

# 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:

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

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

21 § 2. Subdivisions 2, 3 and 10 of section 2432 of the public authori-  
22 ties 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

1 2010, are amended and four new subdivisions 5-d, 5-e, 29 and 30 are  
2 added to read as follows:

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

9 (3) "Municipal Bond". A bond or note or evidence of debt payable from  
10 any local revenues, including taxes, assessments and rents, which a  
11 municipality may lawfully issue to finance local improvements and public  
12 purposes, including local ARRA bonds and local public safety communi-  
13 cations bonds, but does not include (a) any bond or note or evidence of  
14 debt issued by any other state or any public body or municipal corpo-  
15 ration thereof, (b) any special program agreement, ~~[or]~~ (c) any special  
16 school purpose agreement or any special school deficit program  
17 agreement, or (d) any statewide municipal reciprocal program agreement.

18 (5-d) "Statewide Municipal Reciprocal Program Premiums". Any payment  
19 of public money made by the public school district and BOCES subscribers  
20 of the New York Schools Insurance Reciprocal to or for the statewide  
21 municipal reciprocal program agreement.

22 (5-e) "Statewide Municipal Reciprocal Program Agreement". An agreement  
23 between the agency and a statewide municipal reciprocal program entered  
24 into pursuant to section twenty-four hundred thirty-five-f of this  
25 title.

26 (10) "Debt Service Reserve Fund Requirement". With respect to any debt  
27 service reserve fund created by section twenty-four hundred thirty-nine  
28 of this title relating to bonds other than special program bonds ~~[or]~~,  
29 special school purpose bonds ~~[or]~~, special school deficit program bonds  
30 ~~[or]~~, recovery act bonds ~~[or]~~, public safety communications bonds or  
31 statewide municipal reciprocal program bonds, as of any particular date  
32 of computation, an amount of money equal to the greatest of the respec-  
33 tive amounts, for the then current or any succeeding calendar year, of  
34 annual debt service payments required to be made to the agency on all  
35 municipal bonds purchased with the proceeds of bonds which bonds are  
36 secured by such debt service reserve fund, such annual debt service  
37 payments for any calendar year being an amount of money equal to the  
38 aggregate of (a) all interest payable during such calendar year on all  
39 municipal bonds purchased by the agency and then outstanding on said  
40 date of computation which are secured by such debt service reserve fund,  
41 plus (b) the principal amount of all municipal bonds purchased by the  
42 agency and then outstanding on said date of computation which mature  
43 during such calendar year and are secured by such debt service reserve  
44 fund; and with respect to any debt service reserve fund created by  
45 section twenty-four hundred thirty-nine of this title relating to an  
46 issue or issues of special program bonds ~~[or]~~, special school purpose  
47 bonds ~~[or]~~, special school deficit program bonds ~~[or]~~, recovery act  
48 bonds ~~[or]~~, public safety communications bonds or statewide municipal  
49 reciprocal program bonds, such amount as shall be determined by the  
50 agency.

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

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

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

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

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

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

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

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

38 (21-d) To certify to the comptroller, with a copy to the superinten-  
39 dent of the department of financial services, the amounts required with  
40 respect to statewide municipal reciprocal program bonds as described in  
41 section twenty-four hundred thirty-five-f of this title.

42 § 4. The public authorities law is amended by adding a new section  
43 2435-f to read as follows:

44 § 2435-f. Statewide municipal reciprocal program agreements. In order  
45 to fulfill the purposes of this title and to provide a means by which  
46 the statewide municipal reciprocal program may receive assistance to  
47 meet its obligations and, notwithstanding any general or special law to  
48 the contrary, the agency and the statewide municipal reciprocal program  
49 are hereby authorized to enter into one or more statewide municipal  
50 reciprocal program agreements in accordance with the provisions of this  
51 title as to financing of costs by the agency, the application of state-  
52 wide municipal reciprocal program premiums revenues to the agency to  
53 secure its bonds and further assurances in respect of the agency's  
54 receipt of such revenues. Any such statewide municipal reciprocal  
55 program agreements shall not constitute indebtedness of the statewide  
56 municipal reciprocal program for purposes of section 20.00 of the local

