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:

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

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

(b) Notwithstanding any other provision of law to the contrary, including, specifically, the provisions of chapter 59 of the laws of 2000 and section sixty-seven-b of the state finance law, the dormitory authority of the state of New York and the corporation are hereby authorized to issue personal income tax revenue anticipation notes with a maturity no later than March 31, 2025, in one or more series in an aggregate principal amount for each fiscal year not to exceed three billion dollars, and to pay costs of issuance of such notes, for the purpose of temporarily financing budgetary needs of the state. Such 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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section sixty-eight-a of the state finance law for all purposes of article five-C of the state finance law with respect to the notes authorized by this paragraph. Such notes shall not be renewed, extended or refunded. For so long as any notes authorized by this paragraph shall be outstanding, the restrictions, limitations and requirements contained in article five-B of the state finance law shall not apply.

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

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

[~~(d)~~] **(e)** Notwithstanding any other law, rule or regulation to the contrary but subject to the limitations contained in paragraph (b) of this subdivision, in order to assist the dormitory authority and the corporation in undertaking the administration and financing of such notes, the director of the budget is hereby authorized to supplement any existing financing agreement with the dormitory authority and/or the corporation, or to enter into a new financing agreement with the dormitory authority and/or the corporation, upon such terms and conditions as the director of the budget and the dormitory authority and the corporation shall agree, so as to provide to the dormitory authority and the corporation, a sum not to exceed the debt service payments and related expenses required for any notes issued pursuant to paragraph (b) of this subdivision. Any financing agreement supplemented or entered into pursuant to this section shall provide that the obligation of the state to pay the amount therein provided shall not constitute a debt of the state within the meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of monies available and that no liability shall be incurred by the state beyond the monies available for such purposes, subject to annual appropriation by the legislature. Any such financing agreement or any payments made or to be made thereunder may be assigned or pledged by the dormitory authority

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

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

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

§ 2. This act shall take effect immediately.