of section 53.00 of the local finance law, as amended  
22    by chapter 186 of the laws of 2009, is amended to read as follows:  
23    b. If such bonds or notes are payable in installments, the install-  
24    ments remaining unpaid may be called for redemption only (i) in the  
25    inverse order of their maturity or, (ii) in equal proportionate amounts;  
26    provided, however, that for bonds issued during the one-year period  
27    commencing July first, nineteen hundred eighty-eight, and for bonds  
28    issued during the one-year period commencing July first, nineteen

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

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1 hundred eighty-nine, and for bonds issued during the one-year period  
2 commencing July first, nineteen hundred ninety, and for bonds issued  
3 during the three-year period commencing July first, nineteen hundred  
4 ninety-one, and for bonds issued during the period from July first,  
5 nineteen hundred ninety-four up until and including July fifteenth,  
6 nineteen hundred ninety-seven and for bonds issued during the period  
7 from July fifteenth, nineteen hundred ninety-seven up until and includ-  
8 ing July fifteenth, two thousand, and for bonds issued during the period  
9 from July fifteenth, two thousand up until and including July fifteenth,  
10 two thousand three, and for bonds issued during the period from July  
11 fifteenth, two thousand three up until and including July fifteenth, two  
12 thousand six, and for bonds issued during the period from July  
13 fifteenth, two thousand six up until and including July fifteenth, two  
14 thousand nine, and for bonds issued during the period from July  
15 fifteenth, two thousand six up until and including July fifteenth, two  
16 thousand twelve, AND FOR BONDS ISSUED DURING THE PERIOD FROM JULY  
17 FIFTEENTH, TWO THOUSAND NINE UP UNTIL AND INCLUDING JULY FIFTEENTH, TWO  
18 THOUSAND FIFTEEN, installments remaining unpaid on such bonds may be  
19 called for redemption prior to their date of maturity in such amounts,  
20 at such times in such manner and pursuant to such terms as may be deter-  
21 mined by the finance board of a municipality, school district or  
22 district corporation at the time of the issuance thereof. Whenever any  
23 bonds or notes are called for redemption prior to the date of their  
24 maturity, interest shall cease to be paid thereon after the date for  
25 redemption set forth in such call for redemption. The sum to be paid to  
26 redeem any unpaid installment prior to its maturity, exclusive of the  
27 interest accruing on such installment to the date of redemption, shall  
28 in no event be in excess of the lesser amount of either (i) the par  
29 value of such installment plus one-half of one per centum of such par  
30 value for each calendar year or part thereof elapsing between the date  
31 for redemption set forth in such call for redemption and the date of  
32 maturity of such installment, provided, however, that such amount shall  
33 not exceed one hundred five per centum of such par value, or (ii) the  
34 par value of such installment plus the total of all unpaid interest on  
35 such installment which would have accrued from the date of redemption to  
36 the date of maturity thereof had such installment not been redeemed  
37 prior to maturity, except that bonds sold to the state of New York  
38 municipal bond bank agency, which are subject to call as hereinbefore  
39 authorized, may provide for the payment of a redemption premium not to  
40 exceed five per centum of the par value of the bonds to be called, paya-  
41 ble on the date of the redemption thereof; provided, however, that for  
42 bonds issued during the one-year period commencing July first, nineteen  
43 hundred eighty-eight, and for bonds issued during the one-year period  
44 commencing July first, nineteen hundred eighty-nine, and for bonds  
45 issued during the one-year period commencing July first, nineteen  
46 hundred ninety, and for bonds issued during the three-year period  
47 commencing July first, nineteen hundred ninety-one, and for bonds issued  
48 during the period from July first, nineteen hundred ninety-four up until  
49 and including July fifteenth, nineteen hundred ninety-seven, and for  
50 bonds issued during the period from July fifteenth, nineteen hundred  
51 ninety-seven up until and including July fifteenth, two thousand, and  
52 for bonds issued during the period from July fifteenth, two thousand up  
53 until and including July fifteenth, two thousand three, and for bonds  
54 issued during the period from July fifteenth, two thousand three up  
55 until and including July fifteenth, two thousand six, and for bonds  
56 issued during the period from July fifteenth, two thousand six up until

1 and including July fifteenth, two thousand nine, and for bonds issued  
2 during the period from July fifteenth, two thousand nine up until and  
3 including July fifteenth, two thousand twelve, AND FOR BONDS ISSUED  
4 DURING THE PERIOD FROM JULY FIFTEENTH, TWO THOUSAND TWELVE UP UNTIL AND  
5 INCLUDING JULY FIFTEENTH, TWO THOUSAND FIFTEEN, a municipality, school  
6 district, or district corporation may provide for redemption of such  
7 bonds prior to the date of their maturity at a price or prices as may be  
8 as determined by the issuer of such bonds or notes at the time of the  
9 issuance thereof.

10 S 3. The opening paragraph of paragraph a of section 54.90 of the  
11 local finance law, as amended by chapter 186 of the laws of 2009, is  
12 amended to read as follows:

13 Whenever in the judgment of the finance board the interest of a muni-  
14 cipality would be served thereby, the municipality may issue bonds or  
15 notes, on or before July fifteenth, two thousand [twelve] FIFTEEN, with  
16 interest rates that vary in accordance with a formula or procedure and  
17 are subject to a maximum rate of interest set forth or referred to in  
18 the bonds or notes and may provide the holders thereof with such rights  
19 to require the municipality or other persons to purchase such bonds or  
20 notes or renewals thereof from the proceeds of the resale thereof or  
21 otherwise from time to time prior to the final maturity of such bonds or  
22 notes as the finance board may determine and the municipality may  
23 resell, at any time prior to final maturity, any such bonds or notes  
24 acquired as a result of the exercise of such rights; provided, however,  
25 that at no time shall the total principal amount of bonds and notes  
26 issued pursuant to this paragraph (other than bonds and notes bearing  
27 interest at rates and for periods of time that are specified at issu-  
28 ance) exceed ten percent of the limit prescribed by section 104.00 of  
29 this article.

30 S 4. Subdivision 9 of paragraph d of section 107.00 of the local  
31 finance law, as amended by chapter 186 of the laws of 2009, is amended  
32 to read as follows:

33 9. Notwithstanding any other provision of law, the financing by any  
34 municipality, prior to July fifteenth, two thousand [twelve] FIFTEEN, of  
35 any object or purpose which has a period of probable usefulness deter-  
36 mined by law, by the issuance of any bonds and notes, including (i) the  
37 issuance of bonds or notes, to redeem notes previously issued for the  
38 object or purpose for which the bonds or notes are being issued or (ii)  
39 the issuance of bonds to refund bonds previously issued for the object  
40 or purpose for which bonds are being issued.

41 S 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws  
42 of 1991, amending the local finance law and other laws relating to  
43 providing relief to local governments for certain mandated programs and  
44 services, as amended by chapter 186 of the laws of 2009, are amended to  
45 read as follows:

46 (a) section six, sixteen and seventeen of this act shall expire and be  
47 deemed repealed on and after July 15, [2012] 2015, and upon such date  
48 the amendments made to the provisions of the local finance law by such  
49 sections shall also expire and such provisions shall revert to and be  
50 read as set out in law on the date immediately preceding the effective  
51 date of such sections six, sixteen and seventeen of this act;

52 (e) subdivision (b) of section thirty-five of this act shall expire  
53 and be deemed repealed on and after July 15, [2012] 2015;

54 S 6. This act shall take effect immediately.