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

5701

2011-2012 Regular Sessions

I N A S S E M B L Y

February 25, 2011

Introduced by M. of A. BRENNAN -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to the powers and duties of the dormitory authority of the state of New York relative to the financing and construction for certain not-for-profit entities; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Paragraph (b) of subdivision 2 of section 1676 of the public authorities law is amended by adding a new undesignated paragraph to read as follows:

ANY ENTITY THAT IS: (I) AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE UNITED STATES INTERNAL REVENUE CODE AND EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(A) OF THE UNITED STATES INTERNAL REVENUE CODE; AND (II) AUTHORIZED TO CONDUCT ACTIVITIES IN THIS STATE FOR ANY OF THE PURPOSES FOR WHICH A NOT-FOR-PROFIT CORPORATION IS AUTHORIZED TO BE ESTABLISHED PURSUANT TO THE NOT-FOR-PROFIT CORPORATION LAW; PROVIDED HOWEVER, THAT ANY DORMITORY FINANCED, REFINANCED OR OTHERWISE PROVIDED BY THE AUTHORITY PURSUANT TO THIS PARAGRAPH: (A) SHALL BE LOCATED IN THE STATE OF NEW YORK; AND, (B) IF THE PROJECT IS IN FURTHERANCE OF THE PUBLIC PURPOSES OF A PUBLIC CORPORATION (AS DEFINED IN SECTION SIXTY-SIX OF THE GENERAL CONSTRUCTION LAW) OR OF ANY AGENCY, DEPARTMENT, BOARD, OFFICER, COMMISSION OR INSTITUTION OF THE STATE OF NEW YORK, THE PROJECT SHALL CONSTITUTE A PUBLIC WORK FOR PURPOSES OF THE LABOR LAW AND BE SUBJECT TO THE REQUIREMENTS OF ARTICLE FIFTEEN-A OF THE EXECUTIVE LAW; PROVIDED FURTHER, THAT ANY BONDS OR OTHER OBLIGATIONS ISSUED FOR THE BENEFIT OF SUCH ENTITY SHALL CONSTITUTE QUALIFIED TAX EXEMPT OBLIGATIONS, A PORTION OF THE INTEREST ON WHICH MAY BE DEDUCTED BY A FINANCIAL INSTITUTION FOR FEDERAL INCOME TAX PURPOSES, AS DESCRIBED IN

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

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SECTION TWO HUNDRED SIXTY-FIVE OF THE INTERNAL REVENUE CODE AS MODIFIED BY SECTION 1502 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.

S 2. Subdivision 1 of section 1680 of the public authorities law is amended by adding a new undesignated paragraph to read as follows:

ANY ENTITY THAT IS: (I) AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE UNITED STATES INTERNAL REVENUE CODE AND EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(A) OF THE UNITED STATES INTERNAL REVENUE CODE; AND (II) AUTHORIZED TO CONDUCT ACTIVITIES IN THIS STATE FOR ANY OF THE PURPOSES FOR WHICH A NOT-FOR-PROFIT CORPORATION IS AUTHORIZED TO BE ESTABLISHED PURSUANT TO THE NOT-FOR-PROFIT CORPORATION LAW; PROVIDED HOWEVER, THAT ANY DORMITORY FINANCED, REFINANCED OR OTHERWISE PROVIDED BY THE AUTHORITY PURSUANT TO THIS PARAGRAPH: (A) SHALL BE LOCATED IN THE STATE OF NEW YORK; AND (B) IF THE PROJECT IS IN FURTHERANCE OF THE PUBLIC PURPOSES OF A PUBLIC CORPORATION (AS DEFINED IN SECTION SIXTY-SIX OF THE GENERAL CONSTRUCTION LAW) OR OF ANY AGENCY, DEPARTMENT, BOARD, OFFICER, COMMISSION OR INSTITUTION OF THE STATE OF NEW YORK, THE PROJECT SHALL CONSTITUTE A PUBLIC WORK FOR PURPOSES OF THE LABOR LAW AND BE SUBJECT TO THE REQUIREMENTS OF ARTICLE FIFTEEN-A OF THE EXECUTIVE LAW; AND PROVIDED FURTHER, THAT ANY BONDS OR OTHER OBLIGATIONS ISSUED FOR THE BENEFIT OF SUCH ENTITY SHALL CONSTITUTE QUALIFIED TAX EXEMPT OBLIGATIONS, A PORTION OF THE INTEREST ON WHICH MAY BE DEDUCTED BY A FINANCIAL INSTITUTION FOR FEDERAL INCOME TAX PURPOSES, AS DESCRIBED IN SECTION TWO HUNDRED SIXTY-FIVE OF THE INTERNAL REVENUE CODE AS MODIFIED BY SECTION 1502 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY CORPORATION OR OTHER ENTITY DEFINED AS AN "EDUCATIONAL INSTITUTION" PURSUANT TO THIS PARAGRAPH SHALL HAVE FULL POWER AND AUTHORITY TO ASSIGN AND PLEDGE TO THE DORMITORY AUTHORITY ANY AND ALL PUBLIC FUNDS TO BE APPORTIONED OR OTHERWISE MADE PAYABLE BY THE UNITED STATES, ANY AGENCY THEREOF, THE STATE, ANY AGENCY THEREOF, A POLITICAL SUBDIVISION, AS DEFINED IN SECTION ONE HUNDRED OF THE GENERAL MUNICIPAL LAW, ANY SOCIAL SERVICES DISTRICT IN THE STATE, OR ANY OTHER GOVERNMENTAL ENTITY IN AN AMOUNT SUFFICIENT TO MAKE ALL PAYMENTS REQUIRED TO BE MADE BY SUCH EDUCATIONAL INSTITUTION PURSUANT TO ANY LEASE, SUBLEASE, OR OTHER AGREEMENT ENTERED INTO BETWEEN SUCH EDUCATIONAL INSTITUTION AND THE DORMITORY AUTHORITY. ALL STATE AND LOCAL OFFICERS ARE HEREBY AUTHORIZED AND REQUIRED TO PAY ALL SUCH FUNDS SO ASSIGNED AND PLEDGED TO THE DORMITORY AUTHORITY OR, UPON THE DIRECTION OF THE DORMITORY AUTHORITY, TO ANY TRUSTEE OF ANY DORMITORY AUTHORITY BOND OR NOTE ISSUED, PURSUANT TO A CERTIFICATE FILED WITH ANY SUCH STATE OR LOCAL OFFICER BY THE DORMITORY AUTHORITY PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH.

S 3. This act shall take effect immediately and shall expire and be deemed repealed January 1, 2013.