STATE OF NEW YORK

6465

2019-2020 Regular Sessions

IN SENATE

June 12, 2019

Introduced by Sen. AMEDORE -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to authorize the city of Amsterdam, in the county of Montgomery, to finance a certain deficit by the issuance of bonds

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

Section 1. The city of Amsterdam, in the county of Montgomery, is hereby authorized to issue serial bonds on or after March 1, 2019 in an aggregate principal amount not to exceed eight million three hundred thousand dollars ($8,300,000) for the specific object or purpose of liquidating the cumulative deficits in the general fund, the transportation fund, the sewer fund and recreation fund of such city accumulated during fiscal years ending June 30, 2008 through 2018, inclusive. In anticipation of the issuance of the bonds authorized to be issued by this act, the issuance and sale of bond anticipation notes are hereby authorized.

§ 2. Notwithstanding any provision of this act to the contrary, the city of Amsterdam shall not issue any bonds for the purpose of liquidating the aforesaid cumulative deficits unless and until the amounts thereof are reviewed and determined by the state comptroller. The city of Amsterdam shall prepare a report detailing the amount and cause of such deficits and submit such report together with the city's independent audit report for its last completed fiscal year, if any such audit report has been or is to be prepared, and such other information as the state comptroller may deem necessary, to the state comptroller, as well as the chairs of the senate finance committee and the assembly ways and means committee, at least thirty days prior to the issuance of any bonds pursuant to this act.

Within thirty days after receiving such report, the state comptroller shall perform such reviews as may be necessary to determine the amounts of such deficits and report the same to the chairs of the senate finance

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

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committee and the assembly ways and means committee, the mayor and the common council of the city of Amsterdam. Bonds to liquidate each such deficit shall not be issued in an amount exceeding such deficit as determined by the state comptroller. Nothing provided in this act shall prevent the city of Amsterdam from authorizing the issuance of bonds or bond anticipation notes, and issuing bond anticipation notes, prior to the determination of the state comptroller of the amount of such deficits.

If bond anticipation notes are issued in an amount in excess of the deficits determined by the state comptroller, the city of Amsterdam shall redeem from funds other than the proceeds of the bonds or bond anticipation notes, such bond anticipation notes in the amount by which the amount of bond anticipation notes exceeds the amount of such deficits as determined by the state comptroller.

§ 3. It is hereby determined that the financing of the deficits hereinbefore described is a purpose of the city of Amsterdam for which indebtedness may be incurred, the period of probable usefulness of which is hereby determined to be ten years, computed from the date of such bonds or from the date of the first bond anticipation note issued in anticipation of the sale of such bonds, whichever date is earlier. Such bonds and/or bond anticipation notes shall be general obligations of the city of Amsterdam to which the faith and credit of the city is pledged, and the city shall make an annual appropriation sufficient to pay the principal of and interest on such obligations as the same shall become due.

§ 4. Except as provided in this act, the provisions of the local finance law shall be applicable to the authorization, sale and issuance of the bonds and bond anticipation notes authorized to be issued by this act provided, however, that no resolution authorizing the issuance of such bonds or notes shall be subject to either mandatory or permissive referendum and provided further, that such bond anticipation notes need not be converted to bonds by the fifth anniversary of their issuance.

§ 5. (a) For each fiscal year occurring during the time bonds and/or bond anticipation notes issued pursuant to this act are outstanding, the mayor of the city of Amsterdam shall prepare a quarterly report of summarized budget data depicting overall trends of actual revenues and budget expenditures for the entire budget rather than individual line items.

Such budgetary reports shall compare revenue estimates and appropriations as set forth in such budget with the actual revenues and expenditures made to date. All such quarterly budgetary reports shall be accompanied by recommendations of the mayor setting forth any remedial action necessary or desirable to resolve any unfavorable budget variance including the over-estimation of revenues and the under-estimation of expenditures. Each such quarterly budgetary report shall be completed within thirty days after the end of each quarter and shall be submitted to each member of the common council of the city of Amsterdam, the director of the division of the budget, the state comptroller, and the chairs of the senate finance committee and the assembly ways and means committee.

