

7387--A

I N S E N A T E

May 14, 2014

Introduced by Sens. GOLDEN, DILAN -- read twice and ordered printed, and when printed to be committed to the Committee on Health -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public health law and the New York state medical care facilities finance agency act, in relation to providing for the refinancing of outstanding indebtedness of certain not-for-profit hospitals; to amend chapter 934 of the laws of 1985, amending the public health law and the New York state medical care facilities finance agency act relating to authorizing issuance of special hospital project bonds on behalf of certain secured hospital borrowers to assist in providing adequate health care to low income persons, in relation to extending the provisions of such chapter; and providing for the repeal of certain provisions upon expiration thereof

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

1 Section 1. Section 2872 of the public health law is amended by adding
2 a new subdivision 3-b to read as follows:
3 3-B. "ELIGIBLE SECURED HOSPITAL BORROWER". A NOT-FOR-PROFIT HOSPITAL
4 CORPORATION ORGANIZED UNDER THE LAWS OF THIS STATE, WHICH HAS FINANCED
5 OR REFINANCED A PROJECT OR PROJECTS PURSUANT TO SECTION SEVEN-A OF
6 SECTION ONE OF CHAPTER THREE HUNDRED NINETY-TWO OF THE LAWS OF NINETEEN
7 HUNDRED SEVENTY-THREE, AND FOR WHICH SPECIAL HOSPITAL PROJECT BONDS, AS
8 DEFINED IN PARAGRAPH (D) OF SUBDIVISION THREE OF SECTION THREE OF
9 SECTION ONE OF CHAPTER THREE HUNDRED NINETY-TWO OF THE LAWS OF NINETEEN
10 HUNDRED SEVENTY-THREE, REMAIN OUTSTANDING.
11 S 2. The public health law is amended by adding a new section 2874-b
12 to read as follows:
13 S 2874-B. REFINANCING MORTGAGE LOANS TO ELIGIBLE SECURED HOSPITAL
14 BORROWERS. 1. ELIGIBLE SECURED HOSPITAL BORROWERS, AS DEFINED IN SUBDI-
15 VISION THREE-B OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-TWO OF THIS ARTI-
16 CLE, SHALL BE AUTHORIZED TO REFINANCE ANY MORTGAGE LOAN FINANCED WITH
17 THE PROCEEDS OF SPECIAL HOSPITAL PROJECT BONDS, WHICH LOANS ARE

