

STATE OF NEW YORK

10256

IN ASSEMBLY

May 15, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Kim) -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to authorizing the Dormitory Authority to provide public financing options to build new police facilities in certain areas

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

1 Section 1. The public authorities law is amended by adding a new
2 section 1680-s to read as follows:

3 § 1680-s. Authority financing of additional police precincts. 1. The
4 dormitory authority is hereby authorized to finance eligible police
5 precinct facilities and buildings in any area in which three hundred
6 thousand people or more are served by one police precinct.

7 2. (a) Subject to the provisions of chapter fifty-nine of the laws of
8 two thousand and to the making of annual appropriations therefor by the
9 legislature, in order to assist the dormitory authority in providing for
10 the financing of additional police precincts, the director of the budget
11 is authorized in any state fiscal year commencing April first, two thou-
12 sand twenty-five or any state fiscal year thereafter to enter into one
13 or more service contracts, none of which shall exceed thirty years in
14 duration, with the dormitory authority, upon such terms as the director
15 of the budget and the dormitory authority agree.

16 (b) Any service contract entered into pursuant to paragraph (a) of
17 this subdivision or any payments made or to be made thereunder may be
18 assigned and pledged by the dormitory authority as security for its
19 bonds, notes, or other obligations.

20 (c) Any such service contracts shall provide that the obligation of
21 the director of the budget or of the state to fund or to pay the amounts
22 therein provided for shall not constitute a debt of the state within the
23 meaning of any constitutional or statutory provision in the event the
24 dormitory authority assigns or pledges the service contract payments as
25 security for its bonds, notes, or other obligations and shall be deemed
26 executory only to the extent monies are available and that no liability

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

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1 shall be incurred by the state beyond the monies available for the
2 purpose, and that such obligation is subject to annual appropriations by
3 the legislature.

4 (d) Any service contract or contracts entered into pursuant to this
5 subdivision shall provide for state commitments to provide annually to
6 the dormitory authority a sum or sums, upon such terms and conditions as
7 shall be deemed appropriate by the director of the budget, to fund the
8 principal, interest, or other related payments required for any bonds,
9 notes, or other obligations of the dormitory authority issued pursuant
10 to this section.

11 3. (a) To obtain funds for the purposes of this section, the authority
12 shall have power from time to time to issue negotiable bonds or notes.
13 Unless the context shall clearly indicate otherwise, whenever the words
14 "bond" or "bonds" are used in this section, such words shall include a
15 note or notes of the authority.

16 (b) The dormitory authority shall not issue any bonds or notes in an
17 amount in excess of fifty million dollars for the purposes of this
18 section; excluding bonds or notes issued to fund one or more debt
19 service reserve funds, to pay costs of issuance of such bonds, and bonds
20 or notes issued to refund or otherwise repay such bonds or notes previ-
21 ously issued. Except for purposes of complying with the internal revenue
22 code, any interest on bond proceeds shall only be used to pay debt
23 service on such bonds.

24 (c) In computing for the purposes of paragraph (b) of this subdivi-
25 sion, the aggregate amount of indebtedness evidenced by bonds and notes
26 of the dormitory authority issued pursuant to this title, there shall be
27 excluded the amount of such indebtedness represented by such bonds or
28 notes issued to refund or otherwise repay bonds or notes; provided that
29 the amount so excluded under this paragraph may exceed the principal
30 amount of such bonds or notes that were issued to refund or otherwise
31 repay only if the present value of the aggregate debt service on the
32 refunding or repayment bonds or notes shall not have at the time of
33 their issuance exceeded the present value of the aggregate debt service
34 of the bonds or notes they were issued to refund or repay, such present
35 value in each case being calculated by using the effective interest rate
36 of the refunding or repayment bonds or notes, which shall be that rate
37 arrived at by doubling the semi-annual interest rate (compounded semi-
38 annually) necessary to discount the debt service payments on the refund-
39 ing or repayment bonds or notes from the payment date thereof to the
40 date of issue of the refunding or repayment bonds or notes and to the
41 price bid therefor, or to the proceeds received by the dormitory author-
42 ity from the sale thereof, in each case including estimated accrued
43 interest.

44 (d) The state of New York hereby covenants with the purchasers, hold-
45 ers, and owners from time to time of the bonds of the authority issued
46 pursuant to this section that it will not, subject to the provisions of
47 paragraph (c) of subdivision two of this section, repeal, revoke,
48 rescind, modify, or amend the provisions of this section which relate to
49 the making of annual service contract payments to the authority with
50 respect to such bonds as to limit, impair, or impede the rights and
51 remedies granted to bondholders under this title or otherwise diminish
52 the security pledged to such purchasers, holders, and owners or signif-
53 icantly impair the prospect of payment of any such bond.

54 § 2. Section 1676 of the public authorities law is amended by adding a
55 new subdivision 37 to read as follows:

1 37. "Eligible police precinct facilities" shall mean a project for the
2 design, acquisition, construction, rehabilitation or improvement of
3 police precinct facilities as set forth in an agreement between the
4 authority and the director of the budget providing for the financing of
5 such improvements.

6 § 3. This act shall take effect immediately.