

STATE OF NEW YORK

10282

IN ASSEMBLY

May 16, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Santabarbara) -- 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 121 of the laws of 2021, 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-four~~] **twenty-seven**, 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 121 of the laws of 2021, is amended to read as follows:

23 b. If such bonds or notes are payable in installments, the install-
24 ments remaining unpaid may be called for redemption only (i) in the
25 inverse order of their maturity or, (ii) in equal proportionate amounts;

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

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1 provided, however, that for bonds issued during the one-year period
2 commencing July first, nineteen hundred eighty-eight, and for bonds
3 issued during the one-year period commencing July first, nineteen
4 hundred eighty-nine, and for bonds issued during the one-year period
5 commencing July first, nineteen hundred ninety, and for bonds issued
6 during the three-year period commencing July first, nineteen hundred
7 ninety-one, and for bonds issued during the period from July first,
8 nineteen hundred ninety-four up until and including July fifteenth,
9 nineteen hundred ninety-seven and for bonds issued during the period
10 from July fifteenth, nineteen hundred ninety-seven up until and includ-
11 ing July fifteenth, two thousand, and for bonds issued during the period
12 from July fifteenth, two thousand up until and including July fifteenth,
13 two thousand three, and for bonds issued during the period from July
14 fifteenth, two thousand three up until and including July fifteenth, two
15 thousand six, and for bonds issued during the period from July
16 fifteenth, two thousand six up until and including July fifteenth, two
17 thousand nine, and for bonds issued during the period from July
18 fifteenth, two thousand six up until and including July fifteenth, two
19 thousand twelve, and for bonds issued during the period from July
20 fifteenth, two thousand nine up until and including July fifteenth, two
21 thousand fifteen, and for bonds issued during the period from July
22 fifteenth, two thousand fifteen up until and including July fifteenth,
23 two thousand eighteen, and for bonds issued during the period from July
24 fifteenth, two thousand eighteen up until and including July fifteenth,
25 two thousand twenty-one, and for bonds issued during the period from
26 July fifteenth, two thousand twenty-one up until and including July
27 fifteenth, two thousand twenty-four, and for bonds issued during the
28 period from July fifteenth, two thousand twenty-four up until and
29 including July fifteenth, two thousand twenty-seven, installments
30 remaining unpaid on such bonds may be called for redemption prior to
31 their date of maturity in such amounts, at such times in such manner and
32 pursuant to such terms as may be determined by the finance board of a
33 municipality, school district or district corporation at the time of the
34 issuance thereof. Whenever any bonds or notes are called for redemption
35 prior to the date of their maturity, interest shall cease to be paid
36 thereon after the date for redemption set forth in such call for redemp-
37 tion. The sum to be paid to redeem any unpaid installment prior to its
38 maturity, exclusive of the interest accruing on such installment to the
39 date of redemption, shall in no event be in excess of the lesser amount
40 of either (i) the par value of such installment plus one-half of one per
41 centum of such par value for each calendar year or part thereof elapsing
42 between the date for redemption set forth in such call for redemption
43 and the date of maturity of such installment, provided, however, that
44 such amount shall not exceed one hundred five per centum of such par
45 value, or (ii) the par value of such installment plus the total of all
46 unpaid interest on such installment which would have accrued from the
47 date of redemption to the date of maturity thereof had such installment
48 not been redeemed prior to maturity, except that bonds sold to the state
49 of New York municipal bond bank agency, which are subject to call as
50 hereinbefore authorized, may provide for the payment of a redemption
51 premium not to exceed five per centum of the par value of the bonds to
52 be called, payable on the date of the redemption thereof; provided,
53 however, that for bonds issued during the one-year period commencing
54 July first, nineteen hundred eighty-eight, and for bonds issued during
55 the one-year period commencing July first, nineteen hundred eighty-nine,
56 and for bonds issued during the one-year period commencing July first,

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

29 § 3. The opening paragraph of paragraph a of section 54.90 of the
30 local finance law, as amended by chapter 121 of the laws of 2021, is
31 amended to read as follows:

32 Whenever in the judgment of the finance board the interest of a muni-
33 cipality would be served thereby, the municipality may issue bonds or
34 notes, on or before July fifteenth, two thousand [~~twenty-four~~] twenty-
35 seven, with interest rates that vary in accordance with a formula or
36 procedure and are subject to a maximum rate of interest set forth or
37 referred to in the bonds or notes and may provide the holders thereof
38 with such rights to require the municipality or other persons to
39 purchase such bonds or notes or renewals thereof from the proceeds of
40 the resale thereof or otherwise from time to time prior to the final
41 maturity of such bonds or notes as the finance board may determine and
42 the municipality may resell, at any time prior to final maturity, any
43 such bonds or notes acquired as a result of the exercise of such rights;
44 provided, however, that at no time shall the total principal amount of
45 bonds and notes issued pursuant to this paragraph (other than bonds and
46 notes bearing interest at rates and for periods of time that are speci-
47 fied at issuance) exceed ten percent of the limit prescribed by section
48 104.00 of this article.

49 § 4. Subdivision 9 of paragraph d of section 107.00 of the local
50 finance law, as amended by chapter 121 of the laws of 2021, is amended
51 to read as follows:

52 9. Notwithstanding any other provision of law, the financing by any
53 municipality, prior to July fifteenth, two thousand [~~twenty-four~~] twen-
54 ty-seven, of any object or purpose which has a period of probable
55 usefulness determined by law, by the issuance of any bonds and notes,
56 including (i) the issuance of bonds or notes, to redeem notes previously

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

4 § 5. Subdivisions (a) and (e) of section 81 of chapter 413 of the laws
5 of 1991, amending the local finance law and other laws relating to
6 providing relief to local governments for certain mandated programs and
7 services, as amended by chapter 121 of the laws of 2021, are amended to
8 read as follows:

9 (a) sections six, sixteen and seventeen of this act shall expire and
10 be deemed repealed on and after July 15, [~~2024~~] 2027, and upon such date
11 the amendments made to the provisions of the local finance law by such
12 sections shall also expire and such provisions shall revert to and be
13 read as set out in law on the date immediately preceding the effective
14 date of such sections six, sixteen and seventeen of 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, [~~2024~~] 2027;

17 § 6. This act shall take effect immediately.