

STATE OF NEW YORK

7682

2025-2026 Regular Sessions

IN SENATE

April 29, 2025

Introduced by Sen. S. RYAN -- 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 providing secondary bonding authority to the Buffalo fiscal stability authority

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

1 Section 1. Subdivision 3 of section 3852 of the public authorities
2 law, as added by chapter 122 of the laws of 2003, is amended to read as
3 follows:

4 3. The authority shall continue until its control, advisory or other
5 responsibilities, and its liabilities have been met or otherwise
6 discharged, which in no event shall be later than June thirtieth, two
7 thousand [~~thirty-seven~~ **forty-six**. Upon the termination of the authori-
8 ty, all of its property and assets shall pass to and be vested in the
9 city.

10 § 2. The public authorities law is amended by adding a new section
11 3862-a to read as follows:

12 § 3862-a. Additional bonds, notes or other obligations of the authori-
13 ty. 1. Commencing July first, two thousand twenty-five and terminating
14 on June thirtieth, two thousand twenty-nine, the authority shall have
15 the power and is hereby authorized from time to time to issue bonds,
16 notes or other obligations in such principal amounts as it may determine
17 to be necessary pursuant to section thirty-eight hundred sixty-one of
18 this title to pay any financeable costs and to fund reserves to secure
19 such bonds, notes or other obligations, including incidental expenses in
20 connection therewith; provided, however, the aggregate principal amounts
21 of such bonds, notes or other obligations outstanding at any one time
22 shall not exceed one hundred fifty million dollars in addition to the
23 one hundred seventy-five million dollars authorized pursuant to section
24 thirty-eight hundred sixty-two of this title. Such funds may be applied

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

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1 to financeable costs defined in paragraphs (a), (d) and (e) of subdivi-
2 sion fifteen of section thirty-eight hundred fifty-one of this title.
3 Such funds in city fiscal year two thousand twenty-five--two thousand
4 twenty-six shall not exceed eighty percent of the projected gap as
5 defined in subdivision twenty of section thirty-eight hundred fifty-one
6 of this title, in city fiscal year two thousand twenty-six--two thousand
7 twenty-seven such funds shall not exceed sixty percent of the projected
8 gap as defined in subdivision twenty of section thirty-eight hundred
9 fifty-one of this title, in city fiscal year two thousand twenty-seven-
10 -two thousand twenty-eight such funds shall not exceed forty percent of
11 the projected gap as defined in subdivision twenty of section thirty-
12 eight hundred fifty-one of this title, and in city fiscal year two thou-
13 sand twenty-eight--two thousand twenty-nine such funds shall not exceed
14 twenty percent of the projected gap as defined in subdivision twenty of
15 section thirty-eight hundred fifty-one of this title. Such bonds may be
16 issued whether the city of Buffalo is in a control period or an advisory
17 period. Such bonds shall be tax exempt to the maximum extent practica-
18 ble, as provided by section thirty-eight hundred sixty-nine of this
19 title. Bonds, notes or other obligations issued by the authority (a) to
20 pay reasonable costs of issuance, as determined by the authority, (b) to
21 establish debt service reserve funds, (c) to refund or advance refund
22 any outstanding bonds or notes of the city or the authority, or (d) as
23 cash flow borrowings shall not count against the above limit on
24 outstanding bonds, notes or other obligations of the authority, nor
25 shall any accretion of principal of bonds that would constitute interest
26 under the Internal Revenue Code of 1986, as amended, count against such
27 limit; provided, however, that the aggregate principal amount of cash
28 flow borrowings outstanding at any one time shall not exceed one hundred
29 forty-five million dollars.

30 2. The authority may issue bonds, notes or other obligations to refund
31 bonds, notes or other obligations previously issued, but in no event
32 shall the final maturity of any bonds, notes or other obligations of the
33 authority be later than June thirtieth, two thousand forty-six. No bond
34 of the authority shall mature more than thirty years from the date of
35 its issue, or after June thirtieth, two thousand forty-six, whichever
36 date is earlier.

