§ 25.00 Revenue anticipation notes. a. As used in this section:

1. The term "taxes" shall mean taxes other than real estate taxes.

2. The terms "rents," "rates" or "charges" shall mean sewer or water rents, rates or charges.

3. The term "moneys" shall mean moneys to be received from the state, the United States government or from the county as a portion of the distribution of the county sales and compensating use tax, and for special act public school districts enumerated in chapter five hundred sixty-six of the laws of nineteen hundred sixty-seven, as amended, shall also mean tuition payments to be received from public school districts and social services districts.

4. The term "other income" shall mean income derived from electric light and power plants or distribution systems, or other utility plants or distribution systems, or any other type of income producing facilities or operations owned and operated by a municipality or a district corporation.

5. The term "revenue" includes taxes, rents, rates, charges, moneys and other income.

b. (1) Revenue anticipation notes may be issued by any municipality, school district or district corporation in anticipation of: the collection or receipt of revenue, provided that each such note shall be issued only against a specific type of revenue, or for the purpose of renewing a previously issued revenue anticipation note.

(2) Notwithstanding the provisions of paragraph one of this subdivision, revenue anticipation notes may be issued by the city of New York for revenues receivable from state and federal governments on an overall basis, rather than by specific sources of revenue.

c. 1. Revenue anticipation notes may be issued during any fiscal year in which such taxes, rents, rates or charges or other income in anticipation of which such notes are issued become due and payable or

such moneys become due; however, such notes may be issued by a school district in anticipation of moneys to be received in a fiscal year during the two weeks prior to the commencement of such fiscal year.

2. In addition to the powers granted by subparagraph one of this paragraph c or by any other provision of this section, the city of New York may issue revenue anticipation notes in anticipation of a specific type of revenue, as defined in this sub-paragraph two, which is to be received or collected by such city in the fiscal year of such city commencing after the fiscal year during which such notes are issued, in an amount not exceeding the portion of such specific type of revenue estimated by the mayor of such city to be attributable to or based upon transactions or activities occurring during the months of April, May and June of the fiscal year during which such notes are issued, less the amount of such portion of such specific type of revenue so estimated by the mayor, which has actually been received or collected at the time of the issuance of such notes and the amount of any outstanding revenue anticipation notes issued against such portion of such specific type of revenue so estimated by the mayor. The proceeds of notes issued pursuant to this sub-paragraph two may be applied to any purposes or expenditures of the fiscal year of such city during which such notes are issued, including payment into the general fund of such city for use during such fiscal year, or for the redemption of notes in renewal of which such notes were issued. The provisions of paragraph d of this section shall not apply to revenue anticipation notes issued pursuant to this subparagraph two. As used in this subparagraph two, the term "revenue" shall mean any taxes, rents, rates, charges, moneys or other income as defined in paragraph a of this section, imposed, charged or received by such city pursuant to any state or local law heretofore or hereafter enacted and attributable to or based upon transactions or activities occurring in the months of April, May and June of a fiscal year during which revenue anticipation notes are issued by such city pursuant to this subparagraph two and which is to be received or collected by such city in the fiscal year commencing after such April, May and June, and shall include, but not be limited to: (a) taxes imposed under titles G, M, N, V of chapter forty-six of the administrative code of the city of New York with respect to which returns are required to be filed in

accordance with the provisions of subdivision (e) of section twelve hundred fifty-one of the tax law; (b) taxes imposed under titles P and Q of chapter forty-six of such code with respect to which returns are required to be filed on or before the twenty-fifth day of July, nineteen hundred sixty-five for the calendar month of June, nineteen hundred sixty-five; (c) taxes imposed by such city pursuant to chapter two hundred fifty-seven of the laws of nineteen hundred sixty-three as heretofore or hereafter amended or supplemented; (d) taxes imposed by such city by local laws adopted or amended after April eleventh, nineteen hundred sixty-five, pursuant to article twenty-nine of the tax law as heretofore or hereafter amended or supplemented; (e) taxes payable into the general fund of the city of New York pursuant to section two hundred sixty-one of the tax law as heretofore or hereafter amended or supplemented; (f) charges for the supply of water by such city in accordance with meter rates and minimum charges for such supply of water measured by meter, payable as prescribed by section 415 (1)-17.0 of the administrative code of the city of New York as heretofore or hereafter amended or supplemented; (g) the amounts payable to such city pursuant to subdivision two of section one hundred twelve-a of the highway law as heretofore or hereafter amended or supplemented; (h) the amounts payable into the general fund of such city pursuant to section eighty-nine of the state finance law as heretofore or hereafter amended or supplemented; and (i) taxes imposed by such city pursuant to chapter two hundred thirty-five of the laws of nineteen hundred fifty-two as heretofore or hereafter amended.