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

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1 OUTSTANDING AS OF THE EFFECTIVE DATE OF THIS SECTION. A MORTGAGE LOAN
2 TO AN ELIGIBLE SECURED HOSPITAL BORROWER, AS DEFINED IN SUBDIVISION
3 THREE-B OF SECTION TWENTY-EIGHT HUNDRED SEVENTY-TWO OF THIS ARTICLE,
4 MADE BY THE MEDICAL CARE FACILITIES FINANCE AGENCY, AND ANY SUCCESSOR
5 THERETO, MAY BE REFINANCED FOR A TERM NOT LONGER THAN THE TERM APPROVED
6 BY THE COMMISSIONER PURSUANT TO THIS SECTION OR IF THE BONDS ISSUED TO
7 FINANCE SUCH MORTGAGE LOAN ARE ISSUED AS TAX-EXEMPT BONDS, SUCH SHORTER
8 TERM AS IS NECESSARY TO ASSURE THAT THE INTEREST ON BONDS ISSUED TO
9 REFINANCE THE MORTGAGE LOAN WILL BE EXCLUDABLE FROM THE GROSS INCOME OF
10 THE HOLDERS THEREOF FOR FEDERAL TAX PURPOSES, PROVIDED THAT IN NO EVENT
11 SHALL THE TERM OF SUCH REFINANCING LOAN EXCEED THE REMAINING TERM OF THE
12 BONDS BEING REFUNDED AND SHALL INCLUDE ALL COSTS ASSOCIATED WITH THE
13 REFINANCING OF INDEBTEDNESS. ALL REFINANCING APPLICATIONS BY ELIGIBLE
14 SECURED HOSPITAL BORROWERS SHALL BE APPROVED BY THE ELIGIBLE SECURED
15 HOSPITAL BORROWER'S BOARD AND THE COMMISSIONER. SUCH REFINANCING APPLI-
16 CATIONS SHALL INCLUDE ANALYTICAL EVIDENCE SUFFICIENT TO DEMONSTRATE THAT
17 THE PROPOSED REFINANCING IS BEING UNDERTAKEN FOR THE FURTHERANCE OF
18 SUSTAINING, MAINTAINING AND IMPROVING THE FINANCIAL CONDITION OF THE
19 HOSPITAL. SUCH EVIDENCE SHALL INCLUDE BUT IS NOT LIMITED TO: FINANCIAL
20 PRO FORMAS THAT PROJECT THE BORROWER'S REVENUES, EXPENSES AND FINANCIAL
21 POSITION FOR LIFE OF THE BONDS; THE MAXIMUM MATURITY OF THE REFUNDING
22 BONDS DO NOT EXCEED THE MATURITY OF THE BONDS TO BE REFUNDED; NET PRES-
23 ENT VALUE SAVINGS OF AT LEAST TWO PERCENT OF THE PAR AMOUNT OF THE
24 REFUNDED BONDS AND NET PRESENT VALUE SAVINGS OF AT LEAST TWO TIMES THE
25 REFUNDING BONDS TOTAL COST OF ISSUANCE, INCLUDING UNDERWRITER'S DISCOUNT
26 AND CREDIT ENHANCEMENT; OR ANY OTHER ANALYSIS OR INFORMATION THE COMMIS-
27 SIONER DEEMS NECESSARY TO EVALUATE THE APPLICATION. AS A CONDITION OF
28 SUCH PRIOR APPROVAL, THE COMMISSIONER SHALL APPROVE THE PRINCIPAL AMOUNT
29 OF THE REFINANCING, AND SHALL REQUIRE THE ELIGIBLE SECURED HOSPITAL
30 BORROWER TO GIVE THE DEPARTMENT A WRITTEN UNDERTAKING, ACCEPTABLE TO THE
31 COMMISSIONER, THAT IT WILL NOT CLAIM ADDITIONAL REIMBURSEMENT UNDER THE
32 MEDICAL ASSISTANCE PROGRAM AS ESTABLISHED UNDER TITLE ELEVEN OF ARTICLE
33 FIVE OF THE SOCIAL SERVICES LAW DUE TO INTEREST PAYMENTS ON REFINANCING
34 INDEBTEDNESS. ANY SUCH ADDITIONAL INTEREST PAYMENTS ON REFINANCED
35 INDEBTEDNESS COVERED BY SUCH WRITTEN UNDERTAKING SHALL NOT BE CONSIDERED
36 AS ALLOWABLE COSTS UNDER THE MEDICAL ASSISTANCE PROGRAM AND SHALL NOT BE
37 INCLUDED IN REIMBURSEMENT RATES OF PAYMENT UNDER ARTICLE TWENTY-EIGHT OF
38 THIS CHAPTER. SUCH REFINANCING SHALL BE SUBJECT TO SECTION FIFTY-ONE OF
39 THE PUBLIC AUTHORITIES LAW.

40 2. THE USE OF ALL SAVINGS RESULTING FROM THE REFINANCING OF AN ELIGI-
41 BLE SECURED HOSPITAL BORROWER'S MORTGAGE LOAN BY THE ISSUANCE OF REFUND-
42 ING BONDS, INCLUDING ORIGINAL ISSUE PREMIUM, SHALL BE SUBJECT TO THE
43 PRIOR APPROVAL OF THE COMMISSIONER.

44 S 3. Subdivision 3 of section 3 of section 1 of chapter 392 of the
45 laws of 1973, constituting the New York state medical care facilities
46 finance agency act, is amended by adding a new paragraph (d-1) to read
47 as follows:

48 (D-1) "SPECIAL HOSPITAL PROJECT BONDS" SHALL MEAN BONDS ISSUED PURSU-
49 ANT TO SECTION SEVEN-C OF THIS ACT FOR THE PURPOSE OF REFINANCING
50 OUTSTANDING MORTGAGE LOANS OF ELIGIBLE SECURED HOSPITAL BORROWERS, AS
51 DEFINED IN SUBDIVISION SIX-C OF THIS SECTION, PURSUANT TO THIS ACT.

