

7241--A

Cal. No. 981

I N S E N A T E

May 7, 2014

Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- 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 issuance of bonds and notes of the upper Mohawk valley regional water finance authority and to amend the maximum aggregate principal amount limitation

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

1 Section 1. Subdivision 1 of section 1226-1 of the public authorities
2 law, as added by chapter 647 of the laws of 1994, is amended to read as
3 follows:
4 1. The authority shall have the power and is hereby authorized from
5 time to time to issue bonds, notes or other obligations to pay the cost
6 of any project or for any other corporate purpose, including the estab-
7 lishment of reserves to secure the bonds, the payment of principal of,
8 premium, if any, and interest on the bonds and the payment of incidental
9 expenses in connection therewith.
10 (A) The aggregate principal amount of such bonds, notes or other obli-
11 gations shall not exceed one hundred FIFTY million dollars
12 [(\$100,000,000)] (\$150,000,000), excluding bonds, notes or other obli-
13 gations issued to refund or otherwise repay bonds, notes or other obli-
14 gations theretofore issued for such purposes; provided, however, that
15 upon any such refunding or repayment the total aggregate principal
16 amount of outstanding bonds, notes or other obligations may be greater
17 than one hundred FIFTY million dollars [(\$100,000,000)] (\$150,000,000)
18 only if the present value of the aggregate debt service of the refunding
19 or repayment bonds, notes or other obligations to be issued shall not
20 exceed the present value of the aggregate debt service of the bonds,
21 notes or other obligations so to be refunded or repaid.
22 (B) PROVIDED FURTHER THAT NO SUCH BONDS, NOTES OR OTHER OBLIGATIONS
23 THAT SUCH BOARD HAS DETERMINED TO BE REASONABLY NECESSARY TO SERVICE

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

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1 MANUFACTURING FACILITIES CONSTRUCTED OR TO BE CONSTRUCTED IN THE SERVICE
2 AREA AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN SHALL BE ISSUED IF SUCH
3 ISSUANCE WOULD CAUSE THE AGGREGATE PRINCIPAL AMOUNT OF SUCH BONDS, NOTES
4 OR OTHER OBLIGATIONS OUTSTANDING TO EXCEED ONE HUNDRED FIFTY MILLION
5 DOLLARS. PROVIDED, HOWEVER, THAT UPON ANY SUCH REFUNDING OR REPAYMENT
6 THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF OUTSTANDING BONDS, NOTES OR
7 OTHER OBLIGATIONS MAY BE GREATER THAN ONE HUNDRED MILLION FIFTY DOLLARS
8 (\$150,000,000) ONLY IF THE PRESENT VALUE OF THE AGGREGATE DEBT SERVICE
9 OF THE REFUNDING OR REPAYMENT BONDS, NOTES OR OTHER OBLIGATIONS TO BE
10 ISSUED SHALL NOT EXCEED THE PRESENT VALUE OF THE AGGREGATE DEBT SERVICE
11 OF THE BONDS, NOTES OR OTHER OBLIGATIONS SO TO BE REFUNDED OR REPAYED.

12 For purposes hereof, the present values of the aggregate debt service
13 of the refunding or repayment bonds, notes or other obligations and of
14 the aggregate debt service of the bonds, notes or other obligations so
15 refunded or repaid, shall be calculated by utilizing the effective
16 interest rate of the refunding or repayment bonds, notes or other obli-
17 gations, which shall be that rate arrived at by doubling the semi-annual
18 interest rate (compounded semi-annually) necessary to discount the debt
19 service payments on the refunding or repayment bonds, notes or other
20 obligations from the payment dates thereof to the date of issue of the
21 refunding or repayment bonds, notes or other obligations and to the
22 price bid including estimated accrued interest or proceeds received by
23 the authority including estimated accrued interest from the sale there-
24 of. The authority shall have power and is hereby authorized to enter
25 into such agreements and perform such acts as may be required under any
26 applicable federal legislation to secure a federal guarantee of any
27 bonds.

28 S 2. This act shall take effect immediately.