STATE OF NEW YORK

4741

2017-2018 Regular Sessions

IN ASSEMBLY

February 3, 2017

Introduced by M. of A. GIGLIO -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to the debt reduction reserve fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 97-rrr of the state finance law, as amended by section 45 of part H of chapter 56 of the laws of 2000, is amended to read as follows:

§ 97-rrr. Debt reduction reserve fund. 1. There is hereby established in the joint custody of the comptroller and the commissioner of taxation and finance a fund to be known as the debt reduction reserve fund. Such fund shall be established as a [~~capital projects~~] **debt service** fund**, provided, however, any balance of moneys in such fund shall not be transferred to the general fund pursuant to subdivision four of section seventy-two of this article**.

2. [~~Such fund shall consist of all monies credited or transferred thereto from the general fund or from any other fund or sources pursuant to law.~~] **At the close of each fiscal year, a portion of any cash surplus remaining in the general fund after the transfer pursuant to section ninety-two of this article shall be transferred from or retained in such fund as provided in this subdivision. The portion to be transferred to the debt reduction reserve fund shall be equal to five percent of such surplus for such fiscal year. For the purposes of this subdivision, cash surplus shall be defined as the amount by which general fund receipts in a fiscal year exceed general fund expenditures in such fiscal year.**

3. The monies in such fund, following appropriation by the legislature and allocation by the director of the budget, shall be available for the [~~following purposes:~~

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

LBD08016-01-7

~~(a) for the payment of principal, interest, and related expenses on general obligation bonds, lease purchase payments, or special contractual obligation payments, or for the~~] purposes of retiring or defeasing bonds **or notes** previously issued, including any accrued interest thereon, for any state-supported bonding program or programs[~~, and;~~

~~(b) for the funding of capital projects, equipment acquisitions, or similar expenses which have been authorized by law to be financed through the issuance of bonds, notes, or other obligations~~].

§ 2. This act shall take effect immediately.