52 S 4. Section 3 of section 1 of chapter 392 of the laws of 1973,
53 constituting the New York state medical care facilities finance agency
54 act, is amended by adding a new subdivision 6-c to read as follows:

55 6-C. "ELIGIBLE SECURED HOSPITAL BORROWER" SHALL MEAN A NOT-FOR-PROFIT
56 HOSPITAL CORPORATION ORGANIZED UNDER THE LAWS OF THIS STATE, WHICH HAS

FINANCED OR REFINANCED A PROJECT OR PROJECTS PURSUANT TO SECTION SEVEN-A OF THIS ACT, AND FOR WHICH SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D) OF SUBDIVISION THREE OF THIS SECTION, REMAIN OUTSTANDING.

S 5. Subdivision 10 of section 3 of section 1 of chapter 392 of the laws of 1973, constituting the New York state medical care facilities finance agency act, as amended by chapter 803 of the laws of 1984, is amended to read as follows:

10. "Hospital project" shall mean a specific work or improvement or the refinancing of existing indebtedness which constitutes a lien or encumbrance upon the real property or assets of the eligible borrower, OR THE REFINANCING OF EXISTING INDEBTEDNESS OF AN ELIGIBLE SECURED HOSPITAL BORROWER, AS DEFINED IN SUBDIVISION SIX-C OF THIS SECTION, FOR WHICH SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D) OF SUBDIVISION THREE OF THIS SECTION, REMAIN OUTSTANDING whether or not such refinancing is related to the construction, acquisition or rehabilitation of a specified work or improvement undertaken by a non-profit hospital corporation or a non-profit medical corporation, constituting an eligible borrower in accordance with the provisions of article twenty-eight-B of the public health law.

S 6. Subdivision 11 of section 3 of section 1 of chapter 392 of the laws of 1973, constituting the New York state medical care facilities finance agency act, is amended to read as follows:

11. "Hospital project cost" shall mean the sum total of all costs incurred by a non-profit hospital corporation or a non-profit medical corporation, constituting an eligible borrower undertaking a project as approved by the commissioner in accordance with the provisions of article [twenty-eight-B] 28-B of the public health law, OR, IN CASE OF AN ELIGIBLE SECURED HOSPITAL BORROWER, ALL COSTS INCURRED IN CONNECTION WITH THE REFINANCING OF EXISTING INDEBTEDNESS APPROVED BY THE COMMISSIONER PURSUANT TO SECTION 2874-B OF THE PUBLIC HEALTH LAW.

S 7. Subdivision 12 of section 3 of section 1 of chapter 392 of the laws of 1973, constituting the New York state medical care facilities finance agency act, as amended by chapter 156 of the laws of 1974, is amended to read as follows:

12. "Mortgage loan" shall mean a loan made by the agency to an eligible borrower in an amount not to exceed the total hospital project cost and secured by a first mortgage lien on the real property of which the hospital project consists and the personal property attached to or used in connection with the construction, acquisition, reconstruction, rehabilitation, improvement or operation of the hospital project. Such loan may be further secured by such a lien upon other real property owned by the eligible borrower. Notwithstanding the foregoing provisions of this subdivision or any other provisions of this act to the contrary, any personal property may be excluded from the lien of the mortgage provided (a) the commissioner [of health] finds that such property is not essential for the rendition of required hospital services as such term is defined in article twenty-eight of the public health law, and (b) the agency consents to such exclusion.

The term "mortgage loan" shall also mean and include a loan made by the agency to a limited-profit nursing home company in an amount not to exceed ninety-five [percentum] PER CENTUM of the nursing home project cost, or to a non-profit nursing home company in an amount not to exceed the total nursing home project cost, and secured by a first mortgage lien on the real property of which the nursing home project consists and the personal property attached to or used in connection with the construction, acquisition, reconstruction, rehabilitation, improvement

or operation of the nursing home project. Notwithstanding the foregoing provisions of this subdivision or any other provision of this article to the contrary, any personal property may be excluded from the lien of the mortgage provided (a) the commissioner finds that such property is not essential for the nursing home project as such term is defined in article twenty-eight-A of the public health law, and (b) the agency consents to such exclusion.

