

6258

2015-2016 Regular Sessions

I N A S S E M B L Y

March 18, 2015

Introduced by M. of A. MAGNARELLI -- read once and referred to the
Committee on Local Governments

AN ACT to amend the local finance law and chapter 419 of the laws of
1991, amending the local finance law and other laws relating to
providing relief to local governments for certain mandated programs
and services, in relation to local government borrowing practices and
mandate relief

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

1 Section 1. Paragraph b of section 21.00 of the local finance law, as
2 amended by chapter 91 of the laws of 2012, is amended to read as
3 follows:
4 b. Serial bonds shall mature in annual installments. The first
5 installment shall mature not later than eighteen months after the date
6 of such bonds or two years after the date of the first bond anticipation
7 note or notes issued in anticipation of such bonds, whichever is the
8 earlier, provided, however, that until July fifteenth, two thousand
9 [fifteen] EIGHTEEN, the first installment shall mature not later than
10 two years after the date of such bonds or two years after the date of
11 the first bond anticipation note or notes issued in anticipation of such
12 bonds, whichever is the earlier. However, if bond anticipation notes are
13 issued in anticipation of bonds and if a portion of such notes or the
14 renewals thereof are redeemed from a source other than the proceeds of
15 such bonds within two years from the date of the first such note or
16 notes and a further portion thereof shall be so redeemed prior to the
17 termination of each twelve months' period succeeding the date such
18 original portion was so redeemed, the first installment of such bonds
19 may, in the alternative, be made to mature not later than five years
20 from the date of the first such note or notes.
21 S 2. Paragraph b of section 53.00 of the local finance law, as amended
22 by chapter 91 of the laws of 2012, is amended to read as follows:

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

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1 b. If such bonds or notes are payable in installments, the install-
2 ments remaining unpaid may be called for redemption only (i) in the
3 inverse order of their maturity or, (ii) in equal proportionate amounts;
4 provided, however, that for bonds issued during the one-year period
5 commencing July first, nineteen hundred eighty-eight, and for bonds
6 issued during the one-year period commencing July first, nineteen
7 hundred eighty-nine, and for bonds issued during the one-year period
8 commencing July first, nineteen hundred ninety, and for bonds issued
9 during the three-year period commencing July first, nineteen hundred
10 ninety-one, and for bonds issued during the period from July first,
11 nineteen hundred ninety-four up until and including July fifteenth,
12 nineteen hundred ninety-seven and for bonds issued during the period
13 from July fifteenth, nineteen hundred ninety-seven up until and includ-
14 ing July fifteenth, two thousand, and for bonds issued during the period
15 from July fifteenth, two thousand up until and including July fifteenth,
16 two thousand three, and for bonds issued during the period from July
17 fifteenth, two thousand three up until and including July fifteenth, two
18 thousand six, and for bonds issued during the period from July
19 fifteenth, two thousand six up until and including July fifteenth, two
20 thousand nine, and for bonds issued during the period from July
21 fifteenth, two thousand six up until and including July fifteenth, two
22 thousand twelve, and for bonds issued during the period from July
23 fifteenth, two thousand nine up until and including July fifteenth, two
24 thousand fifteen, AND FOR BONDS ISSUED DURING THE PERIOD FROM JULY
25 FIFTEENTH, TWO THOUSAND FIFTEEN UP UNTIL AND INCLUDING JULY FIFTEENTH,
26 TWO THOUSAND EIGHTEEN, installments remaining unpaid on such bonds may
27 be called for redemption prior to their date of maturity in such
28 amounts, at such times in such manner and pursuant to such terms as may
29 be determined by the finance board of a municipality, school district or
30 district corporation at the time of the issuance thereof. Whenever any
31 bonds or notes are called for redemption prior to the date of their
32 maturity, interest shall cease to be paid thereon after the date for
33 redemption set forth in such call for redemption. The sum to be paid to
34 redeem any unpaid installment prior to its maturity, exclusive of the
35 interest accruing on such installment to the date of redemption, shall
36 in no event be in excess of the lesser amount of either (i) the par
37 value of such installment plus one-half of one per centum of such par
38 value for each calendar year or part thereof elapsing between the date
39 for redemption set forth in such call for redemption and the date of
40 maturity of such installment, provided, however, that such amount shall
41 not exceed one hundred five per centum of such par value, or (ii) the
42 par value of such installment plus the total of all unpaid interest on
43 such installment which would have accrued from the date of redemption to
44 the date of maturity thereof had such installment not been redeemed
45 prior to maturity, except that bonds sold to the state of New York
46 municipal bond bank agency, which are subject to call as hereinbefore
47 authorized, may provide for the payment of a redemption premium not to
48 exceed five per centum of the par value of the bonds to be called, paya-
49 ble on the date of the redemption thereof; provided, however, that for
50 bonds issued during the one-year period commencing July first, nineteen
51 hundred eighty-eight, and for bonds issued during the one-year period
52 commencing July first, nineteen hundred eighty-nine, and for bonds
53 issued during the one-year period commencing July first, nineteen
54 hundred ninety, and for bonds issued during the three-year period
55 commencing July first, nineteen hundred ninety-one, and for bonds issued
56 during the period from July first, nineteen hundred ninety-four up until