1 finance law or any constitutional or statutory limitation. In addition,  
2 any statewide municipal reciprocal program bonds issued in connection  
3 with such statewide municipal reciprocal program agreement shall not  
4 constitute a debt of the state or of the applicable statewide municipal  
5 reciprocal program under any constitutional or statutory provision. Any  
6 such statewide municipal reciprocal program premiums revenues shall  
7 belong to the agency, and shall not be, or be treated as, revenues of  
8 the statewide municipal reciprocal program for appropriation, accounting  
9 or any other purpose, provided, however, that statewide municipal recip-  
10 rocal program premiums revenues shall be deemed to be revenues of the  
11 statewide municipal reciprocal program for the purpose of any computa-  
12 tion of federal or state aid, and shall not be consolidated, commingled  
13 or otherwise combined with any other moneys of the agency and any such  
14 statewide municipal reciprocal program agreement shall include a state-  
15 ment to such effect. Any such statewide municipal reciprocal program  
16 premiums revenues and any such statewide municipal reciprocal program  
17 agreements may be pledged by the agency in accordance with and with the  
18 effect of subdivision ten of section twenty-four hundred thirty-seven of  
19 this title to secure its bonds and may not be modified thereafter except  
20 as provided by the terms of the pledge. Each statewide municipal recip-  
21 rocal program agreement shall specify the amount to be made available to  
22 the statewide municipal reciprocal program through the proceeds of an  
23 issue of statewide municipal reciprocal program bonds and such other  
24 matters as the agency shall determine necessary or desirable as to the  
25 application of bond proceeds or the security of the bonds. Such state-  
26 wide municipal reciprocal program agreement shall also provide that the  
27 agency shall not be entitled to receive any statewide municipal recipro-  
28 cal program premiums revenues.

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

31 6. In the event that a statewide municipal reciprocal program shall  
32 fail to make a payment in such amount (as calculated in accordance with  
33 the statewide municipal reciprocal program agreement to which such  
34 statewide municipal reciprocal program shall be a party) and by such  
35 date as is provided to be made by such statewide municipal reciprocal  
36 program in its statewide municipal reciprocal program agreement, the  
37 chair of the agency shall so certify to the comptroller, with a copy to  
38 the superintendent of the department of financial services. Such certif-  
39 icate shall be in such form as the agency deems desirable, but shall  
40 specify the amount by which such payment shall have been deficient. The  
41 comptroller, upon receipt of such certificate from the agency, shall  
42 withhold from such statewide municipal reciprocal program any statewide  
43 municipal reciprocal program premiums payable to such special statewide  
44 municipal reciprocal program to the extent of the amount so stated in  
45 such certificate as not having been made, and shall immediately pay over  
46 to the agency the amount so withheld. Any amount so paid to the agency  
47 from such statewide municipal reciprocal program premiums shall not  
48 obligate the state to make, nor entitle the statewide municipal recipro-  
49 cal program to receive, any additional amounts of statewide municipal  
50 reciprocal program premiums.

51 § 6. The public authorities law is amended by adding a new section  
52 2436-d to read as follows:

53 § 2436-d. Statewide municipal reciprocal program. 1. With respect to  
54 each issue of outstanding statewide municipal reciprocal program bonds,  
55 the chair of the agency shall annually certify, or in the case of the  
56 first such certificate within thirty days after the sale of an issue of

1 statewide municipal reciprocal program bonds, to the comptroller and the  
2 director of the budget, with a copy to the superintendent of the depart-  
3 ment of financial services, a schedule setting forth the amount of  
4 statewide municipal reciprocal program premiums revenue necessary for  
5 payment of the following obligations:

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

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

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

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

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

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

27 § 7. Subdivisions 1, 4 and 5 of section 2437 of the public authorities  
28 law, subdivision 1 as amended by section 73 of part H of chapter 83 of  
29 the laws of 2002, subdivision 4 as amended by section 1 of part O of  
30 chapter 63 of the laws of 2003, and subdivision 5 as amended by section  
31 6 of part N of chapter 56 of the laws of 2010, are amended to read as  
32 follows:

33 (1) Subject to the provisions of section two thousand four hundred  
34 thirty-eight of this title, the agency shall have the power and is here-  
35 by authorized from time to time to issue its negotiable bonds and notes  
36 in conformity with applicable provisions of the uniform commercial code  
37 in such principal amounts as, in the opinion of the agency, shall be  
38 necessary to provide sufficient funds for achieving the corporate  
39 purposes thereof, including the purchase of municipal bonds, the provid-  
40 ing of certain amounts to special program municipalities from the  
41 proceeds of special program bonds, the providing of certain amounts to  
42 special school purpose municipalities from the proceeds of special  
43 school purpose bonds, the providing of certain amounts to a special  
44 school deficit program district from the proceeds of special school  
45 deficit program bonds, the providing of certain amounts to a statewide  
46 municipal reciprocal program from the proceeds of statewide municipal  
47 reciprocal program bonds, the payment of interest on bonds and notes of  
48 the agency, establishment of reserves to secure such bonds and notes,  
49 payment of letter of credit, bond insurance and other credit and liquid-  
50 ity support facility fees, premiums, reimbursements and expenses, fees  
51 and expenses of trustees and paying agents and other financing costs  
52 including any accrued costs payable to the New York state housing  
53 finance agency pursuant to any contract entered into under subdivision  
54 twelve of section two thousand four hundred thirty-four of this title  
55 and all other expenditures of the agency incident to and necessary or