d. The total amount of revenue anticipation notes which a municipality, school district or district corporation may issue in anticipation of the collection or receipt of a specific type of revenue shall be determined in the following manner:

1. In a municipality, school district or district corporation in which an annual budget is prepared and adopted for a fiscal year prior to the commencement thereof, such amount shall be

(a) The amount of such specific type of revenue as estimated in the annual budget of such municipality, school district or district corporation for such fiscal year, or the amount of such specific type of

revenue recognized for the fiscal year preceding that for which such budget is to be or has been adopted, whichever amount is the smaller, less

(b) The amount of such specific type of revenue so estimated in such budget which has actually been received or collected at the time of the issuance of such notes, and the amount of any outstanding revenue anticipation notes issued against such specific type of revenue for the fiscal year for which such notes are to be issued. For such a municipality, school district or district corporation, the term "estimated amount" as used in paragraph g of this section shall mean the smaller amount determined in item (a) of this subdivision prior to the deductions required by this item.

The provisions of this subdivision shall not be applicable (1) where a specific type of revenue has not been estimated in such budget and in that case such amount shall be the amount of such revenue as is estimated by the chief fiscal officer to be recognized for the fiscal year for which such budget has been adopted, or (2) where a specific type of revenue has not been recognized for the entire fiscal year preceding that for which such budget has been adopted and in that case such amount shall be the amount, if any, of the specific type of revenue as estimated in the annual budget, less, in either case, the amount of such specific type of revenue which has actually been received or collected at the time of the issuance of such notes, and the amount of any outstanding revenue anticipation notes issued against such specific type of revenue for the fiscal year for which such notes are to be issued.

2. In a municipality, school district or district corporation in which an annual budget is not prepared or in which an annual budget is prepared for a fiscal year but is adopted subsequent to the commencement thereof, such amount shall be

(a) The amount of such specific type of revenue recognized for the fiscal year next preceding the fiscal year for which such notes are to be issued, or the amount of such specific type of revenue recognized for the second fiscal year preceding the fiscal year for which such notes are to be issued, whichever amount is the smaller, less

(b) The amount of such specific type of revenue for the fiscal year for which such notes are to be issued, which has actually been received or collected at the time of the issuance of such notes, and the amount of any outstanding revenue anticipation notes issued against such specific type of revenue for the fiscal year for which such notes are to be issued. For such a municipality, school district or district corporation, the term "estimated amount" as used in paragraph g of this section shall mean the smaller amount determined in item (a) of this subdivision prior to the deductions required by this item.

The provisions of this subdivision shall not be applicable where a specific type of revenue has not been recognized for the entire fiscal year next preceding the fiscal year for which such budget is to be or has been adopted and in that case such amount shall be the amount of such revenue as is estimated in such budget or, if there is no such estimate, then the amount of such revenue as is estimated by the chief fiscal officer to be recognized for the fiscal year for which such budget is to be adopted, less the amount of such specific type of revenue for the fiscal year for which such budget is to be or has been adopted which has actually been collected or received at the time of the issuance of such notes, and the amount of any outstanding revenue anticipation notes issued against such specific type of revenue.

* 3. Notwithstanding the provisions of subdivisions one and two of this paragraph, if the restrictions imposed therein upon the amount for which revenue anticipation notes may be issued against any specific type of revenue in any fiscal year shall cause undue hardship upon any municipality, school district or district corporation, any such municipality, school district or district corporation may apply to the state comptroller for authority to issue such notes in an amount not in excess of the amount of such specific type of revenue as estimated in the annual budget of, or contemplated to be collected or received by, any municipality, school district or district corporation for or during the fiscal year in which such taxes, rents, rates, charges or other income shall become due and payable or such moneys become due. Such application shall be in writing and shall be signed and verified by the chief fiscal officer of the municipality, school district or district corporation. The state comptroller shall prescribe the procedure in any

such proceeding and the information to be furnished to him necessary to make such determination. The state comptroller shall have power in any such proceeding to determine if such restrictions have caused, or will cause, an undue hardship upon any such municipality, school district or district corporation, and, if he so determines, then he shall have power to authorize any such municipality, school district or district corporation to issue such notes in an amount not in excess of the limitation hereinabove expressed in this subdivision, and such determination and authorization by the state comptroller shall be conclusive as to the amount of such notes which may be issued against any such specific type of revenue.

