STATE OF NEW YORK

7488

2025-2026 Regular Sessions

IN SENATE

April 17, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to statewide municipal reciprocal program agreements and the issuance of program bonds

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

Section 1. Section 2431 of the public authorities law is amended by adding a new closing paragraph to read as follows:

It is further declared to be in the public interest and it is the policy of the state to provide a means by which the New York Schools Insurance Reciprocal may receive moneys, in an amount not to exceed seventy-five million dollars for the specific object and purpose of restoring the industry required surplus. The New York Schools Insurance Reciprocal is a statewide municipal reciprocal insurer. It is the vehicle through which New York's public school districts and BOCES insure one another against property and casualty losses. The state education law and good government principles require that public school districts and BOCES maintain property and casualty insurance. The New York Schools Insurance Reciprocal was created at a time when property and casualty insurance was either unavailable or unaffordable for New York's public school districts and BOCES. The need for New York Schools Insurance Reciprocal continues, as the problems of unaffordability and unavailability continue. The New York Schools Insurance Reciprocal is critical to the support of public schools and BOCES across New York state. Access to affordable capital will enhance the New York Schools Insurance Reciprocal's ability to fulfill its essential governmental purpose.

§ 2. Subdivisions 2, 3 and 10 of section 2432 of the public authorities law, as amended by section 2 of part N of chapter 56 of the laws of

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

LBD10083-01-5

2010, are amended and four new subdivisions 5-d, 5-e, 29 and 30 are added to read as follows:

(2) "Bonds" and "Notes". The bonds and notes, including any special program bonds, special school purpose bonds, recovery act bonds, [~~and~~] public safety communications bonds**, and statewide municipal reciprocal program bonds** respectively issued by the agency pursuant to this title. Bonds and notes shall not include any tax lien collateralized securities issued pursuant to this title.

(3) "Municipal Bond". A bond or note or evidence of debt payable from any local revenues, including taxes, assessments and rents, which a municipality may lawfully issue to finance local improvements and public purposes, including local ARRA bonds and local public safety communications bonds, but does not include (a) any bond or note or evidence of debt issued by any other state or any public body or municipal corporation thereof, (b) any special program agreement, [~~or~~] (c) any special school purpose agreement or any special school deficit program agreement**, or (d) any statewide municipal reciprocal program agreement**.

(5-d) "Statewide Municipal Reciprocal Program Premiums". Any payment of public money made by the public school district and BOCES subscribers of the New York Schools Insurance Reciprocal to or for the statewide municipal reciprocal program agreement.

(5-e) "Statewide Municipal Reciprocal Program Agreement". An agreement between the agency and a statewide municipal reciprocal program entered into pursuant to section twenty-four hundred thirty-five-f of this title.

(10) "Debt Service Reserve Fund Requirement". With respect to any debt service reserve fund created by section twenty-four hundred thirty-nine of this title relating to bonds other than special program bonds [~~or~~], special school purpose bonds [~~or~~], special school deficit program bonds [~~or~~], recovery act bonds [~~or~~], public safety communications bonds **or statewide municipal reciprocal program bonds**, as of any particular date of computation, an amount of money equal to the greatest of the respective amounts, for the then current or any succeeding calendar year, of annual debt service payments required to be made to the agency on all municipal bonds purchased with the proceeds of bonds which bonds are secured by such debt service reserve fund, such annual debt service payments for any calendar year being an amount of money equal to the aggregate of (a) all interest payable during such calendar year on all municipal bonds purchased by the agency and then outstanding on said date of computation which are secured by such debt service reserve fund, plus (b) the principal amount of all municipal bonds purchased by the agency and then outstanding on said date of computation which mature during such calendar year and are secured by such debt service reserve fund; and with respect to any debt service reserve fund created by section twenty-four hundred thirty-nine of this title relating to an issue or issues of special program bonds [~~or~~], special school purpose bonds [~~or~~], special school deficit program bonds [~~or~~], recovery act bonds [~~or~~], public safety communications bonds **or statewide municipal reciprocal program bonds**, such amount as shall be determined by the agency.