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

3 (4) Such bonds or notes shall bear such date or dates, shall mature at  
4 such time or times, shall bear interest at such rate or rates, shall be  
5 of such denominations, shall be in such form, carry such registration  
6 privileges, be executed in such manner, be payable in lawful money of  
7 the United States of America at such place or places within or without  
8 the state, be subject to such terms of redemption prior to maturity and  
9 have such other terms as may be provided by such resolution or resolu-  
10 tions or such certificate with respect to such bonds or notes, as the  
11 case may be; provided, however, that the maximum maturity of bonds other  
12 than special program bonds, special school purpose bonds [~~ex~~], special  
13 school deficit program bonds or statewide municipal reciprocal program  
14 bonds shall not exceed forty years from the date thereof, the maximum  
15 maturity of special program bonds shall not exceed thirty years, the  
16 maximum maturity of statewide municipal reciprocal program bonds shall  
17 not exceed thirty years, the maximum maturity of special school purpose  
18 bonds shall not exceed twenty years, the maximum maturity of special  
19 school deficit program bonds shall not exceed ten years and the maximum  
20 maturity of notes or any renewals thereof shall not exceed five years  
21 from the date of the original issue of such notes.

22 (5) Any bonds or notes of the agency other than special program bonds,  
23 special school purpose bonds, special school deficit program bonds,  
24 statewide municipal reciprocal program bonds, recovery act bonds or  
25 public safety communications bonds shall be sold at public sale and from  
26 time to time upon such terms and at such prices as may be determined by  
27 the agency, and the agency may pay all expenses, premiums and commis-  
28 sions which it may deem necessary or advantageous in connection with the  
29 issuance and sale thereof. Any special program bonds, special school  
30 purpose bonds, special school deficit program bonds, statewide municipal  
31 reciprocal program bonds, recovery act bonds or public safety communi-  
32 cations bonds shall be sold at public or private sale and from time to  
33 time upon such terms and at such prices as may be determined by the  
34 agency, and the agency may pay all expenses, premiums and commissions  
35 which it may deem necessary or advantageous in connection with the issu-  
36 ance and sale thereof provided, however, that special program bonds  
37 relating to a special program agreement entered for the purpose  
38 described in paragraph (b) of subdivision one of section twenty-four  
39 hundred thirty-five-a of this title shall be sold on or before June  
40 thirtieth, two thousand one. No special program bonds, special school  
41 purpose bonds, special school deficit program bonds, [~~ex~~] statewide  
42 municipal reciprocal program bonds, recovery act bonds, or public safety  
43 communications bonds of the agency may be sold by the agency at private  
44 sale, however, unless such sale and the terms thereof have been approved  
45 in writing by (a) the comptroller, where such sale is not to the comp-  
46 troller, or (b) the director of the budget, where such sale is to the  
47 comptroller.

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

51 (1) The agency shall not issue bonds and notes in an aggregate princi-  
52 pal amount at any one time outstanding exceeding one billion dollars,  
53 excluding tax lien collateralized securities, special school purpose  
54 bonds, special school deficit program bonds, statewide municipal recip-  
55 rocal program bonds, special program bonds issued to finance the recon-  
56 struction, rehabilitation or renovation of an educational facility

1 pursuant to the provisions of subdivision (b) of section sixteen of  
2 chapter six hundred five of the laws of two thousand, special program  
3 bonds issued to finance the cost of a project for design, reconstruction  
4 or rehabilitation of a school building pursuant to the provisions of  
5 section fourteen of the city of Syracuse and the board of education of  
6 the city school district of the city of Syracuse cooperative school  
7 reconstruction act, special program bonds issued to finance the cost of  
8 a project for design, construction, reconstruction or rehabilitation of  
9 a school building pursuant to the provisions of section thirteen of the  
10 Yonkers city school district joint schools construction and moderniza-  
11 tion act, recovery act bonds, public safety communications bonds and  
12 bonds and notes issued to refund outstanding bonds and notes.

13 § 9. This act shall take effect immediately.