

9789--A

I N A S S E M B L Y

May 22, 2014

Introduced by M. of A. SWEENEY -- (at request of the Environmental Facilities Corporation) -- read once and referred to the Committee on Environmental Conservation -- reported and referred to the Committee on Ways and Means -- reported and referred to the Committee on Rules -- Rules Committee discharged, bill amended, ordered reprinted as amended and recommitted to the Committee on Rules

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:

1 Section 1. Subdivision 6 of section 1285-j of the public authorities
2 law, as amended by chapter 307 of the laws of 2005, is amended to read
3 as follows:
4 6. Moneys in the water pollution control revolving fund may be
5 invested as provided in subdivision four of section twelve hundred
6 eighty-four of this title and may be further invested (a) in investment
7 agreements continuously secured by obligations with any insurance or
8 reinsurance company or corporate affiliate thereof rated by a nationally
9 recognized rating agency in one of its two highest categories, any bank,
10 trust company or broker or dealer, as defined by the securities exchange
11 act of 1934, which is a dealer in government bonds, which reports to,
12 trades with and is recognized as a primary dealer by a federal reserve
13 bank and is a member of the securities investors protection corporation,
14 if, (i) such obligations securing such investment agreements are obli-
15 gations as set forth in section ten of the general municipal law, (ii)
16 such obligations are delivered to a trustee for the benefit of the
17 corporation or, with respect to moneys pledged under an indenture of
18 trust relating to bonds or notes of the corporation, to the trustee
19 under such indenture, or are supported by a safe keeping receipt issued
20 by a depository satisfactory to the corporation as applicable, provided
21 that such investment agreements must provide that the value of the
22 underlying obligations shall be maintained at a current market value,

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

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1 calculated no less frequently than monthly, of not less than the amount
2 deposited thereunder, (iii) a prior perfected security interest in the
3 obligations which are securing such agreement has been granted to the
4 corporation, as applicable, and (iv) such obligations are free and clear
5 of adverse third party claims, or (b) in obligations as set forth in
6 section ten of the general municipal law, OTHER THAN THOSE OBLIGATIONS
7 SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF SUBDIVISION ONE OF
8 SECTION TEN OF THE GENERAL MUNICIPAL LAW, that are rated by a nationally
9 recognized rating agency in one of its two highest rating categories, OR
10 (C) IN OBLIGATIONS AS SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF
11 SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW THAT ARE
12 RATED BY A NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS THREE HIGH-
13 EST RATING CATEGORIES, OR (D) IN OBLIGATIONS OF ANY AGENCY, INSTRUMEN-
14 TALITY OR GOVERNMENTAL ENTITY OF ANOTHER STATE THAT ARE RATED BY AT
15 LEAST ONE NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS TWO HIGHEST
16 RATING CATEGORIES.

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

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

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

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

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

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

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

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

53 (C) IN OBLIGATIONS AS SET FORTH IN SUBPARAGRAPH (IV) OF PARAGRAPH F OF
54 SUBDIVISION ONE OF SECTION TEN OF THE GENERAL MUNICIPAL LAW THAT ARE
55 RATED BY A NATIONALLY RECOGNIZED RATING AGENCY IN ONE OF ITS THREE HIGH-
56 EST RATING CATEGORIES; OR

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

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