STATE OF NEW YORK

1262

2021-2022 Regular Sessions

IN SENATE

January 8, 2021

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

CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY

proposing amendments to article 7 of the constitution, in relation to the prohibition of certain borrowing arrangements and the authorization for the contracting of debt

Section 1. Resolved (if the Assembly concur), That section 11 of article 7 of the constitution be amended to read as follows:

§ 11. 1. Except the debts or refunding debts specified in sections 9, 10 and 13 of this article, [~~no debt shall be hereafter contracted by or in behalf of the state, unless~~] as authorized in subdivision 2 or 3 of this section, or as expressly provided for elsewhere in this constitution, the state shall not enter into any financing or other similar arrangement, whether by statute, contract, lease, or otherwise, whereby the state agrees to make payments which will be used directly or indirectly, for the payment of interest, installments of principal, contributions to sinking funds, or related payments on indebtedness issued or contracted by any state agency, municipality, individual, or public or private corporation for state purposes or to finance grants or loans made or to be made by or on behalf of the state for any purpose. The restrictions in this subdivision shall apply whether or not the obligation of the state to make such payments is subject to appropriation or is otherwise contingent.

2. The state may contract debt which is secured by a pledge of the full faith and credit of the state if such debt shall be authorized by law, for some single capital work or purpose, to be distinctly specified therein[~~. No~~]; provided that no such law shall take effect until it shall, at a general election, have been submitted to the people, and have received a majority of all the votes cast for and against it at such election nor shall it be submitted to be voted on within three months after its passage nor at any general election when any other law or any bill shall be submitted to be voted for or against.

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

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3. The state may also contract debt, in a manner prescribed by law, which shall be secured by a pledge of specific revenues of the state. The legislature shall, by law, identify the capital works or purpose to be financed with such debt. Revenues in excess of the required payments of interest and installment payments of principal, contributions to sinking funds, and other payments relating to such debt shall be made available for such other purposes, as provided by law.

4. The state may not contract debt pursuant to subdivision 3 of this section during any single fiscal year in excess of thirty-five percent of the total amount of capital works in such fiscal year, provided that the limit may be increased to fifty percent for any year in which total state revenues decline, excluding declines caused by a change in the rate of taxation, by two percent or more. The limit shall be reduced to forty-five percent of the total amount of capital works in the first year succeeding a year when revenues decline by two percent or more, and to forty percent in the second year succeeding a year when revenues decline by two percent or more. The limit shall return to thirty-five percent of the total amount of capital works for all other succeeding years.

5. The legislature may, at any time [~~after the approval of such law by the people~~], if no debt shall have been contracted in pursuance [~~thereof~~], of a particular law authorized under subdivision 2 or 3 of this section repeal [~~the same~~] such law authorizing the issuance of such debt; and may at any time, by law, forbid the contracting of any further debt or liability under such law.

6. No debt may be contracted pursuant to subdivision 2 or 3 of this section, except to finance capital works or purposes.

7. The state may contract debt to refund debt contracted pursuant to subdivision 2 or 3 of this section provided such refundings are conducted in accordance with the provisions of section 13 of this article.

8. The provisions of subdivision 1 of this section shall not prohibit the state from providing monies for any of the obligations hereafter prohibited by said subdivision 1, including payment of interest, installment payments of principal, contributions to sinking funds, or related payments or obligations to the extent such obligations were contracted for or otherwise incurred prior to the effective date of such subdivision or on obligations issued to refund such obligations, provided such refundings are conducted in accordance with the provisions of section 13 of this article.

§ 2. Resolved (if the Assembly concur), That the foregoing amendment be referred to the first regular legislative session convening after the next succeeding general election of members of the assembly, and, in conformity with section 1 of article 19 of the constitution, be published for 3 months previous to the time of such election.