

STATE OF NEW YORK

4004

2025-2026 Regular Sessions

IN ASSEMBLY

January 30, 2025

Introduced by M. of A. RA -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law and the state finance law, in relation to requiring legislative oversight of debt issuances with a maturity of more than thirty years; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. Section 386-a of the public authorities law, as added by
2 section 46 of part U of chapter 59 of the laws of 2012 and subdivision 1
3 as amended by section 55 of part XX of chapter 56 of the laws of 2024,
4 is amended to read as follows:

5 § 386-a. Financing of metropolitan transportation authority (MTA)
6 transportation facilities. 1. Notwithstanding any other provision of law
7 to the contrary, the authority, the dormitory authority and the urban
8 development corporation are hereby authorized to issue bonds or notes in
9 one or more series for the purpose of assisting the metropolitan trans-
10 portation authority in the financing of transportation facilities as
11 defined in subdivision seventeen of section twelve hundred sixty-one of
12 this chapter or other capital projects. The aggregate principal amount
13 of bonds authorized to be issued pursuant to this section shall not
14 exceed twelve billion five hundred fifteen million eight hundred fifty-
15 six thousand dollars \$12,515,856,000, excluding bonds issued to fund one
16 or more debt service reserve funds, to pay costs of issuance of such
17 bonds, and to refund or otherwise repay such bonds or notes previously
18 issued. Such bonds and notes of the authority, the dormitory authority
19 and the urban development corporation shall not be a debt of the state,
20 and the state shall not be liable thereon, nor shall they be payable out
21 of any funds other than those appropriated by the state to the authori-
22 ty, the dormitory authority and the urban development corporation for
23 principal, interest, and related expenses pursuant to a service contract

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

LBD05922-01-5

1 and such bonds and notes shall contain on the face thereof a statement
2 to such effect. Except for purposes of complying with the internal
3 revenue code, any interest income earned on bond proceeds shall only be
4 used to pay debt service on such bonds. Notwithstanding any other
5 provision of law to the contrary, including the limitations contained in
6 subdivision four of section sixty-seven-b of the state finance law, (A)
7 any bonds and notes issued [~~prior to~~] between April first, two thousand
8 [~~twenty-seven~~] twenty-five and March thirty-first, two thousand twenty-
9 six pursuant to this section may be issued with a maximum maturity of
10 fifty years, and (B) any bonds issued to refund such bonds and notes may
11 be issued with a maximum maturity of fifty years from the respective
12 date of original issuance of such bonds and notes.

13 2. If the authority, the dormitory authority or the urban development
14 corporation determines that issuing debt with a final maturity exceeding
15 thirty years is necessary, it shall:

16 (A) Prepare a comprehensive cost-benefit analysis demonstrating the
17 public benefit of such extended maturity debt. Such cost-benefit analy-
18 sis shall include the:

19 (i) projected cash flows over the life of the debt;
20 (ii) comparison of total costs between the proposed extended maturity
21 and a thirty year alternative;
22 (iii) potential risks and mitigation strategies; and
23 (iv) impact on the authority's overall debt outstanding, debt service
24 and credit rating, and if applicable, the impact on the state's overall
25 debt outstanding, debt service and credit rating.

26 (B) Submit such analysis described in paragraph (A) of this subdivi-
27 sion, along with a detailed justification, to:

28 (i) the chair and ranking member of the assembly ways and means
29 committee;
30 (ii) the chair and ranking member of the senate finance committee;
31 (iii) the director of the division of the budget; and
32 (iv) the state comptroller.

33 (C) Obtain written approval from the director of the division of the
34 budget and the state comptroller.

35 (D) After obtaining approval from the director of the division of the
36 budget and the state comptroller pursuant to paragraph (C) of this
37 subdivision, submit a request for legislative approval to issue such
38 debt to both houses of the legislature, and shall comply with the
39 following:

40 (i) such request shall include the comprehensive cost-benefit analysis
41 prepared pursuant to paragraph (A) of this subdivision, all supporting
42 documentation, and the approvals from the director of the division of
43 the budget and the state comptroller.

