§ 24.00 Tax anticipation notes.

a. 1. Tax anticipation notes may be issued by any municipality, school district or district corporation, other than a fire district,

(a) During a fiscal year in anticipation of the collection of taxes or assessments levied for such fiscal year,

(b) Within ten days prior to the commencement of a fiscal year or, where the fiscal year of the issuer is a calendar year, within thirty days prior to the commencement of a fiscal year, in anticipation of the collection of taxes or assessments levied for such fiscal year,

(c) During a fiscal year in anticipation of the collection of taxes or assessments to be levied in such fiscal year,

(d) Within ten days prior to the commencement of a fiscal year or, where the fiscal year of the issuer is a calendar year, within thirty days prior to the commencement of a fiscal year, in anticipation of the collection of taxes or assessments to be levied in such fiscal year, or

(e) During any fiscal year in anticipation of the collection of taxes or assessments levied for any of the four preceding fiscal years.

The term "assessments" as used in this paragraph means assessments levied or to be levied for operation, maintenance or debt service.

2. Prior to the adoption of its annual budget any municipality, school district or district corporation which adopts an annual budget after the commencement of its fiscal year shall not issue such notes pursuant to items (c) or (d) of subdivision one of this paragraph in excess of the combined amounts of:

(a) The amount necessary for the payment of the principal of and interest on any indebtedness to become due during the first four months of its current fiscal year, and

(b) Thirty-five per centum of the difference between the amount of its annual budget for the preceding fiscal year and the amount provided therein for the payment of the principal of and interest on indebtedness.

3. In no event shall any municipality, school district or district corporation reduce the amount to be raised by taxes or assessments in its annual budget or other determination of taxes or assessments to be

raised to an amount less than the amount of the outstanding notes which have been issued pursuant to items (c) and (d) of subdivision one of this paragraph.

4. In the case of such notes issued pursuant to items (a), (b) and (e) of subdivision one of this paragraph, such notes shall not be issued in an amount in excess of the amount of the taxes or assessments levied for a fiscal year which is uncollected at the time of such borrowing less:

(a) The amount of the outstanding tax anticipation notes issued in anticipation of the collection of such taxes or assessments, and

(b) The amount, if any, included in the annual budget for such fiscal year or in the levy of taxes or assessments for such fiscal year to offset, in whole or in part, an anticipated deficiency in the collection before the end of such fiscal year of the taxes or assessments levied for such fiscal year.

5. The proceeds of notes issued pursuant to items (c) and (d) of subdivision one of this paragraph shall be used only for the purposes for which the taxes or assessments are to be levied or for the redemption of notes in renewal of which they were issued. The proceeds of notes issued pursuant to items (a), (b) and (e) of subdivision one of this paragraph shall be used only for the purposes for which the taxes or assessments were levied or for the redemption of notes in renewal of which they were issued, provided, however, that the proceeds of such notes may be used for other lawful purposes if the purposes for which the taxes or assessments were levied have been satisfied and there are no unpaid claims arising therefrom or appropriate provision has already been made for the payment of such unpaid claims.

6. Tax anticipation notes issued pursuant to this paragraph shall mature within one year from the date of their issuance and may be renewed from time to time, but each renewal shall be for a period not to exceed one year. Such notes or the renewals thereof shall be retired within five years after their date of original issue and in any event not later than five years after the close of the fiscal year for which were levied the taxes or assessments in anticipation of the collection of which such notes were issued; provided, however, that such notes

issued pursuant to items (b) and (d) of subdivision one of this paragraph, or the renewals thereof, shall not extend beyond the close of the fourth fiscal year succeeding that in which the original notes were issued.

b. A municipality may issue tax anticipation notes in anticipation of the collection of the unpaid taxes or assessments of another municipality, a school district or a district corporation provided (1) such unpaid taxes or assessments are returned or certified to it, pursuant to law, and (2) such unpaid taxes or assessments are to be collected by or on behalf of the municipality to which such return or certification is made, and (3) such return or certification be accepted by such municipality. If a municipality is required by law to pay over to another municipality, a school district or district corporation all or part of the taxes or assessments of such other municipality, school district or district corporation, such municipality may issue tax anticipation notes in anticipation of the collection of such unpaid taxes or assessments in order to make such payment. Notes issued pursuant to this paragraph shall mature within a period not to exceed one year from the date of their issuance and may be renewed from time to time, but each renewal shall be for a period not to exceed one year and in no event shall such notes or the renewals thereof extend beyond the close of the fourth fiscal year succeeding the fiscal year for which such taxes or assessments were levied. The proceeds of such notes shall be used as required by law, or for the redemption of notes in renewal of which they were issued.