(29) "Statewide Municipal Reciprocal Program". For purposes of this title, a statewide municipal reciprocal program shall be the New York Schools Insurance Reciprocal (NYSIR).

(30) "Statewide Municipal Reciprocal Program Bonds". An issue of bonds of the agency, all or a portion of the proceeds of which are made available to a statewide municipal reciprocal program in connection with the

execution by the agency and such statewide municipal reciprocal program agreement. The proceeds of such statewide municipal reciprocal program bonds shall only be made available to a statewide municipal reciprocal program.

§ 3. Subdivisions 3, 11, 18 and 21 of section 2434 of the public authorities law, as amended by section 68 of part H of chapter 83 of the laws of 2002, are amended and a new subdivision 21-d is added to read as follows:

(3) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this title, including, without limitation, any special program agreement entered into pursuant to the provisions of section twenty-four hundred thirty-five-a of this title, any purchase and sale agreement entered into pursuant to the provisions of section twenty-four hundred thirty-five-b of this title [~~and~~], any special school deficit program agreement entered into pursuant to section twenty-four hundred thirty-five-e of this title and any statewide municipal reciprocal program entered into pursuant to section twenty-four hundred thirty-five-f of this title;

(11) To make and execute contracts for the servicing of municipal bonds acquired by the agency pursuant to this title, and for the servicing of special program agreements, special school purpose agreements [~~and~~], special school deficit program agreements and statewide municipal reciprocal program agreements, and to pay the reasonable value of services rendered to the agency pursuant to those contracts;

(18) To establish any terms and provisions with respect to any special program agreement, special school purpose agreement [~~or~~], special school deficit program agreement or statewide municipal reciprocal program agreement, including any terms for payment, and any other matters which are necessary, desirable or advisable in the judgment of the agency;

(21) To pledge or assign, as security for any of its bonds or notes, any moneys, funds, municipal bonds, special program agreements, special school purpose agreements, [~~or~~] special school deficit program agreements, or statewide municipal reciprocal program agreements, assets or revenues of the agency, including, without limitation, any state aid [~~or~~], school aid or statewide municipal reciprocal program premiums received or receivable pursuant to section twenty-four hundred thirty-six of this title;

(21-d) To certify to the comptroller, with a copy to the superintendent of the department of financial services, the amounts required with respect to statewide municipal reciprocal program bonds as described in section twenty-four hundred thirty-five-f of this title.

§ 4. The public authorities law is amended by adding a new section 2435-f to read as follows:

§ 2435-f. Statewide municipal reciprocal program agreements. In order to fulfill the purposes of this title and to provide a means by which the statewide municipal reciprocal program may receive assistance to meet its obligations and, notwithstanding any general or special law to the contrary, the agency and the statewide municipal reciprocal program are hereby authorized to enter into one or more statewide municipal reciprocal program agreements in accordance with the provisions of this title as to financing of costs by the agency, the application of statewide municipal reciprocal program premiums revenues to the agency to secure its bonds and further assurances in respect of the agency's receipt of such revenues. Any such statewide municipal reciprocal program agreements shall not constitute indebtedness of the statewide municipal reciprocal program for purposes of section 20.00 of the local

