

STATE OF NEW YORK

7856

IN SENATE

March 5, 2018

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

AN ACT to amend the local finance law and chapter 413 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 Assembly, do enact as follows:

1 Section 1. Paragraph b of section 21.00 of the local finance law, as
2 amended by chapter 77 of the laws of 2015, 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 ~~eighteen~~ twenty-one, 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 § 2. Paragraph b of section 53.00 of the local finance law, as amended
22 by chapter 77 of the laws of 2015, is amended to read as follows:

23 b. If such bonds or notes are payable in installments, the install-
24 ments remaining unpaid may be called for redemption only (i) in the
25 inverse order of their maturity or, (ii) in equal proportionate amounts;

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

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

1 for bonds issued during the period from July fifteenth, two thousand up
2 until and including July fifteenth, two thousand three, and for bonds
3 issued during the period from July fifteenth, two thousand three up
4 until and including July fifteenth, two thousand six, and for bonds
5 issued during the period from July fifteenth, two thousand six up until
6 and including July fifteenth, two thousand nine, and for bonds issued
7 during the period from July fifteenth, two thousand nine up until and
8 including July fifteenth, two thousand twelve, and for bonds issued
9 during the period from July fifteenth, two thousand twelve up until and
10 including July fifteenth, two thousand fifteen, and for bonds issued
11 during the period from July fifteenth, two thousand fifteen up until and
12 including July fifteenth, two thousand [~~eighteen~~] twenty-one, a munici-
13 pality, school district, or district corporation may provide for redemp-
14 tion of such bonds prior to the date of their maturity at a price or
15 prices as may be as determined by the issuer of such bonds or notes at
16 the time of the issuance thereof.

17 § 3. The opening paragraph of paragraph a of section 54.90 of the
18 local finance law, as amended by chapter 77 of the laws of 2015, is
19 amended to read as follows:

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

37 § 4. Subdivision 9 of paragraph d of section 107.00 of the local
38 finance law, as amended by chapter 77 of the laws of 2015, is amended to
39 read as follows:

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

48 § 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws
49 of 1991, amending the local finance law and other laws relating to
50 providing relief to local governments for certain mandated programs and
51 services, as amended by chapter 77 of the laws of 2015, are amended to
52 read as follows:

53 (a) section six, sixteen and seventeen of this act shall expire and be
54 deemed repealed on and after July 15, [~~2018~~] 2021, and upon such date
55 the amendments made to the provisions of the local finance law by such
56 sections shall also expire and such provisions shall revert to and be

1 read as set out in law on the date immediately preceding the effective
2 date of such sections six, sixteen and seventeen of this act;
3 (e) subdivision (b) of section thirty-five of this act shall expire
4 and be deemed repealed on and after July 15, [~~2018~~] 2021;
5 § 6. This act shall take effect immediately.