

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

10131

I N A S S E M B L Y

June 16, 2014

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Corwin) --
read once and referred to the Committee on Ways and Means

AN ACT to authorize the city of Lockport, in the county of Niagara, to
finance a certain deficit by the issuance of bonds

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

1 Section 1. The city of Lockport, in the county of Niagara, is hereby
2 authorized to issue serial bonds on or before December 31, 2014 in an
3 aggregate principal amount not to exceed five million three hundred
4 fifty thousand dollars (\$5,350,000) for the specific object or purpose
5 of liquidating the deficits in the general fund, the water fund, the
6 refuse fund and the sewer fund of such city for the fiscal years January
7 1, 2011 through December 31, 2011, January 1, 2012 through December 31,
8 2012 and January 1, 2013 through December 31, 2013. In anticipation of
9 the issuance of the bonds authorized to be issued by this act, the issuance
10 and sale of bond anticipation notes are hereby authorized.

1 S 2. Notwithstanding any provision of this act to the contrary, the
2 city of Lockport shall not issue any bonds for the purpose of liquidating
3 the projected deficits unless and until the amounts thereof are
4 reviewed and determined by the state comptroller. The city of Lockport
5 shall prepare a report detailing the amount and cause of such deficits
6 and submit such report together with the city's independent audit report
7 for its last completed fiscal year, if any such audit report has been or
8 is to be prepared, and such other information as the state comptroller
9 may deem necessary, to the state comptroller, as well as the chairs of
10 the senate finance committee and the assembly ways and means committee,
11 at least thirty days prior to the issuance of any bonds pursuant to this
12 act. Within thirty days after receiving such report, the state comptroller
13 shall perform such reviews as may be necessary to determine the
14 amount of such deficits and report the same to the chairs of the senate
15 finance committee and the assembly ways and means committee, the mayor
16 and the common council of the city of Lockport. Bonds to liquidate each
17 such deficit shall not be issued in an amount exceeding such deficit as
18 determined by the state comptroller. Nothing provided in this act shall

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

LBD15624-01-4

1 prevent the city of Lockport from authorizing the issuance of bonds or
2 bond anticipation notes, and issuing bond anticipation notes, prior to
3 the determination of the state comptroller of the amount of such defi-
4 cits. In the event bond anticipation notes are issued in an amount in
5 excess of the amounts determined by the state comptroller, the city of
6 Lockport shall redeem from funds other than the proceeds of the bonds or
7 bond anticipation notes, such bond anticipation notes in the amount by
8 which the amount of bond anticipation notes exceeds the amount of such
9 deficits as determined by the state comptroller.

10 S 3. It is hereby determined that the financing of the deficits
11 hereinbefore described is a purpose of the city of Lockport for which
12 indebtedness may be incurred, the period of probable usefulness of which
13 is hereby determined to be ten years, computed from the date of such
14 bonds or from the date of the first bond anticipation note issued in
15 anticipation of the sale of such bonds, whichever date is earlier. Such
16 bonds and/or bond anticipation notes shall be general obligations of the
17 city of Lockport to which the faith and credit of the city is pledged,
18 and the city shall make an annual appropriation sufficient to pay the
19 principal of and interest on such obligations as the same shall become
20 due.

21 S 4. Except as provided in this act, the provisions of the local
22 finance law shall be applicable to the authorization, sale and issuance
23 of the bonds and bond anticipation notes authorized to be issued by this
24 act provided, however, that no resolution authorizing the issuance of
25 such bonds or notes shall be subject to either mandatory or permissive
26 referendum.

27 S 5. (a) For each fiscal year occurring during the time bonds and/or
28 bond anticipation notes issued pursuant to this act are outstanding, the
29 mayor of the city of Lockport shall prepare a quarterly report of summa-
30 rized budget data depicting overall trends of actual revenues and budget
31 expenditures for the entire budget rather than individual line items.
32 Such budgetary reports shall compare revenue estimates and appropria-
33 tions as set forth in such budget with the actual revenues and expendi-
34 tures made to date. All such quarterly budgetary reports shall be accom-
35 panied by recommendations of the mayor setting forth any remedial action
36 necessary or desirable to resolve any unfavorable budget variance
37 including the over-estimation of revenues and the under-estimation of
38 expenditures. Each such quarterly budgetary report shall be completed
39 within thirty days after the end of each quarter and shall be submitted
40 to each member of the common council of the city of Lockport, the direc-
41 tor of the division of the budget, the state comptroller, and the chairs
42 of the senate finance committee and the assembly ways and means commit-
43 tee.

