

# STATE OF NEW YORK

6527

2021-2022 Regular Sessions

## IN SENATE

May 4, 2021

Introduced by Sen. GAUGHRAN -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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.

LBD01863-01-1

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.