37 3. Bonds, notes or other obligations of the authority may be issued,
38 amortized, redeemed and refunded without regard to the provisions of the
39 local finance law.

40 4. The directors may delegate to the chairperson or other director or
41 officer of the authority the power to set the financial terms of bonds,
42 notes or other obligations.

43 5. The authority in its sole discretion shall determine that the issu-
44 ance of its bonds, notes or other obligations is appropriate. Bonds,
45 notes or other obligations shall be authorized by resolution of the
46 authority. Bonds shall bear interest at such fixed or variable rates and
47 shall be in such denominations, be in such form, either coupon or regis-
48 tered, be sold at such public or private sale, be executed in such
49 manner, be denominated in United States currency, be payable in such
50 medium of payment, at such place and be subject to such terms of redemp-
51 tion as the authority may provide in such resolution. No bonds, notes or
52 other obligations of the authority may be sold at private sale unless
53 such sale and the terms thereof have been approved in writing by (a) the
54 state comptroller where such sale is not to the state comptroller, or
55 (b) the director of the budget, where such sale is to the state comp-
56 troller.

1 6. Any resolution or resolutions authorizing bonds, notes or other
2 obligations or any issue of bonds, notes or other obligations may
3 contain provisions which may be a part of the contract with the holders
4 of the bonds, notes or other obligations thereby authorized as to: (a)
5 pledging all or part of the authority's revenues, together with any
6 other moneys, securities or contracts, to secure the payment of the
7 bonds, notes or other obligations, subject to such agreements with
8 bondholders as may then exist; (b) the setting aside of reserves and the
9 creation of sinking funds and the regulation and disposition thereof;
10 (c) limitations on the purposes to which the proceeds from the sale of
11 bonds, notes or other obligations may be applied; (d) limitations on the
12 issuance of additional bonds, notes or other obligations, the terms upon
13 which additional bonds, notes or other obligations may be issued and
14 secured and the refunding of bonds, notes or other obligations; (e) the
15 procedure, if any, by which the terms of any contract with bondholders
16 may be amended or abrogated, including the proportion of bondholders
17 which must consent thereto and the manner in which such consent may be
18 given; (f) vesting in a trustee or trustees such properties, rights,
19 powers and duties in trust as the authority may determine, which may
20 include any or all of the rights, powers and duties of the trustee
21 appointed by the bondholders pursuant to section thirty-eight hundred
22 sixty-three of this title and limiting or abrogating the rights of the
23 bondholders to appoint a trustee under such section or limiting the
24 rights, duties and powers of such trustee; and (g) defining the acts or
25 omissions of the authority to act which may constitute a default in the
26 obligations and duties of the authority to the bondholders and providing
27 for the rights and remedies of the bondholders in the event of such
28 default, including as a matter of right the appointment of a receiver;
29 provided, however, that such acts or omissions of the authority to act
30 which may constitute a default and such rights and remedies shall not be
31 inconsistent with the general laws of the state and other provisions of
32 this title.

33 7. In addition to the powers conferred upon the authority in this
34 section to secure its bonds, notes or other obligations, the authority
35 shall have power in connection with the issuance of bonds, notes or
36 other obligations to enter into such agreements for the benefit of the
37 bondholders as the authority may deem necessary, convenient or desirable
38 concerning the use or disposition of its revenues or other moneys,
39 including the entrusting, pledging or creation of any other security
40 interest in any such revenues, moneys and the doing of any act, includ-
41 ing refraining from doing any act, which the authority would have the
42 right to do in the absence of such agreements. The authority shall have
43 power to enter into amendments of any such agreements within the powers
44 granted to the authority by this title and to perform such agreements.
45 The provisions of any such agreements may be made a part of the contract
46 with the holders of bonds, notes or other obligations of the authority.

