

S. 5784

A. 7984

2015-2016 Regular Sessions

S E N A T E - A S S E M B L Y

June 3, 2015

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

IN ASSEMBLY -- Introduced by M. of A. THIELE, PALUMBO -- read once and referred to the Committee on Local Governments

AN ACT to amend the local finance law, in relation to refunding bonds issued by a municipality authorized to create a community preservation fund

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

1 Section 1. Subdivisions 2 and 4 of paragraph a and subdivision 3 of
2 paragraph f of section 90.00 of the local finance law, subdivision 2 of
3 paragraph a as added by section 8 of part F of chapter 383 of the laws
4 of 2001, subdivision 4 of paragraph a as amended by chapter 1034 of the
5 laws of 1960 and subdivision 3 of paragraph f as amended by chapter 711
6 of the laws of 1943, are amended to read as follows:
7 2. Notwithstanding the provisions of subdivision one of this para-
8 graph[,]: (A) bonds issued by a school district prior to December first
9 two thousand one, or prior to thirty days after the effective date of
10 this subdivision, whichever is later, for the purpose of financing
11 facilities which were eligible for building aid pursuant to section
12 thirty-six hundred two of the education law, and for which the aid
13 apportionments payable in two thousand two--two thousand three and/or
14 two thousand three--two thousand four school years for approved expendi-
15 tures for debt service are subsequently reduced as a result of the
16 application of assumed amortization to unpaid principal outstanding as
17 of July first, two thousand two, may be refunded and the refunding bonds
18 may be sold at either public or private sale in accordance with the
19 provisions of section 90.10 of this title; provided, however, the school
20 district need not comply with: (i) subparagraph (a) of subdivision two

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

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1 of paragraph b of section 90.10 of this title; and (ii) if the bonds to
2 be refunded are to be redeemed or paid on the same date as the refunding
3 bonds are issued, the school district need not comply with the
4 provisions of section 90.10 of this title relating to the escrow of the
5 proceeds of the sale of the refunding bonds; AND (B) BONDS ISSUED BY A
6 MUNICIPALITY AUTHORIZED TO CREATE A COMMUNITY PRESERVATION FUND PURSUANT
7 TO SUBDIVISION TWO OF SECTION SIXTY-FOUR-E OF THE TOWN LAW AND FOR THE
8 PURPOSE OF FINANCING COMMUNITY PRESERVATION WHICH WERE ELIGIBLE FOR
9 FUNDING PURSUANT TO SUBDIVISIONS THREE AND FOUR OF SECTION SIXTY-FOUR-E
10 OF THE TOWN LAW MAY BE REFUNDED AND THE REFUNDING BONDS MAY BE SOLD AT
11 EITHER PUBLIC OR PRIVATE SALE IN ACCORDANCE WITH THE PROVISIONS OF
12 SECTION 90.10 OF THIS TITLE; PROVIDED, HOWEVER, THE MUNICIPALITY NEED
13 NOT COMPLY WITH: (I) SUBPARAGRAPH (A) OF SUBDIVISION TWO OF PARAGRAPH B
14 OF SECTION 90.10 OF THIS TITLE; AND (II) IF THE BONDS TO BE REFUNDED ARE
15 TO BE REDEEMED OR PAID ON THE SAME DATE AS THE REFUNDING BONDS ARE
16 ISSUED, THE MUNICIPALITY NEED NOT COMPLY WITH THE PROVISIONS OF SECTION
17 90.10 OF THIS TITLE RELATING TO THE ESCROW OF THE PROCEEDS OF THE SALE
18 OF THE REFUNDING BONDS.

19 4. If a budgetary appropriation has been made for the payment of the
20 principal on bonds, such maturity shall not be included in a refunding
21 bond issue; PROVIDED, HOWEVER, THIS SUBDIVISION SHALL NOT APPLY TO
22 REFUNDING BONDS ISSUED BY A MUNICIPALITY AUTHORIZED TO CREATE A COMMUNI-
23 TY PRESERVATION FUND PURSUANT TO SUBDIVISION TWO OF SECTION SIXTY-FOUR-E
24 OF THE TOWN LAW AND FOR THE PURPOSE OF FINANCING COMMUNITY PRESERVATION
25 WHICH WERE ELIGIBLE FOR FUNDING PURSUANT TO SUBDIVISIONS THREE AND FOUR
26 OF SECTION SIXTY-FOUR-E OF THE TOWN LAW.

27 3. If the bonds to be refunded are bonds which were issued on or after
28 January first, nineteen hundred thirty-nine, other than bonds issued to
29 redeem notes, certificates or other evidences of temporary indebtedness
30 issued prior to January first, nineteen hundred thirty-nine, in antic-
31 ipation of such bonds, a statement of the maximum period of probable
32 usefulness, at the time of the issuance of the bonds to be refunded OR
33 AS MAY BE PROVIDED BY RESOLUTION OR RESOLUTION SUBJECT TO PERMISSIVE
34 REFERENDUM, BY THE GOVERNING BODY OF THE MUNICIPALITY AND CONSISTENT
35 WITH SECTION 11.00 OF THIS ARTICLE OR SUCH OTHER GENERAL OR SPECIAL LAW,
36 of the object or purpose for which such bonds were issued.

37 S 2. Subdivision 2 of paragraph b of section 90.10 of the local
38 finance law is amended by adding a new subparagraph (f) to read as
39 follows:

40 (F) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (A) OF THIS SUBDI-
41 VISION, A MUNICIPALITY MAY ALSO ISSUE REFUNDING BONDS TO REFUND BONDS IF
42 THE BONDS WERE ISSUED BY A MUNICIPALITY AUTHORIZED TO CREATE A COMMUNITY
43 PRESERVATION FUND PURSUANT TO SUBDIVISION TWO OF SECTION SIXTY-FOUR-E OF
44 THE TOWN LAW AND FOR THE PURPOSE OF FINANCING COMMUNITY PRESERVATION
45 WHICH WERE ELIGIBLE FOR FUNDING PURSUANT TO SUBDIVISIONS THREE AND FOUR
46 OF SECTION SIXTY-FOUR-E OF THE TOWN LAW.