44 (ii) both the assembly and senate shall pass a resolution approving
45 the issuance of such state-supported debt with a maturity exceeding
46 thirty years by a simple majority vote. If either house fails to approve
47 such resolution within thirty days of submission, the request shall be
48 deemed denied.

49 (iii) the authority, the dormitory authority or the urban development
50 corporation shall not proceed with the issuance of the debt at the
51 extended maturity until it receives approval from both houses of the
52 legislature.

53 (E) Nothing in this section shall supersede the authority of the
54 public authorities control board as outlined in article one-A of this
55 chapter.

1 3. Notwithstanding any other provision of law to the contrary, in
2 order to assist the authority, the dormitory authority and the urban
3 development corporation in undertaking the financing of such transporta-
4 tion facilities projects, the director of the budget is hereby author-
5 ized to enter into one or more service contracts with the authority, the
6 dormitory authority and the urban development corporation, none of which
7 shall exceed thirty years in duration, upon such terms and conditions as
8 the director of the budget and the authority, the dormitory authority
9 and the urban development corporation agree, so as to annually provide
10 to the authority, the dormitory authority and the urban development
11 corporation, in the aggregate, a sum not to exceed the principal, inter-
12 est, and related expenses required for such bonds and notes. Any service
13 contract entered into pursuant to this section shall provide that the
14 obligation of the state to pay the amount therein provided shall not
15 constitute a debt of the state within the meaning of any constitutional
16 or statutory provision and shall be deemed executory only to the extent
17 of monies available and that no liability shall be incurred by the state
18 beyond the monies available for such purpose, subject to annual appro-
19 priation by the legislature. Any such service contract or any payments
20 made or to be made thereunder may be assigned and pledged by the author-
21 ity, the dormitory authority and the urban development corporation as
22 security for such bonds and notes, as authorized by this section.

23 § 2. Subdivision 4 of section 67-b of the state finance law, as added
24 by chapter 59 of the laws of 2000, is amended to read as follows:

25 4. Notwithstanding any other provision of law to the contrary, no
26 state-supported debt shall be issued with a final maturity of more than
27 thirty years. If a public authority determines that issuing debt with a
28 final maturity exceeding thirty years is necessary, it shall:

29 (a) Prepare a comprehensive cost-benefit analysis demonstrating the
30 public benefit of such extended maturity debt. Such cost-benefit analy-
31 sis shall include the:

32 (i) projected cash flows over the life of the debt;
33 (ii) comparison of total costs between the proposed extended maturity
34 and a thirty year alternative;
35 (iii) potential risks and mitigation strategies; and
36 (iv) impact on the authority's overall debt outstanding, debt service
37 and credit rating, and if applicable, the impact on the state's overall
38 debt outstanding, debt service and credit rating.

39 (b) Submit such analysis described in paragraph (a) of this subdivi-
40 sion, along with a detailed justification, to:

41 (i) the chair and ranking member of the assembly ways and means
42 committee;
43 (ii) the chair and ranking member of the senate finance committee;
44 (iii) the director of the division of the budget; and
45 (iv) the state comptroller.

46 (c) Obtain written approval from the director of the division of the
47 budget and the state comptroller.

48 (d) After obtaining approval from the director of the division of the
49 budget and the state comptroller pursuant to paragraph (c) of this
50 subdivision, submit a request for legislative approval to issue such
51 debt to both houses of the legislature, and shall comply with the
52 following:

53 (i) such request shall include the comprehensive cost-benefit analysis
54 prepared pursuant to paragraph (a) of this subdivision, all supporting
55 documentation, and the approvals from the director of the division of
56 the budget and the state comptroller.

1 (ii) both the assembly and senate shall pass a resolution approving
2 the issuance of such state-supported debt with a maturity exceeding
3 thirty years by a simple majority vote. If either house fails to approve
4 such resolution within thirty days of submission, the request shall be
5 deemed denied.

6 (iii) a public authority shall not proceed with the issuance of the
7 debt at the extended maturity until it receives approval from both hous-
8 es of the legislature.

9 (e) Nothing in this section shall supersede the authority of the
10 public authorities control board as outlined in article one-A of the
11 public authorities law.

12 § 3. This act shall take effect on April 1, 2025 and shall expire and
13 be deemed repealed March 31, 2026.