

# STATE OF NEW YORK

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7168

2021-2022 Regular Sessions

## IN ASSEMBLY

April 23, 2021

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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.