§ 3-a. Rate of interest on judgments and accrued claims against municipal corporations. 1. Except as provided in subdivisions two, four and five of this section, the rate of interest to be paid by a municipal corporation upon any judgment or accrued claim against the municipal corporation shall not exceed nine per centum per annum.

2. The rate of interest to be paid upon any judgment or accrued claim against the municipal corporation arising out of condemnation proceedings or action to recover damages for wrongful death shall not exceed six per centum per annum.

3. The term "municipal corporation" as used in this section shall mean and include a city, county, village, town, school district, fire district, a special or public district organized for the purpose of financing the costs of public improvements or a pension or retirement system supported in whole or in part by any such city, county, village, town, school district or special or public district.

4. Payments of interest or principal on any note or bond of the city of New York issued on or after the effective date of this act which is guaranteed under the New York City Loan Guarantee Act of 1978, Public Law 95-339, and which such city has not paid or made funds available to pay when due, shall accrue interest at the rate borne for principal by such obligation from such due date until (i) there shall have been deposited with an independent trustee sufficient monies to cover such overdue payment and any interest accrued thereon to the date of such deposit and (ii) the making of such deposit shall have been announced for three days in succession in a newspaper of general circulation in the city of New York.

5. Bonds, notes and certificates of participation, and agreements and instruments related to the foregoing, as authorized pursuant to paragraph (e) of section 54.10, section 54.90 or section 168.00 of the local finance law, or section one hundred nine-b of this chapter may provide for the payment of interest on judgments and claims payable to or for the account of providers of credit or liquidity support or their successors in interest, notwithstanding any limitations imposed by this

section.