

STATE OF NEW YORK

9161

IN SENATE

February 9, 2026

Introduced by Sen. BASKIN -- 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:

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

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

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

§ 3862-a. Additional bonds, notes or other obligations of the authority. 1. Commencing July first, two thousand twenty-six and terminating on June thirtieth, two thousand thirty, the authority shall have the power and is hereby authorized from time to time to issue bonds, notes or other obligations in such principal amounts as it may determine to be necessary pursuant to section thirty-eight hundred sixty-one of this title to pay any financeable costs and to fund reserves to secure such bonds, notes or other obligations, including incidental expenses in connection therewith; provided, however, the aggregate principal amounts of such bonds, notes or other obligations outstanding at any one time shall not exceed five hundred million dollars in addition to the one hundred seventy-five million dollars authorized pursuant to section thirty-eight hundred sixty-two of this title. Such funds may be applied to financeable costs defined in paragraphs (a), (d) and (e) of subdivision fifteen of section thirty-eight hundred fifty-one of this title. Such funds in city fiscal year two thousand twenty-six--two thousand

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

LBD14815-01-6

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

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

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

37 4. The directors may delegate to the chairperson or other director or
38 officer of the authority the power to set the financial terms of bonds,
39 notes or other obligations.

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

54 6. Any resolution or resolutions authorizing bonds, notes or other
55 obligations or any issue of bonds, notes or other obligations may
56 contain provisions which may be a part of the contract with the holders

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

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

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

obligations shall in no event be scheduled to fall on a date later than the date on which falls a corresponding amount of scheduled principal payments on the series of bonds, notes or other obligations of the authority originally issued to provide such proceeds or issued to refund bonds, notes or other obligations issued to provide such proceeds.

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

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

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

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

13. Notwithstanding any provision of this title to the contrary, nothing in this section may be construed as authorization to reimpose a control period of the authority under section thirty-eight hundred fifty-eight of this title.

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

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