47 S 3. Subdivisions 4 and 5 of paragraph e of section 90.10 of the local
48 finance law, subdivision 4 as added by chapter 264 of the laws of 1977
49 and subdivision 5 as amended by chapter 201 of the laws of 1978, are
50 amended to read as follows:

51 4. A statement of the maximum period or periods of probable usefulness
52 permitted by law at the time of the issuance of the bonds to be refunded
53 for the object or purpose or objects or purposes for which such bonds to
54 be refunded were issued. NOTWITHSTANDING THE ABOVE, THE PERIOD OR PERI-
55 ODS OF PROBABLE USEFULNESS FOR BONDS ISSUED BY A MUNICIPALITY AUTHORIZED
56 TO CREATE A COMMUNITY PRESERVATION FUND PURSUANT TO SUBDIVISION TWO OF

1 SECTION SIXTY-FOUR-E OF THE TOWN LAW AND FOR THE PURPOSE OF FINANCING
2 COMMUNITY PRESERVATION WHICH WERE ELIGIBLE FOR FUNDING PURSUANT TO
3 SUBDIVISIONS THREE AND FOUR OF SECTION SIXTY-FOUR-E OF THE TOWN LAW
4 SHALL NOT BE LIMITED TO THE PERIOD OF PROBABLE USEFULNESS AT THE TIME OF
5 ISSUANCE OF THE BOND TO BE REFUNDED BUT RATHER THE STATEMENT OF PERIOD
6 OR PERIODS OF PROBABLE USEFULNESS REQUIRED IN THIS SUBDIVISION MAY
7 INCLUDE AN EXTENSION OF SUCH PERIOD OF TIME SET FORTH IN SECTION 11.00
8 OF THIS ARTICLE OR SUCH OTHER GENERAL OR SPECIAL LAW.

9 5. The financial plan for the refunding proposed, showing the sources
10 and amounts of all moneys required to accomplish such refunding, and
11 except where such refunding bonds are issued by the city of New York OR
12 MUNICIPALITY pursuant to subparagraph (b) OR (F) of subdivision two of
13 paragraph b of this section, RESPECTIVELY, an estimate of the present
14 value of the total debt service savings anticipated, computed in accord-
15 ance with subparagraph (a) of subdivision two of paragraph b of this
16 section.

17 S 4. Paragraph g of section 90.10 of the local finance law, as amended
18 by chapter 201 of the laws of 1978, is amended to read as follows:

19 g. Except where such refunding bonds are issued by the city of New
20 York pursuant to subparagraph (b) of subdivision two of paragraph b of
21 this section OR ISSUED PURSUANT TO SUBPARAGRAPH (F) OF SUBDIVISION TWO
22 OF PARAGRAPH B OF THIS SECTION WHERE SUCH REFUNDING BONDS ARE ISSUED BY
23 A MUNICIPALITY, no refunding bonds shall be issued pursuant to this
24 section unless the chief fiscal officer of the issuer shall have first
25 filed with the finance board a certificate, approved by the state comp-
26 troller, which shall be final and conclusive upon all parties, setting
27 forth the present value of the total debt service savings to the issuer
28 resulting from the issuance of the refunding bonds computed in accord-
29 ance with the provisions of subparagraph (a) of subdivision two of para-
30 graph b of this section, except that the actual amount, rather than an
31 estimate, of the amount of accrued interest to be paid on such bonds
32 shall be used in determining the effective interest cost thereof. The
33 certificate shall be in the form and shall contain such information as
34 shall be prescribed by the state comptroller. The certificate shall not
35 be approved until ten days after the filing of such certificate in the
36 office of the state comptroller.

37 S 5. Clause (b) of subdivision 21 of paragraph a of section 11.00 of
38 the local finance law, as amended by chapter 837 of the laws of 1945, is
39 amended to read as follows:

40 (b) The financing of the acquisition of land, permanent rights in land
41 or temporary easements in land incidental to a capital improvement,
42 inclusive of any administrative or other expenditures arising therefrom
43 or related thereto, if such acquisition and expenditures are financed
44 from a fund into which are paid the proceeds of the sale of bonds or
45 bond anticipation notes issued in anticipation of such bonds and out of
46 which the cost of such acquisition and such expenditures are paid, thir-
47 ty years. NOTWITHSTANDING THE PROVISIONS OF THIS SUBDIVISION, THE ACQUI-
48 SITION OF LAND OR PERMANENT RIGHTS IN LAND AND THE FINANCING OF THE
49 ACQUISITION AS SET FORTH IN THIS SUBDIVISION MADE PURSUANT TO SECTION
50 SIXTY-FOUR-E OF THE TOWN LAW SHALL HAVE A PERIOD OF PROBABLE USEFULNESS
51 OF FIFTY YEARS AND TO THE EXTENT THAT THE ORIGINAL PERIOD OF PROBABLE
52 USEFULNESS WAS SET BY RESOLUTION AND/OR RESOLUTION SUBJECT TO PERMISSIVE
53 REFERENDUM, SUCH MUNICIPALITY MAY AMEND THE PERIOD OF PROBABLE USEFUL-
54 NESS BY RESOLUTION OF THE GOVERNING BODY IN ACCORDANCE WITH THE
55 PROVISIONS OF THIS CHAPTER.

56 S 6. This act shall take effect immediately.