STATE OF NEW YORK

922

2023-2024 Regular Sessions

IN ASSEMBLY

January 11, 2023

Introduced by M. of A. GIBBS, GONZALEZ-ROJAS, RAMOS, PRETLOW -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to creating the Puerto Rican relief account; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The state finance law is amended by adding a new section 96-a to read as follows:

§ 96-a. Puerto Rican relief account. 1. There is hereby established at the request of the Commonwealth of Puerto Rico and in the custody of the comptroller a special account to be known as the "Puerto Rican relief account".

2. The sources of funds shall consist of all recovery and relief funds provided by the federal government to the Commonwealth of Puerto Rico under the Bipartisan Budget Act of 2018.

3. (a) The comptroller shall invest such funds in securities in which he is authorized by law to invest the funds of the state, except that he may invest in obligations consisting of notes, bonds, debentures, or equipment trust certificates issued under an indenture, which are the direct obligations of, or in the case of equipment trust certificates are secured by direct obligations of, a railroad or industrial corporation, or a corporation engaged directly and primarily in the production, transportation, distribution, or sale of electricity or gas, or the operation of telephone or telegraph systems or waterworks, or in some combination of them; provided the obligor corporation is one which is incorporated under the laws of the United States, or any state thereof, or of the District of Columbia, and said obligations shall be rated at the time of purchase within the three highest classifications established by at least two standard rating services. The maximum amount that the comptroller may invest in such obligations shall not exceed thirty

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

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per centum of the assets of such account; and provided further that not more than two and one-half per centum of the assets of such account shall be invested in the obligations of any one corporation of the highest classification and subsidiary or subsidiaries thereof, that not more than two per centum of the assets of such account shall be invested in the obligations of any one corporation of the second highest classification and subsidiary or subsidiaries thereof, that not more than one and one-half per centum of such account shall be invested in the obligations of any one corporation of the third highest classification and subsidiary or subsidiaries thereof. He shall, however, be subject to all terms, conditions, limitations and restrictions imposed by law upon the making of such investments. The comptroller shall have full power:

(i) To hold, purchase, sell, assign, transfer or dispose of any of the securities or investments, in which any assets of such account shall be invested, including the proceeds of such investments and any monies belonging to such account, and

(ii) In his or her name as trustee, to foreclose mortgages upon default or to take title to real property in such proceedings in lieu thereof and to lease and sell real property so acquired.

(b) All returns on any investments made by the comptroller of any funds from such account shall be deposited within such account for the sole benefit of the Commonwealth of Puerto Rico.

(c) The comptroller annually shall credit to such account regular interest on the mean amount therein for the preceding year.

(d) The comptroller is authorized to deduct any necessary administration fees for the management of such account.

4. The Commonwealth of Puerto Rico shall notify the comptroller of their intention to terminate such account no later than the one hundred eightieth day prior to the date such commonwealth requires the return of all funds from such account.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed 5 years after such date.