

STATE OF NEW YORK

7168

2021-2022 Regular Sessions

IN ASSEMBLY

April 23, 2021

Introduced by M. of A. PICHARDO -- read once and referred to the Committee on Local Governments

AN ACT to amend the local finance law and chapter 419 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 113 of the laws of 2018, 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 [~~twenty-one~~ twenty-four], the first installment shall mature not later
10 than two years after the date of such bonds or two years after the date
11 of the first bond anticipation note or notes issued in anticipation of
12 such bonds, whichever is the earlier. However, if bond anticipation
13 notes are issued in anticipation of bonds and if a portion of such notes
14 or the renewals thereof are redeemed from a source other than the
15 proceeds of such bonds within two years from the date of the first such
16 note or notes and a further portion thereof shall be so redeemed prior
17 to the termination of each twelve months' period succeeding the date
18 such original portion was so redeemed, the first installment of such
19 bonds may, in the alternative, be made to mature not later than five
20 years 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 113 of the laws of 2018, 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, and for bonds issued during the period from
29 July fifteenth, two thousand twenty-one up until and including July
30 fifteenth, two thousand twenty-four, installments remaining unpaid on
31 such bonds may be called for redemption prior to their date of maturity
32 in such amounts, at such times in such manner and pursuant to such terms
33 as may be determined by the finance board of a municipality, school
34 district or district corporation at the time of the issuance thereof.
35 Whenever any bonds or notes are called for redemption prior to the date
36 of their maturity, interest shall cease to be paid thereon after the
37 date for redemption set forth in such call for redemption. The sum to be
38 paid to redeem any unpaid installment prior to its maturity, exclusive
39 of the interest accruing on such installment to the date of redemption,
40 shall in no event be in excess of the lesser amount of either (i) the
41 par value of such installment plus one-half of one per centum of such
42 par value for each calendar year or part thereof elapsing between the
43 date for redemption set forth in such call for redemption and the date
44 of maturity of such installment, provided, however, that such amount
45 shall not exceed one hundred five per centum of such par value, or (ii)
46 the par value of such installment plus the total of all unpaid interest
47 on such installment which would have accrued from the date of redemption
48 to the date of maturity thereof had such installment not been redeemed
49 prior to maturity, except that bonds sold to the state of New York
50 municipal bond bank agency, which are subject to call as hereinbefore
51 authorized, may provide for the payment of a redemption premium not to
52 exceed five per centum of the par value of the bonds to be called, paya-
53 ble on the date of the redemption thereof; provided, however, that for
54 bonds issued during the one-year period commencing July first, nineteen
55 hundred eighty-eight, and for bonds issued during the one-year period
56 commencing July first, nineteen hundred eighty-nine, and for bonds

1 issued during the one-year period commencing July first, nineteen
2 hundred ninety, and for bonds issued during the three-year period
3 commencing July first, nineteen hundred ninety-one, and for bonds issued
4 during the period from July first, nineteen hundred ninety-four up until
5 and including July fifteenth, nineteen hundred ninety-seven, and for
6 bonds issued during the period from July fifteenth, nineteen hundred
7 ninety-seven up until and including July fifteenth, two thousand, and
8 for bonds issued during the period from July fifteenth, two thousand up
9 until and including July fifteenth, two thousand three, and for bonds
10 issued during the period from July fifteenth, two thousand three up
11 until and including July fifteenth, two thousand six, and for bonds
12 issued during the period from July fifteenth, two thousand six up until
13 and including July fifteenth, two thousand nine, and for bonds issued
14 during the period from July fifteenth, two thousand nine up until and
15 including July fifteenth, two thousand twelve, and for bonds issued
16 during the period from July fifteenth, two thousand twelve up until and
17 including July fifteenth, two thousand fifteen, and for bonds issued
18 during the period from July fifteenth, two thousand fifteen up until and
19 including July fifteenth, two thousand eighteen, and for bonds issued
20 during the period from July fifteenth, two thousand eighteen up until
21 and including July fifteenth, two thousand twenty-one, and for bonds
22 issued during the period from July fifteenth, two thousand twenty-one up
23 until and including July fifteenth, two thousand twenty-four, a munici-
24 pality, school district, or district corporation may provide for redemp-
25 tion of such bonds prior to the date of their maturity at a price or
26 prices as may be as determined by the issuer of such bonds or notes at
27 the time of the issuance thereof.

28 § 3. The opening paragraph of paragraph a of section 54.90 of the
29 local finance law, as amended by chapter 113 of the laws of 2018, is
30 amended to read as follows:

31 Whenever in the judgment of the finance board the interest of a muni-
32 cipality would be served thereby, the municipality may issue bonds or
33 notes, on or before July fifteenth, two thousand [~~twenty-one~~] twenty-
34 four, with interest rates that vary in accordance with a formula or
35 procedure and are subject to a maximum rate of interest set forth or
36 referred to in the bonds or notes and may provide the holders thereof
37 with such rights to require the municipality or other persons to
38 purchase such bonds or notes or renewals thereof from the proceeds of
39 the resale thereof or otherwise from time to time prior to the final
40 maturity of such bonds or notes as the finance board may determine and
41 the municipality may resell, at any time prior to final maturity, any
42 such bonds or notes acquired as a result of the exercise of such rights;
43 provided, however, that at no time shall the total principal amount of
44 bonds and notes issued pursuant to this paragraph (other than bonds and
45 notes bearing interest at rates and for periods of time that are speci-
46 fied at issuance) exceed ten percent of the limit prescribed by section
47 104.00 of this article.

48 § 4. Subdivision 9 of paragraph d of section 107.00 of the local
49 finance law, as amended by chapter 113 of the laws of 2018, is amended
50 to read as follows:

51 9. Notwithstanding any other provision of law, the financing by any
52 municipality, prior to July fifteenth, two thousand [~~twenty-one~~] twen-
53 ty-four, of any object or purpose which has a period of probable useful-
54 ness determined by law, by the issuance of any bonds and notes, includ-
55 ing (i) the issuance of bonds or notes, to redeem notes previously
56 issued for the object or purpose for which the bonds or notes are being

1 issued or (ii) the issuance of bonds to refund bonds previously issued
2 for the object or purpose for which bonds are being issued.

3 § 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws
4 of 1991, amending the local finance law and other laws relating to
5 providing relief to local governments for certain mandated programs and
6 services, as amended by chapter 113 of the laws of 2018, are amended to
7 read as follows:

8 (a) [~~section~~ sections six, sixteen and seventeen of this act shall
9 expire and be deemed repealed on and after July 15, [~~2021~~ 2024, and
10 upon such date the amendments made to the provisions of the local
11 finance law by such sections shall also expire and such provisions shall
12 revert to and be read as set out in law on the date immediately preced-
13 ing the effective date of such sections six, sixteen and seventeen of
14 this act;

15 (e) subdivision (b) of section thirty-five of this act shall expire
16 and be deemed repealed on and after July 15, [~~2021~~ 2024;

17 § 6. This act shall take effect immediately.