

STATE OF NEW YORK

2706

2025-2026 Regular Sessions

IN ASSEMBLY

January 22, 2025

Introduced by M. of A. RA -- read once and referred to the Committee on Ways and Means

AN ACT to amend chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, in relation to providing legislative oversight on the issuance of short-term liquidity financing

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

1 Section 1. Subdivision 1 of section 54-b of section 1 of chapter 174
2 of the laws of 1968, constituting the New York state urban development
3 corporation act, as added by section 54 of part FFF of chapter 56 of the
4 laws of 2022, paragraph (b) as amended by section 54 of part XX of chap-
5 ter 56 of the laws of 2024, is amended to read as follows:

6 1. Findings and declaration of need. (a) The state of New York finds
7 and determines that shortfalls in the state's financial plan arising
8 from adverse economic and fiscal events and risks, disasters and emer-
9 gencies, including but not limited to, public health emergencies, may
10 occur or develop, and that the financial impact of such events, risks,
11 disasters and emergencies could be prudently mitigated by certain fiscal
12 management authorization measures being legislatively authorized and
13 established.

14 (b) Notwithstanding any other provision of law to the contrary,
15 including, specifically, the provisions of chapter 59 of the laws of
16 2000 and section sixty-seven-b of the state finance law, the dormitory
17 authority of the state of New York and the corporation are hereby
18 authorized to issue personal income tax revenue anticipation notes with
19 a maturity no later than March 31, 2025, in one or more series in an
20 aggregate principal amount for each fiscal year not to exceed three
21 billion dollars, and to pay costs of issuance of such notes, for the
22 purpose of temporarily financing budgetary needs of the state. Such
23 purpose shall constitute an authorized purpose under subdivision two of

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

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1 section sixty-eight-a of the state finance law for all purposes of arti-
2 cle five-C of the state finance law with respect to the notes authorized
3 by this paragraph. Such notes shall not be renewed, extended or
4 refunded. For so long as any notes authorized by this paragraph shall be
5 outstanding, the restrictions, limitations and requirements contained in
6 article five-B of the state finance law shall not apply.

7 (c) Such notes as described in paragraph (b) of this subdivision shall
8 only be issued if and only if there shall have been executed in such
9 fiscal year a written certificate signed by the governor, the temporary
10 president of the senate, the speaker of the assembly, and the comp-
11 troller which shall set forth the emergency or extraordinary factor or
12 factors unanticipated, and upon the passage of a legislative resolution
13 by two-thirds vote in both the assembly and senate.

14 [~~(d)~~] (d) Such notes of the dormitory authority and the corporation
15 shall not be a debt of the state, and the state shall not be liable
16 thereon, nor shall they be payable out of any funds other than those
17 appropriated by the state to the dormitory authority and the corporation
18 for debt service and related expenses pursuant to any financing agree-
19 ment described in paragraph [~~(d)~~] (e) of this subdivision, and such
20 notes shall contain on the face thereof a statement to such effect. Such
21 notes shall be issued on a subordinate basis and shall be secured by
22 subordinate payments from the revenue bond tax fund established pursuant
23 to section ninety-two-z of the state finance law. Except for purposes of
24 complying with the internal revenue code, any interest income earned on
25 note proceeds shall only be used to pay debt service on such notes. All
26 of the provisions of the state finance law, the dormitory authority act
27 and this act relating to notes and bonds which are not inconsistent with
28 the provisions of this section shall apply to notes authorized by para-
29 graph (b) of this subdivision, including but not limited to the power to
30 establish adequate reserves therefor, subject to the final maturity
31 limitation for such notes set forth in paragraph (b) of this subdivi-
32 sion. The issuance of any notes authorized by paragraph (b) of this
33 subdivision shall further be subject to the approval of the director of
34 the division of the budget and the passage of a legislative resolution
35 as referenced in paragraph (c) of this subdivision.

36 [~~(e)~~] (e) Notwithstanding any other law, rule or regulation to the
37 contrary but subject to the limitations contained in paragraph (b) of
38 this subdivision, in order to assist the dormitory authority and the
39 corporation in undertaking the administration and financing of such
40 notes, the director of the budget is hereby authorized to supplement any
41 existing financing agreement with the dormitory authority and/or the
42 corporation, or to enter into a new financing agreement with the dormi-
43 tory authority and/or the corporation, upon such terms and conditions as
44 the director of the budget and the dormitory authority and the corpo-
45 ration shall agree, so as to provide to the dormitory authority and the
46 corporation, a sum not to exceed the debt service payments and related
47 expenses required for any notes issued pursuant to paragraph (b) of this
48 subdivision. Any financing agreement supplemented or entered into pursu-
49 ant to this section shall provide that the obligation of the state to
50 pay the amount therein provided shall not constitute a debt of the state
51 within the meaning of any constitutional or statutory provision and
52 shall be deemed executory only to the extent of monies available and
53 that no liability shall be incurred by the state beyond the monies
54 available for such purposes, subject to annual appropriation by the
55 legislature. Any such financing agreement or any payments made or to be
56 made thereunder may be assigned or pledged by the dormitory authority

1 and the corporation as security for the notes authorized by paragraph
2 (b) of this subdivision.

3 [~~(e)~~] (f) Notwithstanding any other provision of law to the contrary,
4 including specifically the provisions of subdivision 3 of section 67-b
5 of the state finance law, no capital work or purpose shall be required
6 for any issuance of personal income tax revenue anticipation notes
7 issued by the dormitory authority and the corporation pursuant to para-
8 graph (b) of this subdivision.

9 [~~(f)~~] (g) Notwithstanding any other law, rule, or regulation to the
10 contrary, the comptroller is hereby authorized and directed to deposit
11 to the credit of the general fund, all proceeds of personal income tax
12 revenue anticipation notes issued by the dormitory authority and the New
13 York state urban development corporation pursuant to paragraph (b) of
14 this subdivision.

15 § 2. This act shall take effect immediately.