STATE OF NEW YORK

9879

IN ASSEMBLY

February 15, 2018

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Judiciary

AN ACT to amend the general municipal law, the public housing law, the state finance law and chapter 585 of the laws of 1939, relating to the rate of interest to be paid by certain public corporations upon judgments and accrued claims, in relation to interest rates on judgments

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

Section 1. Subdivisions 1 and 2 of section 3-a of the general municipal law, subdivision 1 as amended by chapter 4 of the laws of 1991, and subdivision 2 as amended by chapter 777 of the laws of 1978, are amended to read as follows:

1. Except as provided in subdivisions two, four and five of this section, the rate of interest to be paid by a municipal corporation upon any judgment or accrued claim against the municipal corporation shall [~~not exceed~~] **be calculated at a rate equal to the weekly average one year constant maturity treasury yield, as published by the board of governors of the federal reserve system, for the calendar week preceding the date of the entry of the judgment awarding damages. In no event, however, shall an authority pay a rate of interest on any judgment or accrued claim exceeding** nine per centum per annum.

2. The rate of interest to be paid upon any judgment or accrued claim against the municipal corporation arising out of condemnation proceedings or action to recover damages for wrongful death shall [~~not exceed~~] **be calculated at a rate equal to the weekly average one year constant maturity treasury yield, as published by the board of governors of the federal reserve system, for the calendar week preceding the date of the entry of the judgment awarding damages. In no event, however, shall an authority pay a rate of interest on any judgment or accrued claim exceeding** six per centum per annum.

§ 2. Subdivision 5 of section 157 of the public housing law, as amended by chapter 681 of the laws of 1982, 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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5. The rate of interest to be paid by an authority upon any judgment or accrued claim against the authority shall [~~not exceed~~] **be calculated at a rate equal to the weekly average one year constant maturity treasury yield, as published by the board of governors of the federal reserve system, for the calendar week preceding the date of the entry of the judgment awarding damages. In no event, however, shall an authority pay a rate of interest on any judgment or accrued claim exceeding** nine per centum per annum.

§ 3. Section 16 of the state finance law, as amended by chapter 681 of the laws of 1982, is amended to read as follows:

§ 16. Rate of interest on judgments and accrued claims against the state. The rate of interest to be paid by the state upon any judgment or accrued claim against the state shall [~~not exceed~~] **be calculated at a rate equal to the weekly average one year constant maturity treasury yield, as published by the board of governors of the federal reserve system, for the calendar week preceding the date of the entry of the judgment awarding damages. In no event, however, shall an authority pay a rate of interest on any judgment or accrued claim exceeding** nine per centum per annum.

§ 4. Section 1 of chapter 585 of the laws of 1939, relating to the rate of interest to be paid by certain public corporations upon judgments and accrued claims, as amended by chapter 681 of the laws of 1982, is amended to read as follows:

Section 1. The rate of interest to be paid by a public corporation upon any judgment or accrued claim against the public corporation shall [~~not exceed~~] **be calculated at a rate equal to the weekly average one year constant maturity treasury yield, as published by the board of governors of the federal reserve system, for the calendar week preceding the date of the entry of the judgment awarding damages. In no event, however, shall an authority pay a rate of interest on any judgment or accrued claim exceeding** nine per centum per annum. The term "public corporation" as used in this act shall mean and include every corporation created for the construction of public improvements, other than a county, city, town, village, school district or fire district or an improvement district established in a town or towns, and possessing both the power to contract indebtedness and the power to collect rentals, charges, rates or fees for services or facilities furnished or supplied.

§ 5. This act shall take effect April 1, 2019.