(b) For each fiscal year occurring during the time bonds and/or bond anticipation notes issued pursuant to this act are outstanding, the mayor of the city of Amsterdam shall also prepare a quarterly trial balance of general and special fund ledger accounts. Each such quarterly trial balance shall be prepared in accordance with generally accepted accounting principles. Each such quarterly trial balance shall be

completed within thirty days after the end of each quarterly period and shall be submitted to each member of the common council of the city of Amsterdam, the director of the division of the budget, the state comptroller, and the chairs of the senate finance committee and the assembly ways and means committee.

(c) For the fiscal year beginning July 1, 2019 and for each fiscal year thereafter during which such debt or any debt incurred to refund such debt is outstanding, the mayor of the city of Amsterdam or other officer or officers responsible for the preparation of the tentative budget shall submit the tentative budget for the next succeeding fiscal year to the state comptroller no later than thirty days before the last date on which the budget must be finally adopted. The state comptroller shall examine such proposed budget and make such recommendations as deemed appropriate thereon to the common council of the city of Amsterdam no later than ten days before the last date on which the budget must be finally adopted. Such recommendations shall be made after examination into the estimates of revenues and expenditures of the city of Amsterdam. The common council of the city of Amsterdam, no later than five days prior to the adoption of the budget, shall review any such recommendations and may make adjustments to its proposed budget consistent with any recommendations made by the state comptroller. Any recommendations that the common council rejects shall be explained in writing to the state comptroller. The action or inaction of the state comptroller under this section shall not affect the legal validity of the budget of the city of Amsterdam nor to affect the powers or duties of the city of Amsterdam with respect to the local budget; provided, however, that the city of Amsterdam may not issue bonds for any object or purpose unless and until adjustments to its proposed budget, consistent with any recommendations made by the state comptroller, are made, or any such recommendations that are rejected have been explained in writing to the state comptroller.

(d) Within ninety days of the issuance of any debt pursuant to this act and for each fiscal year thereafter during which such debt or any debt incurred to refund such debt is outstanding, the mayor of the city of Amsterdam or other officer or officers responsible for the preparation of the tentative budget of the city of Amsterdam, within thirty days after the final adoption of the budget for the next succeeding fiscal year, shall prepare a three-year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan shall, at a minimum, contain the information required to be provided in a three-year financial plan as prescribed by subdivision 10 of section 54 of the state finance law. Copies of the financial plan shall be provided to the mayor and chief fiscal officer of the city of Amsterdam, the director of the budget, the state comptroller, the chair of the assembly ways and means committee and the chair of the senate finance committee. This financial plan requirement shall not apply if and to the extent the city of Amsterdam is subject to a different multi-year financial plan requirement under state law.

(e) For each fiscal year occurring during the time bonds and/or bond anticipation notes issued pursuant to this act are outstanding, the chief fiscal officer of the city of Amsterdam shall notify the state comptroller at least fifteen days prior to the issuance of any bonds or notes or entering into any installment purchase contract and the state comptroller may review and make recommendations regarding the affordability to the city of Amsterdam of any such proposed issuance or contract, provided, however, that the validity of any bond anticipation

note or bond issued to refinance a maturing bond anticipation note shall not be affected by any failure to provide such notice in a timely manner. The state comptroller may require the submission by the city of Amsterdam of such information as the state comptroller shall deem necessary to complete his or her review.

§ 6. To facilitate the marketing of the bonds and/or bond anticipation notes authorized to be issued by this act, the city of Amsterdam may, notwithstanding any limitations on the private sales of bonds otherwise provided by law, and subject to approval by the state comptroller of the terms and conditions of such sales, arrange for the underwriting or other sale of its bonds and/or bond anticipation notes at private sale upon negotiated terms and conditions which may include reasonable underwriting or placement fees or discounts. The costs of such underwriting or sale shall be deemed preliminary costs for purposes of section 11.00 of the local finance law.

§ 7. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

§ 8. This act shall take effect immediately.