§ 593-a. Pledge of tax revenues for payment of certain bonds of the Niagara Falls urban renewal agency. (a) As security for the payment of any issue of bonds to be issued by the Niagara Falls urban renewal agency to finance land acquisition and clearance, site improvements and parking construction in connection with the East Falls Street Redevelopment Project and/or bond anticipation notes issued in anticipation thereof, the city council of the city of Niagara Falls is hereby authorized to enact a local law pledging the total proceeds consisting of net collections of all sales and compensating use taxes received by the city of Niagara Falls from taxes authorized pursuant to section twelve hundred ten of the tax law and proceeds payable to the city pursuant to section twelve hundred sixty-two of the tax law, or any successor statutes thereto and directing the state comptroller to pay over such proceeds to the Niagara Falls sales tax fund pursuant to the provisions of section ninety-two-t of the state finance law, or to the trustee for the holders of such bonds pursuant to the certificate issued by such trustee pursuant to subdivision (d) of this section. The lien of such pledge shall be valid and binding upon the city and agency and their respective successors and assigns as against all parties having claims of any kind in tort, contract or otherwise against the city or the agency irrespective of whether such parties have notice thereof. The lien of such pledge shall inure to the benefit of the agency and its successors and assigns including any owners of such bonds and notes to whom such proceeds are pledged. The agency shall not issue any bonds or notes in connection with such project in an amount in excess of thirty-five million dollars, plus a principal amount of bonds or notes:

(i) to fund any debt service reserve fund,

(ii) to provide capitalized interest,

(iii) to provide for original issue discount, and

(iv) to provide for the payment of fees and other charges and expenses, including underwriters' discount, related to the issuance of such bonds or notes, or related to the provision of any applicable bond or note facilities, excluding refunding bonds.

Provided, however, that upon any refunding or repayment of such bonds or notes the total aggregate principal amount of outstanding bonds and notes may be greater than thirty-five million dollars ($35,000,000) only

if the present value of the aggregate debt service of the refunding or repayment bonds to be issued shall not exceed the present value of the aggregate debt service of the bonds so to be refunded or repaid. For purposes hereof, the present values of the aggregate debt service of the refunding or repayment bonds and of the aggregate debt service of the bonds so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds from the payment dates thereof to the date of issue of the refunding or repayment bonds and to the price bid including estimated accrued interest or proceeds received by the agency including estimated accrued interest from the sale thereof.

Such local law shall be subject to the following limitations and conditions:

(i) Any such local law shall become effective on the date of issue of any bonds and/or bond anticipation notes the payment of which is secured by the proceeds of such sales and compensating use taxes;

(ii) Any such local law shall be made subject to such terms and conditions, not inconsistent with this section, as may be determined necessary or appropriate by such city council and agency, subject, however, to any rights of holders of previously issued bonds and/or bond anticipation notes secured by such tax proceeds and shall be deemed to be in effect only while bonds and/or bond anticipation notes which are so secured are outstanding and may provide that it shall not be repealed, rescinded or revoked or amended in a manner which is prejudicial to the interests of said holders while such obligations shall be outstanding;

(iii) Enactment of such local law shall be conditioned upon the execution of an agreement between the city of Niagara Falls and the county of Niagara whereby such county agrees to pay such city's share of the proceeds of taxes payable to such city pursuant to section twelve hundred sixty-two of the tax law to the state comptroller for so long as bonds or notes issued pursuant to this section remain outstanding;

(iv) Any such local law shall not be enacted unless such city council

shall have determined that such local law is necessary and in the public interest; and

(v) Notwithstanding any of the foregoing to the contrary, the aforesaid pledge shall be deemed executory only to the extent of moneys appropriated and made available therefor by the city.

(b) The state does hereby covenant and agree with the owners of each issue of bonds and/or bond anticipation notes of the agency secured by a pledge of proceeds of such sales and compensating use taxes that the state will not repeal, rescind or revoke the provisions of this section or section ninety-two-t of the state finance law or modify the same as to limit, impair, or impede the rights hereby vested in the city and/or the agency or in any way limit, impair, or impede the rights and remedies of owners of said bonds and/or bond anticipation notes, until such bonds and/or bond anticipation notes, together with the interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners, are fully paid or otherwise discharged or defeased; provided that (i) nothing in this section shall be deemed or construed as giving or pledging the credit of the state to the payment of said bonds and/or bond anticipation notes; and (ii) this pledge shall be subject to the reserved right of the state to alter the base, rate, method of taxation and exemptions from taxation or the method of distribution of the taxes which may be imposed pursuant to section twelve hundred ten and section twelve hundred sixty-two of the tax law, or any successor law thereto. The city and the agency are authorized to include this covenant and agreement of the state in any sale of such bonds and/or bond anticipation notes.