THE TERM "MORTGAGE LOAN" SHALL ALSO MEAN AND INCLUDE A LOAN MADE TO AN ELIGIBLE SECURED HOSPITAL BORROWER, AS DEFINED IN SUBDIVISION SIX-C OF THIS SECTION, TO REFINANCE OUTSTANDING INDEBTEDNESS PURSUANT TO THIS ACT.

S 8. Section 5 of section 1 of chapter 392 of the laws of 1973, constituting the New York state medical care facilities finance agency act, is amended by adding a new subdivision 10-d to read as follows:

10-D. TO MAKE MORTGAGE LOANS AND PROJECT LOANS TO NON-PROFIT HOSPITAL CORPORATIONS AND NON-PROFIT MEDICAL CORPORATIONS CONSTITUTING ELIGIBLE SECURED HOSPITAL BORROWERS, AS DEFINED IN SUBDIVISION SIX-C OF SECTION THREE OF THIS ACT, AND TO UNDERTAKE COMMITMENTS TO MAKE ANY SUCH MORTGAGE LOANS AND PROJECT LOANS;

S 9. Section 1 of chapter 392 of the laws of 1973, constituting the New York state medical care facilities finance agency act, is amended by adding a new section 7-c to read as follows:

S 7-C. SECURED HOSPITAL PROJECTS RESERVE FUNDS AND APPROPRIATIONS. 1. SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT, ISSUED TO REFINANCE THE PROJECTS OF ELIGIBLE SECURED HOSPITAL BORROWERS, AS DEFINED IN SUBDIVISION SIX-C OF SECTION THREE OF THIS ACT, SHALL BE SECURED BY (A) A MORTGAGE LIEN, (B) FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION, (C) THE SECURED HOSPITAL SPECIAL DEBT SERVICE RESERVE FUND OR FUNDS, (D) THE SECURED HOSPITAL CAPITAL RESERVE FUND OR FUNDS, AND (E) SUCH SERVICE CONTRACT OR CONTRACTS ENTERED INTO IN ACCORDANCE WITH THE PROVISIONS OF SUBDIVISION FOUR OF THIS SECTION.

2. (A) THE AGENCY SHALL ESTABLISH A SECURED HOSPITAL SPECIAL DEBT SERVICE RESERVE FUND OR FUNDS AND PAY INTO SUCH FUND OR FUNDS MONEYS FROM THE SECURED HOSPITAL FUND UP TO AN AMOUNT NOT TO EXCEED AN AMOUNT NECESSARY TO ENSURE THE REPAYMENT OF PRINCIPAL AND INTEREST DUE ON ANY OUTSTANDING INDEBTEDNESS ON SPECIAL HOSPITAL PROJECTS BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT.

FUNDS DEPOSITED IN SUCH SECURED HOSPITAL SPECIAL DEBT SERVICE RESERVE FUND OR FUNDS SHALL BE USED IN THE EVENT THAT AN ELIGIBLE SECURED HOSPITAL BORROWER, AS DEFINED IN SUBDIVISION SIX-C OF SECTION THREE OF THIS ACT, FAILS TO MAKE PAYMENTS IN AN AMOUNT SUFFICIENT TO PAY THE REQUIRED DEBT SERVICE PAYMENTS ON SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT.