* NB There are 2 subdivision 3's of paragraph d

* 3. Notwithstanding any other provisions of this paragraph d in the city of New York such amount shall be

(a) The amount of such specific type of revenue consisting of revenue other than moneys, as is estimated in the annual budget of such city to be collected or received in the fiscal year for which such budget has been adopted, and the amount of such specific type of revenue consisting of moneys as is estimated in the annual budget of such city to be due in the fiscal year for which such budget has been adopted, less

(b) The amount of such specific type of revenue so estimated in such budget which has actually been received or collected at the time of the issuance of such notes, and the amount of any outstanding revenue anticipation notes issued against such specific type of revenue for the fiscal year in which such taxes, rents, rates, charges or other income become due and payable or in which such moneys become due. For the city of New York, the term "estimated amount" as used in paragraph g of this section shall mean the amount determined in item (a) of this subparagraph three prior to the deduction required by item (b) of this subparagraph three.

The provisions of this subparagraph three shall not be applicable where a specific type of revenue has not been estimated in such budget and in that case such amount shall be the amount of such specific type of revenue consisting of revenue other than moneys, as is estimated by the mayor to be collected or received in the fiscal year for which such budget has been adopted, and the amount of such specific type of revenue

consisting of moneys as is estimated by the mayor to be due in the fiscal year for which such budget has been adopted, less the amount of such specific type of revenue which has actually been received or collected at the time of the issuance of such notes, and the amount of any outstanding revenue anticipation notes issued against such specific types of revenue for the fiscal year in which such taxes, rents, rates, charges or other income become due and payable or in which such moneys become due.

* NB There are 2 subdivision 3's of paragraph d

4. Whenever this paragraph requires a determination or estimate of the amount of a specific type of revenue recognized or to be recognized for a fiscal year, such determination or estimate shall be made in conformance with the basis of accounting used by the municipality, school district or district corporation to prepare the most recent annual financial report filed pursuant to section thirty of the general municipal law.

d-2. The provisions of paragraph d of this section shall not be applicable to revenue anticipation notes issued in anticipation of the receipt of moneys from the federal government pursuant to title one of the housing act of nineteen hundred forty-nine, as amended.

e. The proceeds of revenue anticipation notes shall be used only for the purpose of (1) meeting expenditures payable from the type of revenue in anticipation of which such notes were issued, or (2) for the redemption of notes in renewal of which such notes were issued.

f. Revenue anticipation notes shall mature within one year and may be renewed from time to time, but each renewal shall be for a period not exceeding 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. Such notes shall not be renewed in an amount in excess of the difference between the amount of the uncollected or unreceived revenue in anticipation of which they were issued and the amount of any other outstanding revenue anticipation notes issued in anticipation of the collection or receipt of such

revenue.

g. Whenever the amount of revenue anticipation notes issued for a fiscal year against a specific type of revenue shall equal the estimated amount of such specific type of revenue in anticipation of the collection or receipt of which such notes shall have been issued, less the amount of such revenue actually received or collected, all of such revenue, as thereafter received or collected, shall be set aside in a special bank account to be used only for the payment of such revenue anticipation notes as they become due. Any municipality, school district or district corporation may make budgetary appropriations for the redemption of revenue anticipation 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 specific type of revenue 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.

h. Notwithstanding the provisions of paragraph b of this section any municipality, school district or district corporation may issue a single revenue anticipation note in anticipation of the collection or receipt of any number of, or all, specific types of revenue, providing that the amount of indebtedness to be contracted against each specific type of revenue shall be stated in the resolution or certificate authorizing the issuance of such note, and such amount shall not exceed the respective amounts of indebtedness which could be contracted against each specific type of revenue under any other paragraph of this section. The proceeds of any such single revenue anticipation note shall be severable according to the specific types of revenue against which indebtedness has been therein contracted and shall be treated in the same manner as the proceeds of separate revenue anticipation notes, each of which was issued against a specific type of revenue, would have been applied. Any municipality, school district or district corporation which issues any such single revenue anticipation note shall comply with the provisions

of paragraph g of this section, except that for the purposes of such paragraph (1) any such single revenue anticipation note shall be treated as a group of separate revenue anticipation notes, each issued against a specific type of revenue, and (2) the amount issued against each specific type of revenue shall be the amount stated in the resolution or certificate authorizing the issuance of any such single revenue anticipation note. The municipality, school district or district corporation shall keep proper records which will show at all times the unpaid balances due on any such single revenue anticipation note according to the types of revenue against which such note was issued.

i. (a) A board of cooperative educational services may issue revenue anticipation notes, as authorized by paragraph g of subdivision four of section nineteen hundred fifty of the education law, in anticipation of money to be received from the state, the United States government, and from its component school districts for services or for administrative and clerical expenses.