(c) The agency shall provide in any sale of bonds and/or bond anticipation notes which are secured by proceeds of sales and compensating use taxes as provided herein that the proceeds of the taxes which would otherwise be received by the city pursuant to section twelve hundred ten of the tax law or proceeds payable to the city pursuant to section twelve hundred sixty-two of the tax law, or any successor statutes thereto, shall, upon the occurrence of events described in subdivision two of section ninety-two-t of the state finance law, be paid by the state comptroller into the Niagara Falls sales tax fund for disposition as provided in such section. The state comptroller is hereby authorized and directed to pay such moneys to such fund, and to

make such arrangements as are deemed appropriate to facilitate such payments, including, but not limited to the electronic transfer thereof.

(d) Upon delivery of any issue of bonds or notes secured by the proceeds of sales and compensating use taxes as herein authorized, the chair of the agency shall file with the state comptroller and the county treasurer a certificate setting forth with respect to such issue the name and address of the trustee for the holders thereof. Upon the appointment of a successor trustee with respect to any issue of bonds or notes secured as provided herein, a supplemental certificate shall be filed with the state comptroller and the county treasurer prior to the effective date of such appointment. Such trustee shall on or before November first annually certify to the state comptroller and to the city council the amount required for the ensuing city fiscal year for payment of debt service on bonds or notes issued pursuant to this section and to restore any deficiencies in any reserve funds established in connection with the issuance of such bonds or notes.

(e) Pursuant to an appropriation by the city council of the amount certified pursuant to subdivision (d) of this section, the state comptroller shall pay such amount to the trustee out of proceeds of the taxes pledged pursuant to this section. Any such proceeds in excess of such certified amount shall be paid by the state comptroller to the city of Niagara Falls. In the event that the amount to be paid by the state comptroller is less than the amount certified pursuant to subdivision (d) of this section, the comptroller shall pay such difference to the trustee for the bondholders out of the first monies available for the next succeeding payments of (i) state aid apportioned to the city of Niagara Falls as per capita aid for the support of local government pursuant to section fifty-four of this chapter or (ii) such other aid or assistance payable by the state to the city and not otherwise allocated as shall supersede or supplement such state per capita aid, including federal monies apportioned to the city by the state, after giving written notice to the chief fiscal officer of the city of Niagara Falls. Any amount so paid over shall be deducted from the corresponding apportionment of such per capita state aid otherwise payable to the city of Niagara Falls, and shall not obligate the state to make nor entitle the city to receive any additional apportionment or payment of per capita state aid. Nothing herein shall affect the reserved right of the

state to amend such section fifty-four or otherwise reduce or eliminate such per capita aid and such other aid or assistance.

(f) The state comptroller may conclusively rely upon the information set forth or included by reference in any certificate filed therewith pursuant to this section or section ninety-two-t of the state finance law, and shall not be liable to the owner of any bond or note of the agency on account of any reasonable action taken based upon such information. The county treasurer may conclusively rely upon the information set forth in any certificate filed therewith pursuant to this section or section ninety-two-t of the state finance law, and shall not be liable to the owner of any bond or note of the agency on account of any reasonable action taken based upon such information.

(g) During the period that any local law enacted pursuant to this section shall be in force, the city shall not issue revenue anticipation notes in anticipation of the receipt of taxes authorized pursuant to section twelve hundred ten of the tax law, which taxes are described in subdivisions (b), (d), (e) and/or (f) of section eleven hundred five of the tax law, and, in the event that the city issues revenue anticipation notes in anticipation of the collection or receipt of any other categories of sales taxes used as security to the bondholders pursuant to the provisions of this section, when determining the total amount of revenue anticipation notes which may be issued, in addition to the amounts described in subparagraph (b) of subdivision three of paragraph (d) of section 25.00 of the local finance law or the amounts described in the unnumbered paragraph following such subparagraph (b), as the case may be, there shall also be deducted an amount equal to the debt service on the bonds or notes of the agency so secured thereafter remaining to be paid during the fiscal year of the city with respect to which such revenue anticipation notes are issued.