finance law or any constitutional or statutory limitation. In addition, any statewide municipal reciprocal program bonds issued in connection with such statewide municipal reciprocal program agreement shall not constitute a debt of the state or of the applicable statewide municipal reciprocal program under any constitutional or statutory provision. Any such statewide municipal reciprocal program premiums revenues shall belong to the agency, and shall not be, or be treated as, revenues of the statewide municipal reciprocal program for appropriation, accounting or any other purpose, provided, however, that statewide municipal reciprocal program premiums revenues shall be deemed to be revenues of the statewide municipal reciprocal program for the purpose of any computation of federal or state aid, and shall not be consolidated, commingled or otherwise combined with any other moneys of the agency and any such statewide municipal reciprocal program agreement shall include a statement to such effect. Any such statewide municipal reciprocal program premiums revenues and any such statewide municipal reciprocal program agreements may be pledged by the agency in accordance with and with the effect of subdivision ten of section twenty-four hundred thirty-seven of this title to secure its bonds and may not be modified thereafter except as provided by the terms of the pledge. Each statewide municipal reciprocal program agreement shall specify the amount to be made available to the statewide municipal reciprocal program through the proceeds of an issue of statewide municipal reciprocal program bonds and such other matters as the agency shall determine necessary or desirable as to the application of bond proceeds or the security of the bonds. Such statewide municipal reciprocal program agreement shall also provide that the agency shall not be entitled to receive any statewide municipal reciprocal program premiums revenues.

§ 5. Section 2436 of the public authorities law is amended by adding a new subdivision 6 to read as follows:

6. In the event that a statewide municipal reciprocal program shall fail to make a payment in such amount (as calculated in accordance with the statewide municipal reciprocal program agreement to which such statewide municipal reciprocal program shall be a party) and by such date as is provided to be made by such statewide municipal reciprocal program in its statewide municipal reciprocal program agreement, the chair of the agency shall so certify to the comptroller, with a copy to the superintendent of the department of financial services. Such certificate shall be in such form as the agency deems desirable, but shall specify the amount by which such payment shall have been deficient. The comptroller, upon receipt of such certificate from the agency, shall withhold from such statewide municipal reciprocal program any statewide municipal reciprocal program premiums payable to such special statewide municipal reciprocal program to the extent of the amount so stated in such certificate as not having been made, and shall immediately pay over to the agency the amount so withheld. Any amount so paid to the agency from such statewide municipal reciprocal program premiums shall not obligate the state to make, nor entitle the statewide municipal reciprocal program to receive, any additional amounts of statewide municipal reciprocal program premiums.

§ 6. The public authorities law is amended by adding a new section 2436-d to read as follows:

§ 2436-d. Statewide municipal reciprocal program. 1. With respect to each issue of outstanding statewide municipal reciprocal program bonds, the chair of the agency shall annually certify, or in the case of the first such certificate within thirty days after the sale of an issue of

statewide municipal reciprocal program bonds, to the comptroller and the director of the budget, with a copy to the superintendent of the department of financial services, a schedule setting forth the amount of statewide municipal reciprocal program premiums revenue necessary for payment of the following obligations:

(a) all interest and all payments of principal and redemption premium, if any, on such statewide municipal reciprocal program bonds maturing or otherwise coming due during the subsequent state fiscal year;

(b) the amounts required to be deposited in any debt service reserve fund with respect to statewide municipal reciprocal program bonds;

(c) the amount, if any, due to any provider of any bond credit or liquidity facility, representing payments made by it as provided in the applicable resolution or trust indenture, including any related reasonable interest, fees or charges so provided;

(d) the amount, if any, required to be rebated to the United States to provide for continued federal tax exemption of such statewide municipal reciprocal program bonds; and

(e) any administrative or other fees, costs or charges due to the agency or any other party in connection with such statewide municipal reciprocal program bonds.

2. The certification may be amended and, in the event of a bond sale, shall be amended no later than thirty days after such sale. The schedule accompanying such certification shall provide for such payment dates as the agency deems appropriate to ensure that sufficient funds will be available to meet its obligations relating to such statewide municipal reciprocal program bonds as they come due.

