

9191

I N A S S E M B L Y

March 27, 2014

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 antic-
9 ipation note on December 24, 2009 and December 23, 2010 and made a prin-
10 cipal 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 declin-
22 ing 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.