

STATE OF NEW YORK

7856--A

Cal. No. 685

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 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

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:

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

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

commencing July first, nineteen hundred ninety-one, and for bonds issued during the period from July first, nineteen hundred ninety-four up until and including July fifteenth, nineteen hundred ninety-seven, and for bonds issued during the period from July fifteenth, nineteen hundred ninety-seven up until and including July fifteenth, two thousand, and for bonds issued during the period from July fifteenth, two thousand up until and including July fifteenth, two thousand three, and for bonds issued during the period from July fifteenth, two thousand three up until and including July fifteenth, two thousand six, and for bonds issued during the period from July fifteenth, two thousand six up until and including July fifteenth, two thousand nine, and for bonds issued during the period from July fifteenth, two thousand nine up until and including July fifteenth, two thousand twelve, and for bonds issued during the period from July fifteenth, two thousand twelve up until and including July fifteenth, two thousand fifteen, and for bonds issued during the period from July fifteenth, two thousand fifteen up until and including July fifteenth, two thousand eighteen, and for bonds issued during the period from July fifteenth, two thousand eighteen up until and including July fifteenth, two thousand twenty-one, a municipality, school district, or district corporation may provide for redemption of such bonds prior to the date of their maturity at a price or prices as may be as determined by the issuer of such bonds or notes at the time of the issuance thereof.

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

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

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

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

§ 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws of 1991, amending the local finance law and other laws relating to

1 providing relief to local governments for certain mandated programs and
2 services, as amended by chapter 77 of the laws of 2015, are amended to
3 read as follows:

4 (a) section six, sixteen and seventeen of this act shall expire and be
5 deemed repealed on and after July 15, [~~2018~~] 2021, and upon such date
6 the amendments made to the provisions of the local finance law by such
7 sections shall also expire and such provisions shall revert to and be
8 read as set out in law on the date immediately preceding the effective
9 date of such sections six, sixteen and seventeen of this act;

10 (e) subdivision (b) of section thirty-five of this act shall expire
11 and be deemed repealed on and after July 15, [~~2018~~] 2021;

12 § 6. This act shall take effect immediately.