

STATE OF NEW YORK

9417

IN SENATE

May 15, 2024

Introduced by Sen. MARTINEZ -- (at request of the NYC Office of Management and Budget) -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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

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

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

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

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

33 Whenever in the judgment of the finance board the interest of a muni-
34 cipality would be served thereby, the municipality may issue bonds or
35 notes, on or before July fifteenth, two thousand [~~twenty-four~~] twenty-
36 seven, with interest rates that vary in accordance with a formula or
37 procedure and are subject to a maximum rate of interest set forth or
38 referred to in the bonds or notes and may provide the holders thereof
39 with such rights to require the municipality or other persons to
40 purchase such bonds or notes or renewals thereof from the proceeds of
41 the resale thereof or otherwise from time to time prior to the final
42 maturity of such bonds or notes as the finance board may determine and
43 the municipality may resell, at any time prior to final maturity, any
44 such bonds or notes acquired as a result of the exercise of such rights;
45 provided, however, that at no time shall the total principal amount of
46 bonds and notes issued pursuant to this paragraph (other than bonds and
47 notes bearing interest at rates and for periods of time that are speci-
48 fied at issuance) exceed ten percent of the limit prescribed by section
49 104.00 of this article.

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

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

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

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

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

16 (e) subdivision (b) of section thirty-five of this act shall expire
17 and be deemed repealed on and after July 15, [~~2024~~ 2027];

18 § 6. This act shall take effect immediately.