c. If any tax district which is required by law to pay over to the county treasurer on or before October fifteenth of any calendar year the full amount of county or county district taxes or assessments due for such calendar year fails or neglects to pay to the treasurer of such county on or before such date the full amount of such taxes or assessments due for such calendar year, the county may issue tax anticipation notes in its own name to the amount of such deficiency. Such notes shall mature on or before June first of the next calendar year after such default and may be renewed from time to time but no renewal shall extend beyond eighteen months from the date of issue of

the original note. Provision shall be made for the payment of the principal of and interest on said tax anticipation notes in the manner provided by section ninety-six of the tax law. The proceeds of such notes shall be used only for the purposes for which such taxes or assessments were levied or for the redemption of notes in renewal of which they were issued.

c-1. Any fire district in a town in the county of Westchester in which real estate taxes and assessments become payable on April first in each year may issue tax anticipation notes during any fiscal year prior to June first in such year in anticipation of the collection of taxes or assessments levied for such fire district for such year. Notes issued pursuant to the provisions of this paragraph shall mature on or before June first next following the date of their issuance and shall be redeemed from the taxes or assessments in anticipation of the collection of which such notes were issued. Such notes shall not be issued in an amount in excess of the difference between the amount of the fire district taxes or assessments remaining uncollected at the time of such borrowing and the amount of tax anticipation notes issued in anticipation of the collection of such taxes or assessments. Whenever the amount of tax anticipation notes issued pursuant to this paragraph shall equal the amount of such taxes or assessments remaining uncollected, all of such taxes or assessments, as thereafter collected, shall be set aside in a special bank account to be used only for the payment of such notes as they become due. The proceeds of such notes shall be used only for the purposes for which such taxes or assessment were levied.

c-2. Any fire district in any town other than a town in the county of Westchester may issue tax anticipation notes at any time during the first three months of its fiscal year in anticipation of the collection of real estate taxes levied for such fire district for such fiscal year. Notes issued pursuant to the provisions of this paragraph shall mature on or before the fifteenth day of April next following the date of their issuance and shall be redeemed from the taxes in anticipation of the collection of which such notes were issued. Such notes shall not be issued in an amount in excess of the difference between the amount of

the fire district taxes remaining uncollected at the time of such borrowing and the amount of tax anticipation notes issued in anticipation of the collection of such taxes. Whenever the amount of tax anticipation notes issued pursuant to this paragraph shall equal the amount of such taxes remaining uncollected, all of such taxes, as thereafter collected, shall be set aside in a special bank account to be used only for the payment of such notes as they become due. The proceeds of such notes shall be used only for the purposes for which such taxes were levied. For the purpose of this paragraph such real estate taxes shall be deemed to be uncollected until the fire district receives cash therefor from the public officer required to pay such taxes to the fire district.

d. 1. In the case of a newly created municipality, school district or district corporation, or in the case of any such unit of government which has elected a finance board for the first time, tax anticipation notes may be issued, prior to the first levy of taxes or assessments, for the necessary expenses incidental to its incorporation or creation and the other necessary expenses incurred or to be incurred prior to such levy. In the case of a municipality or school district, such notes shall not be issued in an amount in excess of two per centum of the assessed valuation of the taxable property therein as shown upon the last preceding assessment roll of any unit of government in which such property was evaluated. If, however, any part of such property was evaluated in the assessment roll of more than one unit of government its value, for the purposes of this section, shall be the lowest value assigned to it by any such assessment roll. In the case of a fire district, such notes shall not be issued in an amount exceeding one-twelfth of the amount of taxes which the fire district may raise annually without adopting a proposition pursuant to the provisions of the town law for each calendar month intervening between the date of the creation of the district and the first day of the fiscal year of the district for which an annual budget can be adopted, plus an amount not exceeding the actual and necessary expenses incidental to its creation. The phrase "the amount of taxes which the fire district may raise annually without adopting a proposition pursuant to the provisions of the town law," as used herein, shall mean two thousand dollars, except

that in fire districts having a full valuation in excess of one million dollars it shall mean two thousand dollars plus one mill for each dollar of full valuation of the taxable real property of the fire district in excess of the first million dollars of full valuation of such taxable real property. In the case of any district corporation, other than a fire district, such notes shall not be issued in an amount in excess of one mill of the assessed valuation of the taxable property therein as shown upon the last preceding assessment roll of any unit of government in which such property was evaluated in addition to the necessary expenses incidental to incorporation. If, however, any part of such property was evaluated in the assessment roll of more than one unit of government, its value for the purpose of this section shall be the lowest value assigned to it by any such assessment roll.