1 and including July fifteenth, nineteen hundred ninety-seven, and for
2 bonds issued during the period from July fifteenth, nineteen hundred
3 ninety-seven up until and including July fifteenth, two thousand, and
4 for bonds issued during the period from July fifteenth, two thousand up
5 until and including July fifteenth, two thousand three, and for bonds
6 issued during the period from July fifteenth, two thousand three up
7 until and including July fifteenth, two thousand six, and for bonds
8 issued during the period from July fifteenth, two thousand six up until
9 and including July fifteenth, two thousand nine, and for bonds issued
10 during the period from July fifteenth, two thousand nine up until and
11 including July fifteenth, two thousand twelve, and for bonds issued
12 during the period from July fifteenth, two thousand twelve up until and
13 including July fifteenth, two thousand fifteen, AND FOR BONDS ISSUED
14 DURING THE PERIOD FROM JULY FIFTEENTH, TWO THOUSAND FIFTEEN UP UNTIL AND
15 INCLUDING JULY FIFTEENTH, TWO THOUSAND EIGHTEEN, a municipality, school
16 district, or district corporation may provide for redemption of such
17 bonds prior to the date of their maturity at a price or prices as may be
18 as determined by the issuer of such bonds or notes at the time of the
19 issuance thereof.

20 S 3. The opening paragraph of paragraph a of section 54.90 of the
21 local finance law, as amended by chapter 91 of the laws of 2012, is
22 amended to read as follows:

23 Whenever in the judgment of the finance board the interest of a muni-
24 cipality would be served thereby, the municipality may issue bonds or
25 notes, on or before July fifteenth, two thousand [fifteen] EIGHTEEN,
26 with interest rates that vary in accordance with a formula or procedure
27 and are subject to a maximum rate of interest set forth or referred to
28 in the bonds or notes and may provide the holders thereof with such
29 rights to require the municipality or other persons to purchase such
30 bonds or notes or renewals thereof from the proceeds of the resale ther-
31 eof or otherwise from time to time prior to the final maturity of such
32 bonds or notes as the finance board may determine and the municipality
33 may resell, at any time prior to final maturity, any such bonds or notes
34 acquired as a result of the exercise of such rights; provided, however,
35 that at no time shall the total principal amount of bonds and notes
36 issued pursuant to this paragraph (other than bonds and notes bearing
37 interest at rates and for periods of time that are specified at issu-
38 ance) exceed ten percent of the limit prescribed by section 104.00 of
39 this article.

40 S 4. Subdivision 9 of paragraph d of section 107.00 of the local
41 finance law, as amended by chapter 91 of the laws of 2012, is amended to
42 read as follows:

43 9. Notwithstanding any other provision of law, the financing by any
44 municipality, prior to July fifteenth, two thousand [fifteen] EIGHTEEN,
45 of any object or purpose which has a period of probable usefulness
46 determined by law, by the issuance of any bonds and notes, including (i)
47 the issuance of bonds or notes, to redeem notes previously issued for
48 the object or purpose for which the bonds or notes are being issued or
49 (ii) the issuance of bonds to refund bonds previously issued for the
50 object or purpose for which bonds are being issued.

51 S 5. Subdivision (a) and (e) of section 81 of chapter 413 of the laws
52 of 1991, amending the local finance law and other laws relating to
53 providing relief to local governments for certain mandated programs and
54 services, as amended by chapter 91 of the laws of 2012, are amended to
55 read as follows:

1 (a) section six, sixteen and seventeen of this act shall expire and be
2 deemed repealed on and after July 15, [2015] 2018, and upon such date
3 the amendments made to the provisions of the local finance law by such
4 sections shall also expire and such provisions shall revert to and be
5 read as set out in law on the date immediately preceding the effective
6 date of such sections six, sixteen and seventeen of this act;

7 (e) subdivision (b) of section thirty-five of this act shall expire
8 and be deemed repealed on and after July 15, [2015] 2018;

9 S 6. This act shall take effect immediately.