47 8. Whenever a series of bonds, notes or other obligations of the
48 authority is issued pursuant to this section for purposes other than
49 deficit financing authorized by section thirty-eight hundred fifty-seven
50 of this title, the payment of the proceeds of such series of bonds,
51 notes or other obligations to the city may be, at the request of the
52 authority, evidenced by obligations of the city issued in accordance
53 with applicable provisions of the state constitution and local finance
54 law then in effect at the time any such obligations are issued, provided
55 that the principal amount of the authority's bonds, notes or other obli-
56 gations issued in connection with any such exchange shall not exceed the

1 principal amount of such obligations of the city and accrued interest
2 thereon at the stated rate to the date of such exchange, and provided
3 further, however, that the principal payments on any such issue of city
4 obligations shall in no event be scheduled to fall on a date later than
5 the date on which falls a corresponding amount of scheduled principal
6 payments on the series of bonds, notes or other obligations of the
7 authority originally issued to provide such proceeds or issued to refund
8 bonds, notes or other obligations issued to provide such proceeds.

9 9. Notwithstanding any provision of the uniform commercial code to the
10 contrary, any pledge of or other security interest in revenues, moneys,
11 accounts, contract rights, general intangibles or other personal proper-
12 ty made or created by the authority shall be valid, binding and
13 perfected from the time when such pledge is made or other security
14 interest attaches without any physical delivery of the collateral or
15 further act, and the lien of any such pledge or other security interest
16 shall be valid, binding and perfected against all parties having claims
17 of any kind in tort, contract or otherwise against the authority irre-
18 spective of whether such parties have notice thereof. No instrument by
19 which such a pledge or security interest is created nor any financing
20 statement need be recorded or filed to be valid and binding.

21 10. Whether or not the bonds, notes or other obligations of the
22 authority are of such form and character as to be negotiable instruments
23 under the terms of the uniform commercial code, the bonds, notes or
24 other obligations are hereby made negotiable instruments within the
25 meaning of and for all the purposes of the uniform commercial code,
26 subject only to the provisions of the bonds for registration.

27 11. Neither the directors of the authority nor any person executing
28 bonds, notes or other obligations shall be liable personally thereon or
29 be subject to any personal liability or accountability solely by reason
30 of the issuance thereof. The bonds, notes or other obligations of the
31 authority shall not be a debt of either the state or the city, and
32 neither the state nor the city shall be liable thereon, nor shall they
33 be payable out of any funds other than those of the authority; and such
34 bonds, notes or other obligations shall contain on the face thereof a
35 statement to such effect.

36 12. The authority, subject to such agreements with bondholders as then
37 may exist, shall have power to purchase bonds, notes or other obli-
38 gations of the authority out of any moneys available therefor, which
39 shall thereupon be canceled.

40 § 3. Subdivision 9 of section 3854 of the public authorities law, as
41 added by chapter 122 of the laws of 2003, is amended to read as follows:

42 9. to enter into interest rate exchange or similar arrangements with
43 any person under such terms and conditions as the authority may deter-
44 mine, not inconsistent with the general laws of this state and other
45 provisions of this title, including, without limitation, provisions as
46 to default or early termination and indemnification by the authority or
47 any other party thereto for loss of benefits as a result thereof;
48 provided, however, that such exchanges or similar arrangements shall be
49 limited to twenty-five percent of the amount authorized in subdivision
50 one of section thirty-eight hundred sixty-two of this title to pay the
51 financeable costs described in paragraph (a), (c), (d) or (e) of subdi-
52 vision fifteen of section thirty-eight hundred fifty-one of this title,
53 or to twenty-five percent of the amount authorized in subdivision one of
54 section thirty-eight hundred sixty-two-a of this title to pay the
55 financeable costs described in paragraph (a), (c), (d) or (e) of subdi-

1 vision fifteen of section thirty-eight hundred fifty-one of this title,
2 as applicable;

3 § 4. The opening paragraph of section 3863 of the public authorities
4 law, as added by chapter 122 of the laws of 2003, is amended to read as
5 follows:

6 Subject to any resolution or resolutions adopted pursuant to paragraph
7 (f) of subdivision six of section thirty-eight hundred sixty-two or
8 paragraph (f) of subdivision six of section thirty-eight hundred sixty-
9 two-a of this title, as applicable:

10 § 5. This act shall take effect immediately.