44 (b) For each fiscal year occurring during the time bonds and/or bond
45 anticipation notes issued pursuant to this act are outstanding, the
46 mayor of the city of Lockport shall also prepare a quarterly trial
47 balance of general and special fund ledger accounts. Each such quarterly
48 trial balance shall be prepared in accordance with generally accepted
49 accounting principles. Each such quarterly trial balance shall be
50 completed within thirty days after the end of each quarterly period and
51 shall be submitted to each member of the common council of the city of
52 Lockport, the director of the division of the budget, the state comp-
53 troller, and the chairs of the senate finance committee and the assembly
54 ways and means committee.

55 (c) For the fiscal year beginning January 1, 2015 and for each fiscal
56 year thereafter during which such debt or any debt incurred to refund

1 such debt is outstanding, the mayor of the city of Lockport or other
2 officer or officers responsible for the preparation of the tentative
3 budget shall submit the tentative budget for the next succeeding fiscal
4 year to the state comptroller no later than thirty days before the last
5 date on which the budget must be finally adopted. The state comptroller
6 shall examine such proposed budget and make such recommendations as
7 deemed appropriate thereon to the common council of the city of Lockport
8 no later than ten days before the last date on which the budget must be
9 finally adopted. Such recommendations shall be made after examination
10 into the estimates of revenues and expenditures of the city of Lockport.
11 The common council of the city of Lockport, no later than five days
12 prior to the adoption of the budget, shall review any such recommendations
13 and may make adjustments to its proposed budget consistent with
14 any recommendations made by the state comptroller. Any recommendations
15 that the common council rejects shall be explained in writing to the
16 state comptroller. The action or inaction of the state comptroller under
17 this section shall not be construed to affect the legal validity of the
18 budget of the city of Lockport nor to affect the powers or duties of the
19 city of Lockport with respect to the local budget; provided, however,
20 that the city of Lockport may not issue bonds for any object or purpose
21 unless and until adjustments to its proposed budget, consistent with any
22 recommendations made by the state comptroller, are made, or any such
23 recommendations that are rejected have been explained in writing to the
24 state comptroller.

25 (d) Within ninety days of the issuance of any debt pursuant to this
26 act and for each fiscal year thereafter during which such debt or any
27 debt incurred to refund such debt is outstanding, the mayor of the city
28 of Lockport or other officer or officers responsible for the preparation
29 of the tentative budget of the city of Lockport, within thirty days
30 after the final adoption of the budget for the next succeeding fiscal
31 year, shall prepare a three-year financial plan covering the next
32 succeeding fiscal year and the two fiscal years thereafter. The financial
33 plan shall, at a minimum, contain the information required to be
34 provided in a three-year financial plan as prescribed by subdivision 10
35 of section 54 of the state finance law. Copies of the financial plan
36 shall be provided to the mayor and chief fiscal officers of the city of
37 Lockport, the director of the budget, the state comptroller, the chair
38 of the assembly ways and means committee and the chair of the senate
39 finance committee. This financial plan requirement shall not apply to
40 the extent the city of Lockport is subject to a different multi-year
41 financial plan requirement under state law.

42 (e) For each fiscal year occurring during the time bonds and/or bond
43 anticipation notes issued pursuant to this act are outstanding, the
44 chief fiscal officer of the city of Lockport shall notify the state
45 comptroller at least fifteen days prior to the issuance of any bonds or
46 notes or entering into any installment purchase contract and the state
47 comptroller may review and make recommendations regarding the afforda-
48 bility to the city of Lockport of any such proposed issuance or
49 contract. The state comptroller may require the submission by the city
50 of Lockport of such information as the state comptroller shall deem
51 necessary to complete his or her review.

52 S 6. To facilitate the marketing of the bonds and/or bond anticipation
53 notes authorized to be issued by this act, the city of Lockport may,
54 notwithstanding any limitations on the private sales of bonds otherwise
55 provided by law, and subject to approval by the state comptroller of the
56 terms and conditions of such sales, arrange for the underwriting or

1 other sale of its bonds and/or bond anticipation notes at private sale
2 upon negotiated terms and conditions which may include reasonable under-
3 writing or placement fees or discounts. The costs of such underwriting
4 or sale shall be deemed preliminary costs for purposes of section 11.00
5 of the local finance law.

6 S 7. If any clause, sentence, paragraph, section or part of this act
7 shall be adjudged by any court of competent jurisdiction to be invalid,
8 such judgment shall not affect, impair, or invalidate the remainder
9 thereof, but shall be confined in its operation to the clause, sentence,
10 paragraph, section, or part thereof directly involved in the controversy
11 in which such judgment shall have been rendered.

12 S 8. This act shall take effect immediately.