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I N A S S E M B L Y

June 8, 2012

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Magnarelli)
-- read once and referred to the Committee on Local Governments

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.