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

6985--A

Cal. No. 1086

I N S E N A T E

April 11, 2014

Introduced by Sen. GRISANTI -- (at request of the Environmental Facilities Corporation) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- reported favorably from said committee and committed to the Committee on Finance -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the public authorities law, in relation to the special powers of the New York state environmental facilities corporation; and providing for the repeal of such provisions upon the expiration thereof

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

Section 1. Subdivision 6 of section 1285-j of the public authorities law, as amended by chapter 307 of the laws of 2005, is amended to read as follows:

6. Moneys in the water pollution control revolving fund may be invested as provided in subdivision four of section twelve hundred eighty-four of this title and may be further invested (a) in investment agreements continuously secured by obligations with any insurance or reinsurance company or corporate affiliate thereof rated by a nationally recognized rating agency in one of its two highest categories, any bank, trust company or broker or dealer, as defined by the securities exchange act of 1934, which is a dealer in government bonds, which reports to, trades with and is recognized as a primary dealer by a federal reserve bank and is a member of the securities investors protection corporation, if, (i) such obligations securing such investment agreements are obligations as set forth in section ten of the general municipal law, (ii) such obligations are delivered to a trustee for the benefit of the corporation or, with respect to moneys pledged under an indenture of trust relating to bonds or notes of the corporation, to the trustee under such indenture, or are supported by a safe keeping receipt issued by a depository satisfactory to the corporation as applicable, provided

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

that such investment agreements must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the amount deposited thereunder, (iii) a prior perfected security interest in the obligations which are securing such agreement has been granted to the corporation, as applicable, and (iv) such obligations are free and clear of adverse third party claims, or (b) in obligations as set forth in section ten of the general municipal law, OTHER THAN THOSE OBLIGATIONS SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW, that are rated by a nationally recognized rating agency in one of its two highest rating categories, OR (C) IN OBLIGATIONS AS SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW THAT ARE RATED BY A NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS THREE HIGHEST RATING CATEGORIES, OR (D) IN OBLIGATIONS OF ANY AGENCY, INSTRUMENTALITY OR GOVERNMENTAL ENTITY OF ANOTHER STATE THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES.

S 2. Subdivision 6 of section 1285-m of the public authorities law, as amended by chapter 307 of the laws of 2005, is amended to read as follows:

6. Moneys in the drinking water revolving fund may be invested as provided in subdivision four of section twelve hundred eighty-four of this title and may be further invested:

(a) in investment agreements continuously secured by obligations with any insurance company or reinsurance company or corporate affiliate thereof rated by a nationally recognized rating agency in one of its two highest categories, any bank, trust company or broker or dealer, as defined by the securities exchange act of 1934, which is a dealer in government bonds, which reports to, trades with and is recognized as a primary dealer by a federal reserve bank and is a member of the securities investors protection corporation, if such investment agreement provides that:

(i) such obligations securing such investment agreements are obligations as set forth in section ten of the general municipal law;

(ii) such obligations are to be delivered to a trustee for the benefit of the corporation or, with respect to moneys pledged under an indenture of trust or trust agreement relating to bonds or notes of the corporation, to the trustee under such indenture or trust agreement, or are supported by a safe keeping receipt issued by a depository satisfactory to the corporation as applicable, provided that such investment agreements must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the amount deposited thereunder;

(iii) a prior perfected security interest in the obligations which are securing such agreement has been granted to the corporation, such trustee or such depository as applicable; and

(iv) such obligations are free and clear of adverse third party claims; or

(b) in obligations as set forth in section ten of the general municipal law, OTHER THAN THOSE OBLIGATIONS SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW, that are rated by a nationally recognized rating agency in one of its two highest rating categories; OR

(C) IN OBLIGATIONS AS SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW THAT ARE

RATED BY A NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS THREE HIGHEST RATING CATEGORIES; OR

(D) IN OBLIGATIONS OF ANY AGENCY, INSTRUMENTALITY OR GOVERNMENTAL ENTITY OF ANOTHER STATE THAT ARE RATED BY AT LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST RATING CATEGORIES.

S 3. This act shall take effect immediately; provided, however that the amendments to subdivision 6 of section 1285-j and subdivision 6 of section 1285-m of the public authorities law made by sections one and two of this act shall not affect the expiration and reversion of such subdivisions and shall expire and be deemed repealed therewith; provided further that nothing contained in this act shall be construed so as to extend the provisions of this act beyond September 30, 2017, when upon such date this act shall expire and the provisions contained herein shall be deemed repealed.