§ 7. Subdivisions 1, 4 and 5 of section 2437 of the public authorities law, subdivision 1 as amended by section 73 of part H of chapter 83 of the laws of 2002, subdivision 4 as amended by section 1 of part O of chapter 63 of the laws of 2003, and subdivision 5 as amended by section 6 of part N of chapter 56 of the laws of 2010, are amended to read as follows:

(1) Subject to the provisions of section two thousand four hundred thirty-eight of this title, the agency shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amounts as, in the opinion of the agency, shall be necessary to provide sufficient funds for achieving the corporate purposes thereof, including the purchase of municipal bonds, the providing of certain amounts to special program municipalities from the proceeds of special program bonds, the providing of certain amounts to special school purpose municipalities from the proceeds of special school purpose bonds, the providing of certain amounts to a special school deficit program district from the proceeds of special school deficit program bonds, the providing of certain amounts to a statewide municipal reciprocal program from the proceeds of statewide municipal reciprocal program bonds, the payment of interest on bonds and notes of the agency, establishment of reserves to secure such bonds and notes, payment of letter of credit, bond insurance and other credit and liquidity support facility fees, premiums, reimbursements and expenses, fees and expenses of trustees and paying agents and other financing costs including any accrued costs payable to the New York state housing finance agency pursuant to any contract entered into under subdivision twelve of section two thousand four hundred thirty-four of this title and all other expenditures of the agency incident to and necessary or

convenient to carry out its corporate purposes and powers, except the operating expenses of the agency.

(4) Such bonds or notes shall bear such date or dates, shall mature at such time or times, shall bear interest at such rate or rates, shall be of such denominations, shall be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places within or without the state, be subject to such terms of redemption prior to maturity and have such other terms as may be provided by such resolution or resolutions or such certificate with respect to such bonds or notes, as the case may be; provided, however, that the maximum maturity of bonds other than special program bonds, special school purpose bonds [~~or~~], special school deficit program bonds **or statewide municipal reciprocal program bonds** shall not exceed forty years from the date thereof, the maximum maturity of special program bonds shall not exceed thirty years, **the maximum maturity of statewide municipal reciprocal program bonds shall not exceed thirty years,** the maximum maturity of special school purpose bonds shall not exceed twenty years, the maximum maturity of special school deficit program bonds shall not exceed ten years and the maximum maturity of notes or any renewals thereof shall not exceed five years from the date of the original issue of such notes.

(5) Any bonds or notes of the agency other than special program bonds, special school purpose bonds, special school deficit program bonds, **statewide municipal reciprocal program bonds,** recovery act bonds or public safety communications bonds shall be sold at public sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. Any special program bonds, special school purpose bonds, special school deficit program bonds, **statewide municipal reciprocal program bonds,** recovery act bonds or public safety communications bonds shall be sold at public or private sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof provided, however, that special program bonds relating to a special program agreement entered for the purpose described in paragraph (b) of subdivision one of section twenty-four hundred thirty-five-a of this title shall be sold on or before June thirtieth, two thousand one. No special program bonds, special school purpose bonds, special school deficit program bonds, [~~or~~] **statewide municipal reciprocal program bonds,** recovery act bonds, or public safety communications bonds of the agency may be sold by the agency at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

§ 8. Subdivision 1 of section 2438 of the public authorities law, as amended by chapter 355 of the laws of 2016, is amended to read as follows:

(1) The agency shall not issue bonds and notes in an aggregate principal amount at any one time outstanding exceeding one billion dollars, excluding tax lien collateralized securities, special school purpose bonds, special school deficit program bonds, **statewide municipal reciprocal program bonds,** special program bonds issued to finance the reconstruction, rehabilitation or renovation of an educational facility

pursuant to the provisions of subdivision (b) of section sixteen of chapter six hundred five of the laws of two thousand, special program bonds issued to finance the cost of a project for design, reconstruction or rehabilitation of a school building pursuant to the provisions of section fourteen of the city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act, special program bonds issued to finance the cost of a project for design, construction, reconstruction or rehabilitation of a school building pursuant to the provisions of section thirteen of the Yonkers city school district joint schools construction and modernization act, recovery act bonds, public safety communications bonds and bonds and notes issued to refund outstanding bonds and notes.

§ 9. This act shall take effect immediately.