

3758

2015-2016 Regular Sessions

I N A S S E M B L Y

January 27, 2015

Introduced by M. of A. TEDISCO, KOLB, CROUCH, MALLIOTAKIS -- Multi-Sponsored by -- M. of A. TENNEY, THIELE -- read once and referred to the Committee on Ways and Means

CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY

proposing amendments to article 7 of the constitution, in relation to the prohibition of certain borrowing arrangements and the authorization for the contracting of debt

1 Section 1. Resolved (if the Senate concur), That section 11 of article
2 7 of the constitution be amended to read as follows:
3 S 11. 1. Except the debts or refunding debts specified in sections 9,
4 10 and 13 of this article, [no debt shall be hereafter contracted by or
5 in behalf of the state, unless] AS AUTHORIZED IN SUBDIVISION 2 OR 3 OF
6 THIS SECTION, OR AS EXPRESSLY PROVIDED FOR ELSEWHERE IN THIS CONSTITU-
7 TION, THE STATE SHALL NOT ENTER INTO ANY FINANCING OR OTHER SIMILAR
8 ARRANGEMENT, WHETHER BY STATUTE, CONTRACT, LEASE, OR OTHERWISE, WHEREBY
9 THE STATE AGREES TO MAKE PAYMENTS WHICH WILL BE USED DIRECTLY OR INDI-
10 RECTLY, FOR THE PAYMENT OF INTEREST, INSTALLMENTS OF PRINCIPAL, CONTRIB-
11 UTIONS TO SINKING FUNDS, OR RELATED PAYMENTS ON INDEBTEDNESS ISSUED OR
12 CONTRACTED BY ANY STATE AGENCY, MUNICIPALITY, INDIVIDUAL, OR PUBLIC OR
13 PRIVATE CORPORATION FOR STATE PURPOSES OR TO FINANCE GRANTS OR LOANS
14 MADE OR TO BE MADE BY OR ON BEHALF OF THE STATE FOR ANY PURPOSE. THE
15 RESTRICTIONS IN THIS SUBDIVISION SHALL APPLY WHETHER OR NOT THE OBLI-
16 GATION OF THE STATE TO MAKE SUCH PAYMENTS IS SUBJECT TO APPROPRIATION OR
17 IS OTHERWISE CONTINGENT.
18 2. THE STATE MAY CONTRACT DEBT WHICH IS SECURED BY A PLEDGE OF THE
19 FULL FAITH AND CREDIT OF THE STATE IF such debt shall be authorized by
20 law, for some single CAPITAL work or purpose, to be distinctly specified
21 therein[. No]; PROVIDED THAT NO such law shall take effect until it
22 shall, at a general election, have been submitted to the people, and
23 have received a majority of all the votes cast for and against it at
24 such election nor shall it be submitted to be voted on within three

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

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1 months after its passage nor at any general election when any other law
2 or any bill shall be submitted to be voted for or against.

3 3. THE STATE MAY ALSO CONTRACT DEBT, IN A MANNER PRESCRIBED BY LAW,
4 WHICH SHALL BE SECURED BY A PLEDGE OF SPECIFIC REVENUES OF THE STATE.
5 THE LEGISLATURE SHALL, BY LAW, IDENTIFY THE CAPITAL WORKS OR PURPOSE TO
6 BE FINANCED WITH SUCH DEBT. REVENUES IN EXCESS OF THE REQUIRED PAYMENTS
7 OF INTEREST AND INSTALLMENT PAYMENTS OF PRINCIPAL, CONTRIBUTIONS TO
8 SINKING FUNDS, AND OTHER PAYMENTS RELATING TO SUCH DEBT SHALL BE MADE
9 AVAILABLE FOR SUCH OTHER PURPOSES, AS PROVIDED BY LAW.

10 4. THE STATE MAY NOT CONTRACT DEBT PURSUANT TO SUBDIVISION 3 OF THIS
11 SECTION DURING ANY SINGLE FISCAL YEAR IN EXCESS OF THIRTY-FIVE PERCENT
12 OF THE TOTAL AMOUNT OF CAPITAL WORKS IN SUCH FISCAL YEAR, PROVIDED THAT
13 THE LIMIT MAY BE INCREASED TO FIFTY PERCENT FOR ANY YEAR IN WHICH TOTAL
14 STATE REVENUES DECLINE, EXCLUDING DECLINES CAUSED BY A CHANGE IN THE
15 RATE OF TAXATION, BY TWO PERCENT OR MORE. THE LIMIT SHALL BE REDUCED TO
16 FORTY-FIVE PERCENT OF THE TOTAL AMOUNT OF CAPITAL WORKS IN THE FIRST
17 YEAR SUCCEEDING A YEAR WHEN REVENUES DECLINE BY TWO PERCENT OR MORE, AND
18 TO FORTY PERCENT IN THE SECOND YEAR SUCCEEDING A YEAR WHEN REVENUES
19 DECLINE BY TWO PERCENT OR MORE. THE LIMIT SHALL RETURN TO THIRTY-FIVE
20 PERCENT OF THE TOTAL AMOUNT OF CAPITAL WORKS FOR ALL OTHER SUCCEEDING
21 YEARS.

22 5. The legislature may, at any time [after the approval of such law by
23 the people], if no debt shall have been contracted in pursuance [there-
24 of], OF A PARTICULAR LAW AUTHORIZED UNDER SUBDIVISION 2 OR 3 OF THIS
25 SECTION repeal [the same] SUCH LAW AUTHORIZING THE ISSUANCE OF SUCH
26 DEBT; and may at any time, by law, forbid the contracting of any further
27 debt or liability under such law.

28 6. NO DEBT MAY BE CONTRACTED PURSUANT TO SUBDIVISION 2 OR 3 OF THIS
29 SECTION, EXCEPT TO FINANCE CAPITAL WORKS OR PURPOSES.

30 7. THE STATE MAY CONTRACT DEBT TO REFUND DEBT CONTRACTED PURSUANT TO
31 SUBDIVISION 2 OR 3 OF THIS SECTION PROVIDED SUCH REFUNDINGS ARE
32 CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 13 OF THIS ARTI-
33 CLE.

34 8. THE PROVISIONS OF SUBDIVISION 1 OF THIS SECTION SHALL NOT PROHIBIT
35 THE STATE FROM PROVIDING MONIES FOR ANY OF THE OBLIGATIONS HEREFTER
36 PROHIBITED BY SAID SUBDIVISION 1, INCLUDING PAYMENT OF INTEREST,
37 INSTALLMENT PAYMENTS OF PRINCIPAL, CONTRIBUTIONS TO SINKING FUNDS, OR
38 RELATED PAYMENTS OR OBLIGATIONS TO THE EXTENT SUCH OBLIGATIONS WERE
39 CONTRACTED FOR OR OTHERWISE INCURRED PRIOR TO THE EFFECTIVE DATE OF SUCH
40 SUBDIVISION OR ON OBLIGATIONS ISSUED TO REFUND SUCH OBLIGATIONS,
41 PROVIDED SUCH REFUNDINGS ARE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS
42 OF SECTION 13 OF THIS ARTICLE.

43 S 2. Resolved (if the Senate concur), That the foregoing amendment be
44 referred to the first regular legislative session convening after the
45 next succeeding general election of members of the assembly, and, in
46 conformity with section 1 of article 19 of the constitution, be
47 published for 3 months previous to the time of such election.