2. In the case of the establishment of any improvement district of a county or of a town, which is to be financed by taxes or assessments levied upon an ad valorem or benefit basis, or in the case of the consolidation of special improvement districts, prior to the first levy in which such taxes or assessments are to be levied for such district or consolidated district the county or town, as the case may be, may issue tax anticipation notes for the necessary expenses incidental to the creation of such district or consolidation of such districts, and the other necessary expenses incurred or to be incurred for such district or consolidated district prior to such levy.

3. An appropriation for the redemption of notes issued pursuant to this paragraph shall be included in the first levy of taxes or assessments of or for such municipality, school district, district corporation or improvement district. Such notes shall mature within one year from their date of issue and may be renewed from time to time, but each renewal shall be for a period not to exceed one year and in no event shall such notes or the renewals thereof extend beyond the close of the second fiscal year succeeding the fiscal year in which such notes were issued. The proceeds of such notes shall be used only to pay such necessary expenses incidental to such incorporation or creation and such other necessary expenses incurred or to be incurred prior to any such levy or for the redemption of notes in renewal of which they were

issued.

e. Whenever the amount of tax anticipation notes issued pursuant to paragraphs a, b and d of this section in anticipation of the collection of the taxes or assessments levied or to be levied for a fiscal year shall equal the amount of such taxes or assessments remaining uncollected less the amount, if any, included in the annual budget for such fiscal year or in the levy of taxes or assessments for such fiscal year to offset, in whole or in part, an anticipated deficiency in the collection before the end of such fiscal year of the taxes or assessments levied for such fiscal year, all of such uncollected taxes or assessments, as thereafter collected, shall be set aside in a special bank account to be used only for the payment of such notes as they become due, unless other provision is made pursuant to law for the redemption of such notes. Any municipality, school district or district corporation may make budgetary appropriations for the redemption of such notes whether or not required or otherwise authorized by law to do so. In the event such an appropriation is made, such municipality, school district or district corporation shall not be required to pay into the special account the proceeds of the taxes or assessments against which such notes were issued but such proceeds may be used in the manner provided by law or if there is no provision of law pertaining to the use of such proceeds, such proceeds shall be treated as surplus moneys for the fiscal year in which they are collected. This paragraph shall not apply to notes issued pursuant to paragraph c of this section.

f. 1. Where a tax anticipation note issued pursuant to paragraphs a, b or d of this section is to be renewed by the issuance of a renewal note, and the taxes or assessments in anticipation of which it was issued have been levied for a fiscal year, but remain uncollected, such renewal note shall not be issued for an amount in excess of the amount of such taxes or assessments remaining uncollected at the time of such renewal, less:

(a) The amount of any other outstanding tax anticipation notes issued in anticipation of the collection of such taxes or assessments, and

(b) The amount, if any, included in the annual budget for such fiscal year or in the levy of taxes or assessments for such fiscal year to offset, in whole or in part, an anticipated deficiency in the collection

before the end of such fiscal year of the taxes or assessments levied for such fiscal year.
In no event shall such a renewal note be issued for an amount in excess of the original amount of the note in renewal of which it is to be issued.

2. Where a tax anticipation note issued pursuant to paragraphs a or d of this section is to be renewed, and the taxes or assessments in anticipation of which it was issued have not been levied, such renewal note shall not be issued for an amount in excess of the original amount of the note in renewal of which it is to be issued.

3. Where a tax anticipation note issued pursuant to paragraph c of this section is to be renewed, such renewal note shall not be issued in an amount in excess of the difference between the original amount of such note to be renewed, less the amount of moneys received and applied or to be applied to the payment of such note.

g. Tax anticipation notes may be issued by any municipality during any fiscal year thereof:

1. In anticipation of the collection of assessments levied for such fiscal year, or to be levied in such fiscal year, to pay the cost of capital improvements, if such assessments are to be collected in one installment; provided, however, that if such assessments have been levied, such notes shall not be issued in an amount in excess of the difference between the amount of such assessments remaining uncollected at the time of such borrowing and the amount of outstanding tax anticipation notes issued in anticipation of the collection of such assessments.

