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

7658--A

I N S E N A T E

June 12, 2012

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

AN ACT to amend the public authorities law, in relation to allowing certain financing by the Nassau county interim finance authority for the benefit of the Nassau health care corporation

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

Section 1. Subdivision 12 of section 3651 of the public authorities law, as added by chapter 84 of the laws of 2000, is amended to read as follows:

12. "Financeable costs" or "costs" means costs to finance (a) amounts necessary to accomplish a refunding, repayment or restructuring of a portion of the county's outstanding indebtedness or that of any covered organization, (b) cash flow needs of the county OR OF THE NASSAU HEALTH CARE CORPORATION, (c) tax certiorari settlements and judgments of any kind to which the county is a party, (d) appropriated capital costs of the county OR OF THE NASSAU HEALTH CARE CORPORATION, including the costs of any preliminary studies, surveys, maps, plans, estimates and hearings, (e) amounts necessary to finance any county deficit, to the extent authorized by state law, or (f) incidental costs, including, but not limited to, legal fees, printing or engraving, publication of notices, taking of title, apportionment of costs, and capitalized interest, insurance premiums, costs related to items authorized in subdivisions seven through ten of section thirty-six hundred fifty-four of this title or any underwriting or other costs incurred in connection with the financing thereof.

S 2. Subdivisions 1 and 2 of section 3656 of the public authorities law, as amended by chapter 685 of the laws of 2003, are amended to read as follows:

1. The authority shall have the power and is hereby authorized from time to time to issue bonds in such principal amounts as it may determine to be necessary pursuant to section thirty-six hundred fifty-five

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

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of this title to pay any financeable costs and to fund reserves to secure such bonds, including incidental expenses in connection therewith. Provided, however, the aggregate principal amounts of such bonds issued to pay the financeable costs described in paragraph (a) of subdivision twelve of section thirty-six hundred fifty-one of this title shall not exceed four hundred fifteen million dollars, excluding bonds, notes, or other obligations issued to refund or otherwise repay bonds, notes, or other obligations theretofore issued for such purposes. Notwithstanding the foregoing limit on the amount of bonds that the authority may issue to pay the financeable costs described in paragraph (a) of subdivision twelve of section thirty-six hundred fifty-one of this title, the authority shall have the power to issue up to an additional seven hundred ninety million dollars of bonds, excluding bonds, notes, or other obligations issued to refund or otherwise repay bonds, notes, or other obligations theretofore issued for such purpose, to pay such costs if the county's indebtedness to be refunded, repaid or restructured with the payment of such bonds was originally incurred by the county to pay tax certiorari settlements or assignments of any kind to which the county is a party. Provided further, the aggregate principal amounts of such bonds issued to pay the financeable costs described in paragraph (c) of subdivision twelve of section thirty-six hundred fifty-one of this title, which resulted from certiorari proceedings commenced prior to June first, two thousand, shall not exceed four hundred million dollars, excluding bonds, notes, or other obligations issued to refund or otherwise repay bonds, notes, or other obligations theretofore issued for such purposes. And, provided further, the aggregate principal amounts of such bonds issued to pay the financeable county costs described in paragraph (c) of subdivision twelve of section thirty-six hundred fifty-one of this title, which resulted from certiorari proceedings commenced on or after June first, two thousand, shall not exceed four hundred million dollars in the aggregate for the fiscal years two thousand through two thousand seven, however, of said four hundred million dollars only fifteen million dollars may be issued in the fiscal year two thousand six and ten million dollars may be issued in the fiscal year two thousand seven, excluding bonds, notes, or other obligations issued to refund or otherwise repay bonds, notes, or other obligations theretofore issued for such purposes. Effective in the year two thousand six, upon request of the county, the authority shall issue, in the amount requested, bonds to pay tax certiorari settlements or judgments of any kind to which the county is a party, not to exceed fifteen million dollars; and effective in the year two thousand seven, upon request of the county, the authority shall issue, in the amount requested, bonds to pay tax certiorari settlements or judgments of any kind to which the county is a party, not to exceed ten million dollars. NOTWITHSTANDING THE FOREGOING, THE AUTHORITY MAY ISSUE UP TO THREE HUNDRED MILLION DOLLARS IN BONDS TO PAY THE FINANCEABLE COSTS DESCRIBED IN PARAGRAPHS (A), (D) AND (F) OF SUBDIVISION TWELVE OF SECTION THIRTY-SIX HUNDRED FIFTY-ONE OF THIS TITLE, PROVIDED THAT SUCH FINANCEABLE COSTS ARE DIRECTLY RELATED TO THE NASSAU HEALTH CARE CORPORATION. Whenever this title establishes a limit on the principal amount of bonds that the authority is authorized to issue, there shall not be counted against such limit (i) amounts determined by the authority as reasonable to be used to pay the cost of issuing such bonds, (ii) the amount of bonds that would constitute interest under the Internal Revenue Code of 1986, as amended, and (iii) amounts determined by the authority as necessary to establish any reserves.

The authority shall have the power from time to time to refund any bonds of the authority by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds of the authority then outstanding and partly to pay the financeable costs pursuant to section thirty-six hundred fifty-five of this title. Bonds issued by the authority shall be payable solely out of particular revenues or other moneys of the authority as may be designated in the proceedings of the authority under which the bonds shall be authorized to be issued, subject to any agreements entered into between the authority and the county, and subject to any agreements with the holders of outstanding bonds pledging any particular revenues or moneys; but in no event shall transitional state aid be pledged as security for or be made available for the payment of bonds. BONDS AND NOTES ISSUED BY THE AUTHORITY ON BEHALF OF THE NASSAU HEALTH CARE CORPORATION SHALL NOT BE SUBJECT TO SECTION TWENTY-NINE HUNDRED SEVENTY-SIX OF THIS CHAPTER.

2. [The authority is authorized to issue its bonds for a period ending not later than December thirty-first, two thousand seven.] The authority may issue bonds to refund bonds previously issued [without regard to the limitation in the first sentence of this subdivision], but in no event shall any bonds of the authority finally mature later than January thirty-first, two thousand thirty-six. Notwithstanding any other provision of law, no bond of the authority shall mature more than thirty years from the date of its issue.

S 3. Subdivisions 8, 9 and 10 of section 3654 of the public authorities law, as added by chapter 84 of the laws of 2000, are amended to read as follows:

8. to procure insurance, OR SERVE AS GUARANTOR FOR THE NASSAU HEALTH CARE CORPORATION WITH RESPECT TO, letters of credit or other credit enhancement with respect to its bonds, or facilities for the payment of tenders of such bonds or facilities for the payment upon maturity of short-term notes not renewed;

9. to enter into OR SERVE AS GUARANTOR FOR THE NASSAU HEALTH CARE CORPORATION WITH RESPECT TO, interest rate exchange or similar arrangements with any person under such terms and conditions as the authority may determine, not inconsistent with the general laws of this state and other provisions of this title, including, without limitation, provisions as to default or early termination and indemnification by the authority or any other party thereto for loss of benefits as a result thereof; provided, however, that such exchanges or similar arrangements shall be limited to fifty percent of the amount authorized in subdivision one of section thirty-six hundred fifty-six of this [article] TITLE to pay the financeable costs described in paragraph (a) of subdivision eleven of section thirty-six hundred fifty-one of this [article] TITLE;

10. to procure OR SERVE AS GUARANTOR FOR THE NASSAU HEALTH CARE CORPORATION WITH RESPECT TO, insurance, letters of credit or other credit enhancement with respect to arrangements described in subdivision nine of this section;

S 4. This act shall take effect immediately.