§ 970-o. Tax increment bonds. (a) For the purpose of carrying out or administering a redevelopment plan adopted by the legislative body, a municipality is hereby authorized, without limiting its authority under other provisions of law, to issue by resolution of its legislative body tax increment bonds or tax increment bond anticipation notes of the municipality which are payable from and secured by real property taxes, in whole or in part, allocated to and paid pursuant to the provisions of section nine hundred seventy-p of this article. The pledge of such real property taxes allocated and paid shall constitute a first lien on the revenues derived therefrom and tax increment bonds or tax increment bond anticipation notes, the repayment of which is secured by such revenues shall not be subordinate to any other indebtedness of the municipality with respect to the pledge of such revenues. The municipality shall have the power to issue renewal notes, to issue bonds to pay notes and whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any other purposes.

(b) In contracting indebtedness pursuant to subdivision (a) of this section a municipality shall not pledge its faith and credit or the faith and credit of the state to the payment of the principal thereof and the interest thereon. Indebtedness contracted pursuant to this subdivision shall not be indebtedness of any school district that has allocated taxes pursuant to section nine hundred seventy-p of this article.

(c) Bonds and notes issued pursuant to this section shall bear such date or dates and mature at such time or times, in the case of any note or any renewals thereof not to exceed five years from the date of issue of such original note, and in the case of any bond not exceeding the probable useful life of the object or purpose for which such bond is issued, as the bond or note resolution or resolutions may provide. The notes and bonds shall bear interest at such rates per annum payable at such times, be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places and be subject to such terms of redemption, as the bond or note resolution or resolutions may provide. The notes and bonds

may be sold at public or private sale at such price or prices as the municipality shall determine. No notes or bonds may be sold at private sale unless such sale and the terms thereof have been approved in writing by the state comptroller provided, however, that if such notes or bonds are sold at private sale to the state comptroller, the sale and terms thereof shall first be approved in writing by the state director of the budget.

(d) Any resolution or resolutions authorizing any tax increment bonds or tax increment notes or any issue thereof may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(i) pledging all or a part of the taxes allocated pursuant to section nine hundred seventy-p of this article or the proceeds from the sale of property acquired with the proceeds of such notes or bonds to secure the payment of such notes or bonds or of any issue thereof, subject to such agreements with bondholders or noteholders as may exist;

(ii) the setting aside of reserve or sinking funds and the regulation and disposition thereof;

(iii) limitations on the purpose to which the proceeds of the sale of notes or bonds may be applied and pledging such proceeds to secure the payment of the notes or bonds or any issue thereof;

(iv) the procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(v) vesting in a trustee or trustees such property, rights, powers and duties in trust as the municipality shall determine.

(e) A bond resolution or bond anticipation note resolution shall be authorized for each redevelopment plan adopted by the legislative body which provides for the financing of redevelopment projects from the proceeds of such notes and bonds.

(f) Neither the expenditure of money for an object or purpose for which it is proposed to issue obligations nor a bond resolution or bond anticipation note resolution authorized by this section shall be subject to a permissive referendum.

(g) The amount of any indebtedness contracted under this section shall be excluded in ascertaining the power of the municipality to contract indebtedness within the provisions of the state constitution or the

local finance law relating thereto.

(h) The proceeds from the sale of real property acquired with the proceeds from the sale of bonds or notes issued pursuant to this section shall be used solely for the purposes of repayment of principal on such notes or bonds.

(i) The municipality may contract indebtedness pursuant to this section for the following objects or purposes:

(i) acquisition of land;

(ii) demolition and removal of buildings, structures and improvements and site preparation;

(iii) installation, construction or reconstruction of streets, walkways, docks, drainage, parking facilities, flood control facilities, water and sewer systems and other public utilities, parks and playgrounds;

(iv) other public improvements or services integral to the redevelopment plan authorized by or for which a period of probable usefulness has been established by section 11.00 of the local finance law. Objects and purposes referred to in this subdivision shall be deemed to have the period of probable usefulness as provided for such objects and purposes by such section.