2. In anticipation of the collection of an installment of assessments levied for a capital improvement, if such assessments are to be collected in several annual installments and such installment becomes due and payable during such fiscal year; provided, however, that such notes shall not be issued in an amount in excess of the difference between the amount of such installment remaining uncollected at the time

of such borrowing and the amount of outstanding tax anticipation notes issued in anticipation of the collection of such installment.

3. The proceeds of tax anticipation notes issued pursuant to this paragraph shall be used only for the purposes for which such assessments were levied or are to be levied or for the redemption of notes in renewal of which they were issued.

4. Tax anticipation notes issued pursuant to this paragraph shall mature within one year from the date of their issuance and may be renewed from time to time but each renewal shall be for a period not to exceed one year and in no event shall such notes or the renewals thereof extend beyond the close of the second fiscal year succeeding the fiscal year in which such notes were issued.

5. Whenever the amount of tax anticipation notes issued pursuant to this paragraph in anticipation of the collection of assessments or an installment thereof levied for a capital improvement equals the amount of such assessments or such installment remaining uncollected, all of such assessments or such installment, as thereafter collected, shall be set aside in a special bank account to be used only for the payment of such notes as they become due, unless other provision is made, pursuant to law, for the redemption of such notes. Any municipality may make budgetary appropriations for the redemption of such notes whether or not required or otherwise authorized by law to do so. In the event such an appropriation is made, such municipality shall not be required to pay into the special account the proceeds of the assessments, or the installment thereof, against which such notes were issued but such proceeds may be used in the manner provided by law or if there is no provision of law pertaining to the use of such proceeds, such proceeds shall be treated as surplus moneys for the fiscal year in which they are collected.

6. (a) Where a tax anticipation note issued pursuant to this paragraph is to be renewed by the issuance of a renewal note, and the assessments or installment thereof in anticipation of which it was issued have been levied, but remain uncollected, such renewal note shall not be issued

for an amount in excess of the amount of such assessments or installment thereof remaining uncollected at the time of such renewal, less the amount of any other outstanding tax anticipation notes issued in anticipation of the collection of such assessments or installment thereof; but in no event shall such a renewal note be issued for an amount in excess of the original amount of the note in renewal of which it is to be issued.

(b) Where a tax anticipation note issued pursuant to this paragraph is to be renewed, and the assessments or installment thereof in anticipation of which it was issued have not been levied, such renewal note shall not be issued for an amount in excess of the original amount of the note in renewal of which it is to be issued.

h. Tax anticipation notes may be issued by any municipality during any fiscal year thereof in anticipation of the levy or distribution of assessments for work or services if the expenditures for such work or services are financed from a fund into which are paid the proceeds of such notes and if such assessments are required to be collected in one installment and included in the tax roll for the fiscal year succeeding the fiscal year in which such notes were issued or in the tax roll for the second succeeding fiscal year. Any such municipality shall pay the proceeds of such assessments into any such fund. Notes issued pursuant to the provisions of this paragraph shall mature within one year from the date of their issuance and may be renewed from time to time but each renewal shall be for a period not to exceed one year and in no event shall such notes or the renewals thereof extend beyond the close of the second fiscal year succeeding the fiscal year in which such notes were issued. No such renewal note shall be issued for an amount in excess of the original amount of the note in renewal of which it was issued.

i. For the purpose of this section, taxes or assessments shall be deemed to be uncollected and not received by a municipality, school district or district corporation until cash is paid to such municipality, school district or district corporation for such taxes or assessments and such taxes or assessments are cancelled or the title to such taxes or assessments is transferred by such municipality, school district or district corporation, or until real property has been sold

for such taxes or assessments and has been acquired by such municipality, school district or district corporation and such municipality, school district or district corporation has realized cash by the sale of such real property. For the purpose of this section the term "taxes" or the term "assessments" shall not include interest or penalties upon uncollected taxes or assessments.

j. Notwithstanding any provision of any other law, general or special, a central high school district may issue tax anticipation notes in accordance with and subject to the provisions of this section applicable to a school district; provided, however, that the aggregate amount of taxes in anticipation of which a central high school district may issue tax anticipation notes shall not exceed the sum of the taxes levied or to be levied for central high school district purposes in each school district included within the central high school district and, provided further, that no such school district included within the central high school district shall be authorized to issue tax anticipation notes in anticipation of taxes levied or to be levied therein for central high school district purposes.