

STATE OF NEW YORK

3875

2019-2020 Regular Sessions

IN ASSEMBLY

January 31, 2019

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:

1 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
2 subdivision 2 as amended by chapter 777 of the laws of 1978, are amended
3 to read as follows:

4
5 1. Except as provided in subdivisions two, four and five of this
6 section, the rate of interest to be paid by a municipal corporation upon
7 any judgment or accrued claim against the municipal corporation shall
8 [~~not exceed~~] be calculated at a rate equal to the weekly average one
9 year constant maturity treasury yield, as published by the board of
10 governors of the federal reserve system, for the calendar week preceding
11 the date of the entry of the judgment awarding damages. In no event,
12 however, shall an authority pay a rate of interest on any judgment or
13 accrued claim exceeding nine per centum per annum.

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

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

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1 § 2. Subdivision 5 of section 157 of the public housing law, as
2 amended by chapter 681 of the laws of 1982, is amended to read as
3 follows:

4 5. The rate of interest to be paid by an authority upon any judgment
5 or accrued claim against the authority shall [~~not-exceed~~] be calculated
6 at a rate equal to the weekly average one year constant maturity treas-
7 ury yield, as published by the board of governors of the federal reserve
8 system, for the calendar week preceding the date of the entry of the
9 judgment awarding damages. In no event, however, shall an authority pay
10 a rate of interest on any judgment or accrued claim exceeding nine per
11 centum per annum.

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

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

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

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

41 § 5. This act shall take effect on the first of April next succeeding
42 the date upon which it shall have become a law.