(B) THE AGENCY SHALL, FOR THE PURPOSES OF PARAGRAPH (A) OF THIS SUBDIVISION AND FOR THE SUPPORT OF ELIGIBLE SECURED HOSPITAL BORROWERS, PAY INTO THE SECURED HOSPITAL FUND CURRENTLY ESTABLISHED AND MAINTAINED BY THE AGENCY: (I) ALL FUNDS REQUIRED TO BE PAID IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE TWENTY-EIGHT OF THE PUBLIC HEALTH LAW AND REGULATIONS PROMULGATED IN SUCH ARTICLE; (II) ANY MORTGAGE INSURANCE PREMIUM ASSESSED IN AN AMOUNT FIXED AT THE DISCRETION OF THE AGENCY, UPON THE ISSUANCE OF SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT; (III) ANY INCOME OR INTEREST EARNED ON OTHER RESERVE FUNDS WHICH THE AGENCY ELECTS TO TRANSFER TO THE SECURED HOSPITAL FUND; AND (IV) ANY OTHER MONEYS WHICH MAY BE MADE AVAILABLE TO THE AGENCY FROM ANY OTHER SOURCE OR

SOURCES. MONEYS PAID INTO THE SECURED HOSPITAL FUND SHALL, IN THE DISCRETION OF THE AGENCY, BUT SUBJECT TO AGREEMENTS WITH BONDHOLDERS, BE USED TO FUND THE SPECIAL DEBT SERVICE RESERVE FUND OR FUNDS AT A LEVEL OR LEVELS WHICH MINIMIZE THE NEED FOR USE OF THE CAPITAL RESERVE FUND OR FUNDS IN THE EVENT OF THE FAILURE OF AN ELIGIBLE SECURED HOSPITAL BORROWER, AS DEFINED IN SUBDIVISION SIX-C OF SECTION THREE OF THIS ACT, TO MAKE THE REQUIRED DEBT SERVICE PAYMENTS ON SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT.

(C) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION, THE STATE HEREBY EXPRESSLY RESERVES THE RIGHT TO MODIFY OR REPEAL THE PROVISIONS OF ARTICLE TWENTY-EIGHT OF THE PUBLIC HEALTH LAW.

3. THE AGENCY SHALL ESTABLISH A SECURED HOSPITAL CAPITAL RESERVE FUND OR FUNDS WHICH SHALL BE FUNDED AT AN AMOUNT OR AMOUNTS EQUAL TO THE LESSER OF EITHER: (A) THE MAXIMUM AMOUNT OF PRINCIPAL, SINKING FUND PAYMENTS AND INTEREST DUE IN ANY SUCCEEDING YEAR ON OUTSTANDING SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT, OR (B) THE MAXIMUM AMOUNT TO ENSURE THAT SUCH BONDS WILL NOT BE CONSIDERED ARBITRAGE BONDS UNDER THE INTER-NAL REVENUE CODE OF 1986, AS AMENDED. THE CAPITAL RESERVE FUND SHALL BE FUNDED BY THE SALE OF SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT, OR FROM SUCH OTHER FUNDS AS MAY BE LEGALLY AVAILABLE FOR SUCH PURPOSE, AS PROVIDED FOR IN THE BOND RESOLUTION OR RESOLUTIONS AUTHORIZING THE ISSU-ANCE OF SUCH BONDS.

4. (A) NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL OR SPECIAL LAW TO THE CONTRARY, AND SUBJECT TO THE MAKING OF ANNUAL APPROPRIATIONS THERE-FOR BY THE LEGISLATURE IN ORDER TO REFINANCE MORTGAGE LOANS TO ELIGIBLE SECURED HOSPITAL BORROWERS, AS DEFINED IN SUBDIVISION SIX-C OF SECTION THREE OF THIS ACT, THE DIRECTOR OF THE BUDGET IS AUTHORIZED IN ANY STATE FISCAL YEAR TO ENTER INTO ONE OR MORE SERVICE CONTRACTS, WHICH SERVICE CONTRACTS SHALL NOT EXCEED THE TERM OF THE SPECIAL HOSPITAL PROJECT BONDS, ISSUED FOR THE BENEFIT OF THE ELIGIBLE SECURED HOSPITAL BORROWER, UPON SUCH TERMS AS THE DIRECTOR OF THE BUDGET AND THE AGENCY AGREE, SO AS TO PROVIDE ANNUALLY TO THE AGENCY IN THE AGGREGATE SUCH SUM, IF ANY, AS NECESSARY TO MEET THE DEBT SERVICE PAYMENTS DUE ON OUTSTANDING SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDI-VISION THREE OF SECTION THREE OF THIS ACT, IN ANY YEAR IF THE FUNDS PROVIDED FOR IN THIS SECTION ARE INADEQUATE.

