STATE OF NEW YORK

9884

IN ASSEMBLY

February 16, 2018

Introduced by M. of A. SCHIMMINGER, OAKS -- read once and referred to the Committee on Election Law

AN ACT to amend the election law and the state finance law, in relation to requiring a proposition authorizing the creation of a state debt to contain an estimate of the debt service payable thereon, and to amend the state finance law, in relation to requiring publication of an explanation of the proposition authorizing the creation of state debt, deposits to the tax stabilization reserve fund, and using surplus moneys to reduce outstanding state funded debt

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

Section 1. The election law is amended by adding a new section 7-112 to read as follows:

§ 7-112. Ballots; form for proposition; additional requirements. Each duly certified proposition contained on the ballot and submitted to the voters of the state which provides for the creation of a state debt shall contain an estimate of the anticipated number of years over which such debt shall be amortized and the total expected debt service payable on the principal amount of such bonds until their retirement. Such information shall be printed in the largest type which is practicable to use in the space provided for the proposition. Such information shall be provided to the state board of elections and the secretary of state by the state comptroller not later than seven days after the passage of the law authorizing such proposition.

§ 2. Subdivision 2 of section 4-116 of the election law, as amended by chapter 60 of the laws of 1993, is amended to read as follows:

2. The state board of elections shall publish once in the week preceding any election at which proposed constitutional amendments or other propositions or questions are to be submitted to the voters of the state an abstract of such amendment or question**, including the estimate of the amortization period and the total anticipated debt service payable on the principal where the proposition authorizes the creation of a state debt**, a brief statement of the law or proceedings authorizing such

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

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submission, a statement that such submission will be made and the form in which it is to be submitted.

§ 3. The state finance law is amended by adding a new section 6 to read as follows:

§ 6. State publication concerning proposition. Any report, publication, pamphlet or other written document prepared by a state department, agency, authority or other component or division of state government, intended for distribution to the public, which is intended to promote awareness of or explain the provisions contained in, or incidental to, a duly certified proposition to be contained on the ballot and to be submitted to the voters of the state which proposition provides for the creation of a state debt shall contain therein an estimate of the anticipated number of years over which such debt shall be amortized and the total expected debt service payable on the principal amount of such bonds until their retirement. Such information shall be printed in the largest type which is practicable to use in such document.

§ 4. Subdivisions 3 and 4 of section 92 of the state finance law, as separately amended by chapters 405 and 957 of the laws of 1981, are amended to read as follows:

3. At the close of each fiscal year any cash surplus remaining in the general fund over and above the norm for such fiscal year shall be transferred from or retained in such fund as hereinafter in this subdivision provided. There shall be transferred to the tax stabilization reserve fund all of such surplus moneys, up to and including an amount equivalent to [~~two-tenths~~] **one-half** of one per centum of such norm, unless such transfer would increase such reserve fund to an amount in excess of [~~two~~] **five** per centum of the amount of the norm for such fiscal year, in which event such transfer shall be limited to such amount as will increase such reserve fund to such [~~two~~] **five** per centum limitation. Any balance of such surplus moneys, thereafter remaining in the general fund, shall be retained in such fund and be available for the reduction of state taxes.

4. In the event that at the close of any fiscal year the receipts derived from the taxes, fees and other sources, required to be paid during such fiscal year into the general fund of the state shall fall below the norm for such fiscal year, there shall be transferred from the tax stabilization reserve fund to the general fund to the extent that there are sufficient moneys in the tax stabilization reserve fund, an amount equal to the difference between the norm and the amount of such receipts. If such transfer reduces the tax stabilization reserve fund to an amount less than [~~two~~] **five** per centum of the norm for such fiscal year, the amount so transferred shall be repaid in cash prior to the computation and payment of any transfer to the fund pursuant to subdivision three of this section in not less than three equal annual installments within the period of six years or less next succeeding the date of such transfer; provided, however, that if any such annual installment shall increase such reserve fund to an amount in excess of [~~two~~] **five** per centum of the amount of the norm for the then current fiscal year, such installment shall be limited to such amount as will increase such reserve fund to such [~~two~~] **five** per centum limitation and no further repayment of the whole or any part of such transfer shall be required in any subsequent fiscal year. Repayments to the tax stabilization reserve fund shall be stipulated in annual budget bills.

§ 5. The state finance law is amended by adding a new section 65-a to read as follows:

§ 65-a. Use of surplus moneys to reduce outstanding state funded debt. At the close of each fiscal year, at least ten percent of any cash surplus remaining in the general fund after the transfer pursuant to section ninety-two of this chapter shall be transferred to the debt reduction reserve fund established by section ninety-seven-rrr of this chapter.

§ 6. 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 fund.~~]

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.

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:~~

~~(a) for the payment of principal, interest, and related expenses on general obligation bonds, lease purchase payments, or special contractual obligation payments, or~~] only for the [~~purposes~~] purpose 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~~] state funded debt.

§ 7. This act shall take effect immediately; provided, however that provisions of section four of this act shall take effect three years after it shall have become a law.