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I N   A S S E M B L Y

March 27, 2014

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Introduced by M. of A. P. LOPEZ -- read once and referred to the Committee on Local Governments

AN ACT to legalize, validate, ratify and confirm certain actions taken by the town of Cairo, Greene county, New York, with respect to obligations heretofore issued, and authorizing the issuance of obligations of said town with respect thereto

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

1     Section 1. Legislative findings. It is hereby found and determined  
2     that: (i) the town of Cairo, Greene county, New York, has heretofore  
3     duly adopted bond resolutions authorizing the aggregate issuance of  
4     \$2,915,000 serial bonds to finance the upgrade and expansion to the  
5     town's wastewater treatment plant, construction of a force main, and  
6     additional improvements to its sewer system; (ii) pursuant to such bond  
7     resolutions, said town issued a bond anticipation note in the principal  
8     amount of \$750,000 on December 24, 2008 and renewals of said bond anticipation  
9     note on December 24, 2009 and December 23, 2010 and made a principal  
10    payment of \$29,285 on said bond anticipation note on December 23,  
11    2010; (iii) pursuant to such bond resolutions, said town also obtained  
12    short term financing through the New York state environmental facilities  
13    corporation ("EFC") on September 29, 2011 in the maximum aggregate  
14    amount of \$2,885,715.00, which refinanced the outstanding principal  
15    balance of said bond anticipation note of \$720,715; (iv) the town did  
16    not make the minimum principal payments on the EFC short term financing  
17    bond anticipation notes of \$19,300 for 2011 and \$20,000 for 2012 until  
18    December 2013; (v) section 21.00 of the local finance law states that no  
19    annual installment of bonds or bond anticipation notes shall be more  
20    than fifty per centum of the smallest prior installment, except that the  
21    municipality may determine to provide for substantially level or declining  
22    annual debt service, and section 23.00 of the local finance law  
23    states that notes or the renewals thereof shall not extend more than two  
24    years beyond the original date of issue unless a portion of such notes  
25    or the renewals thereof shall be redeemed from a source other than the  
26    proceeds of bonds within two years from such original date of issue and

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

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1 unless a further portion thereof shall be so redeemed prior to the  
2 termination of each twelve months' period succeeding the date such  
3 original portion was so redeemed; and (vi) the timing of the town's  
4 payments on the EFC note render it incapable of amortizing a long-term  
5 conversion of the short-term EFC financing to comply with the aforesaid  
6 amortization requirements of sections 21.00 and 23.00 of the local  
7 finance law.

8 S 2. Notwithstanding the defects described in section one of this act,  
9 the bond anticipation notes and any renewals thereof issued by the town  
10 of Cairo as described in section one of this act, and all resolutions,  
11 acts and proceedings heretofore adopted or taken by the town board and  
12 the supervisor of said town in relation thereto, are hereby validated,  
13 ratified and confirmed and any principal payment made by such town in  
14 2013 on the bond anticipation note shall be deemed to be in compliance  
15 with the amortization requirements of sections 21.00, 23.00, and 169.00  
16 of the local finance law.

17 S 3. Except as otherwise set forth in this act, the bonds and bond  
18 anticipation notes, and renewals thereof, issued pursuant to this act  
19 shall be issued in accordance with the provisions of the local finance  
20 law.

21 S 4. If any clause, sentence, subdivision, paragraph or part of this  
22 act be adjudged by any court of competent jurisdiction to be invalid,  
23 such judgment shall not affect, impair or invalidate the remainder ther-  
24 eof, but shall be confined in its operation to the clause, sentence,  
25 subdivision, paragraph, section or part thereof directly involved in the  
26 controversy in which such judgment shall have been rendered.

27 S 5. This act shall take effect immediately.