

# 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.

LBD05913-01-5

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.