(B) ANY SERVICE CONTRACT ENTERED INTO PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION SHALL PROVIDE (I) THAT THE OBLIGATION OF THE DIRECTOR OF THE BUDGET OR OF THE STATE TO FUND OR TO PAY THE AMOUNTS THEREIN PROVIDED FOR SHALL NOT CONSTITUTE A DEBT OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION AND SHALL BE DEEMED EXECU-TORY ONLY TO THE EXTENT OF MONEYS AVAILABLE AND THAT NO LIABILITY SHALL BE INCURRED BY THE STATE BEYOND THE MONEYS AVAILABLE FOR SUCH PURPOSE, AND THAT SUCH OBLIGATION IS SUBJECT TO ANNUAL APPROPRIATION BY THE LEGISLATURE; AND (II) THAT THE AMOUNTS PAID TO THE AGENCY PURSUANT TO ANY SUCH CONTRACT MAY BE USED BY IT SOLELY TO PAY OR TO ASSIST IN FINANCING COSTS OF MORTGAGE LOANS TO ELIGIBLE SECURED HOSPITAL BORROW-ERS, AS DEFINED IN SUBDIVISION SIX-C OF SECTION THREE OF THIS ACT.

5. THE AGENCY SHALL NOT ISSUE SPECIAL HOSPITAL PROJECT BONDS, AS DEFINED IN PARAGRAPH (D-1) OF SUBDIVISION THREE OF SECTION THREE OF THIS ACT, EXCEPT TO REFINANCE MORTGAGE LOANS FOR ELIGIBLE SECURED HOSPITAL BORROWERS AS PROVIDED IN SECTION THREE OF THIS ACT.

1 S 10. Notwithstanding any other provision of this act: (i) reimburse-
2 ment for interest on any indebtedness hereunder to be paid by the
3 medical assistance program established under title 11 of article 5 of
4 the social services law shall be subject to the availability of federal
5 financial participation; and (ii) the refinancing of a mortgage loan
6 pursuant to this act shall not alter, affect or change the component of
7 medical assistance reimbursement applicable to the depreciation of any
8 asset or assets.

9 S 11. The expiration and repeal of sections one through nine of this
10 act shall not affect or impair any bonds or notes issued, or any loan
11 made to any borrower, pursuant to the provisions of this act prior to
12 the expiration of these sections.

13 S 12. Section 12 of chapter 934 of the laws of 1985, amending the
14 public health law and the New York state medical care facilities finance
15 agency act relating to authorizing issuance of special hospital project
16 bonds on behalf of certain secured hospital borrowers to assist in
17 providing adequate health care to low income persons, as amended by
18 chapter 639 of the laws of 1996, is amended to read as follows:

19 S 12. This act shall take effect immediately and shall expire on
20 [March 1, 1998] DECEMBER 31, 2015; provided, however, that the expira-
21 tion of the provisions of law as amended and added, respectively, by the
22 provisions of this act shall not affect or impair in any manner any
23 bonds issued, or any mortgage loan made to any eligible borrower, or any
24 service contract entered into pursuant to the provisions of this act
25 prior to its expiration; and provided further, however, that the
26 provisions of this act on and after [September 1, 1997] DECEMBER 31,
27 2015 shall apply only to hospitals that have received from the dormitory
28 authority of the state of New York by [such date] SEPTEMBER 1, 1997
29 acknowledgement and acceptance of an application for financing pursuant
30 to this act and have obtained by such date all approvals required pursu-
31 ant to the public health law for submitting such application.

32 S 13. This act shall take effect immediately; provided that sections
33 one through nine of this act shall expire and be deemed repealed Decem-
34 ber 31, 2015; provided further, that the secured hospital fund estab-
35 lished by paragraph (b) of subdivision 2 of section 7-b of the New York
36 state medical care facilities finance agency act shall not be affected
37 by such repeal and shall continue in existence.