STATE OF NEW YORK

7929

IN SENATE

March 9, 2018

Introduced by Sen. RANZENHOFER -- (at request of the New York State Homes and Community Renewal) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to the powers of the state of New York municipal bond bank agency

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

Section 1. Short title. This act shall be known and may be cited as the "MBBA Technical Corrections Act of 2018".

§ 2. Subdivisions 2 and 10 of section 2432 of the public authorities law, as amended by section 2 of part N of chapter 56 of the laws of 2010, are amended to read as follows:

(2) "Bonds" and "Notes". The bonds and notes, including any special program bonds, special school purpose bonds, recovery act bonds, [~~and~~] public safety communications bonds**, and any bonds and notes issued after the effective date of the MBBA technical corrections act of two thousand eighteen,** respectively issued by the agency pursuant to this title. Bonds and notes shall not include any tax lien collateralized securities issued pursuant to this title.

(10) "Debt Service Reserve Fund Requirement". With respect to any debt service reserve fund created by section twenty-four hundred thirty-nine of this title relating to bonds other than special program bonds or special school purpose bonds or special school deficit program bonds or recovery act bonds or public safety communications bonds **or bonds or notes issued after the effective date of the MBBA technical corrections act of two thousand eighteen**, as of any particular date of computation, an amount of money equal to the greatest of the respective amounts, for the then current or any succeeding calendar year, of annual debt service payments required to be made to the agency on all municipal bonds purchased with the proceeds of bonds which bonds are secured by such debt service reserve fund, such annual debt service payments for any calendar year being an amount of money equal to the aggregate of (a) all interest payable during such calendar year on all municipal bonds

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

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purchased by the agency and then outstanding on said date of computation which are secured by such debt service reserve fund, plus (b) the principal amount of all municipal bonds purchased by the agency and then outstanding on said date of computation which mature during such calendar year and are secured by such debt service reserve fund; and with respect to any debt service reserve fund created by section twenty-four hundred thirty-nine of this title relating to an issue or issues of special program bonds or special school purpose bonds or special school deficit program bonds or recovery act bonds or public safety communications bonds, such amount as shall be determined by the agency.

§ 3. Subdivision 1 of section 2435 of the public authorities law, as amended by section 4 of part N of chapter 56 of the laws of 2010, is amended to read as follows:

1. The agency may purchase, and contract to purchase, municipal bonds from municipalities at such price or prices, upon such terms and conditions and in such manner, not inconsistent with the provisions of the local finance law, as the agency shall deem advisable; provided, however, that the average interest rate payable on all municipal bonds (taken as a group) purchased with the proceeds of an issue of bonds shall equal or exceed the interest rate on such issue of bonds. The agency shall not purchase the municipal bonds of any municipality if (i) the aggregate principal amount thereof, together with the aggregate principal balances of the municipal bonds of such municipality then outstanding and held by the agency, exceed an amount equal to ten percent of the aggregate principal amount of the statutory authorization at the time for the issuance of bonds and notes, as provided in section twenty-four hundred thirty-eight of this title, and (ii) the aggregate principal amount thereof exceeds an amount equal to fifty percent of the aggregate principal amount of all municipal bonds proposed to be so purchased at the time; provided, however, that this sentence shall not apply to local ARRA bonds or local public safety communications bonds **or bonds or notes issued after the effective date of the MBBA technical corrections act of two thousand eighteen**.

§ 4. Subdivision 5 of section 2437 of the public authorities law, as amended by section 6 of part N of chapter 56 of the laws of 2010, is amended to read as follows:

(5) Any bonds or notes of the agency other than special program bonds, special school purpose bonds, special school deficit program bonds, recovery act bonds [~~or~~], public safety communications bonds **or bonds or notes issued after the effective date of the MBBA technical corrections act of two thousand eighteen** shall be sold at public sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. Any special program bonds, special school purpose bonds, special school deficit program bonds, recovery act bonds [~~or~~], public safety communications bonds **or bonds or notes issued after the effective date of the MBBA technical corrections act of two thousand eighteen** shall be sold at public or private sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof provided, however, that special program bonds relating to a special program agreement entered for the purpose described in paragraph (b) of subdivision one of section twenty-four hundred thirty-five-a of this title shall be sold on or before June thirtieth, two thousand one.

No special program bonds, special school purpose bonds, special school deficit program bonds, or recovery act bonds, or public safety communications bonds **or bonds or notes issued after the effective date of the MBBA technical corrections act of two thousand eighteen** of the agency may be sold by the agency at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

§ 5. Subdivision 1 of section 2438 of the public authorities law, as amended by chapter 355 of the laws of 2016, is amended to read as follows:

(1) The agency shall not issue bonds and notes in an aggregate principal amount at any one time outstanding exceeding one billion dollars, excluding tax lien collateralized securities, special school purpose bonds, special school deficit program bonds, special program bonds issued to finance the reconstruction, rehabilitation or renovation of an educational facility pursuant to the provisions of subdivision (b) of section sixteen of chapter six hundred five of the laws of two thousand, special program bonds issued to finance the cost of a project for design, reconstruction or rehabilitation of a school building pursuant to the provisions of section fourteen of the city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act, special program bonds issued to finance the cost of a project for design, construction, reconstruction or rehabilitation of a school building pursuant to the provisions of section thirteen of the Yonkers city school district joint schools construction and modernization act, recovery act bonds, public safety communications bonds**, bonds or notes issued after the effective date of the MBBA technical act of two thousand eighteen** and bonds and notes issued to refund outstanding bonds and notes.

§ 6. This act shall take effect immediately.