(b) For the purposes of this subdivision i, and for the purposes of sections 30.00 and 39.00 and titles four, five, six and twelve of this chapter, the board of cooperative educational services shall be the finance board, its president shall be its chief fiscal officer, and its fiscal year shall be the fiscal year of its component school districts; provided, further, that the provision of section 162.00 of this chapter shall be applicable to revenue anticipation notes issued under this subdivision.

j. 1. The provisions of this paragraph shall apply only to revenue anticipation notes, including renewals thereof, issued by the city of Buffalo during its fiscal years ending June thirtieth, in each of the years nineteen hundred eighty-four, nineteen hundred eighty-five, nineteen hundred eighty-six, nineteen hundred eighty-seven, and nineteen hundred eighty-eight, in anticipation of the receipt of state aid and local assistance, and only to such issues of revenue anticipation notes as to which the certificate described in subdivision three of this paragraph is filed.

2. Each issue of revenue anticipation notes shall be issued only in

anticipation of the receipt of a specific type or types of state aid and local assistance, provided that the amount of indebtedness to be contracted for each such specific type of state aid and local assistance shall be stated in the proceedings authorizing the issuance of such notes. Except as provided in subdivision eight of this paragraph, revenue anticipation notes shall be payable only at the office of a bank or trust company designated as the paying agent thereof in accordance with this chapter. Revenue anticipation notes, including renewals thereof, shall mature not later than the last day of the fiscal year of such city in which such notes were originally issued. The proceedings authorizing revenue anticipation notes may include provisions, which shall constitute a covenant by such city with the purchasers and holders and owners from time to time of such notes, limiting the power of the city to authorize and issue additional notes during the then current fiscal year of such city in anticipation of the same specific type or types of state aid and local assistance as the notes authorized by such proceedings.

3. Prior to the delivery of each issue of revenue anticipation notes, the chief fiscal officer of such city shall file with the state comptroller a certificate setting forth with respect to such issue (i) the principal amount, (ii) the date of issue, (iii) the maturity date, (iv) the interest rate or rates, (v) if interest shall be payable otherwise than at maturity, the date or dates for the payment thereof, (vi) the name and address of the paying agent, (vii) the name and address of each purchaser, or if a purchaser shall be a syndicate or similar account, the name and address of each managing underwriter of such syndicate or similar account, (viii) the amount payable on each principal payment date and interest payment date, (ix) a description of the type or types of state aid and local assistance in anticipation of which such revenue anticipation notes are being issued and, if more than one type of state aid and local assistance is involved, the amount of indebtedness being contracted against each specific type of state aid and local assistance, and (x) a schedule setting forth the total amount of each such type or types of state aid or local assistance anticipated to be received, and the expected date or dates of anticipated receipt of such state aid or local assistance.

Such certificate shall be accompanied by a statement executed by the chief fiscal officer of such city certifying that, with respect to any specific type or types of state aid or local assistance referred to therein which is not required by law to be paid by the state on a fixed date or dates, the city of Buffalo will effectuate procedures by which any claim or request on which such payment is conditioned will be timely submitted so that payment can be made by the state in accordance with the schedule contained in such certificate as item (x). Such statement shall also contain a certification that the amounts and times of payments of state aid and local assistance contained in such schedule have been estimated by the use of reasonable and appropriate data and methods of estimation, all in accordance with applicable law.

4. All revenue anticipation notes, in addition to a pledge of the faith and credit of such city for the payment thereof, shall contain a recital to the effect that they are entitled to the benefits of the provisions of this paragraph.

5. Commencing on the date not less than five days prior to and on each day thereafter up to and including any principal and/or interest payment date referred to in the certificate filed by the chief fiscal officer of the city with the state comptroller pursuant to subdivision three of this paragraph, the state comptroller shall pay to such paying agent from moneys as provided in subdivision six of this paragraph the amount required to pay in full the principal and/or interest due on such payment date as set forth in such certificate. Moneys so paid shall pass immediately from the state and vest in such paying agent in trust for the benefit of the holders of the revenue anticipation notes to which such certificate relates. No other person having any claim of any kind in tort, contract or otherwise against such city shall have any right to or claim against the moneys held by such paying agent, and such moneys shall not be subject to any order, judgment, lien, execution, attachment, setoff or counterclaim by any such other person. Such moneys shall be held by such paying agent in a separate trust account and shall be applied only to the payment of the principal and/or interest due on such revenue anticipation notes, provided, however, that the contract by

and between such city and such paying agent may provide for (i) the investment by such paying agent of such moneys in direct obligations of or in obligations guaranteed by the United States of America, provided such obligations shall be payable or redeemable at the option of the holder within such time as the proceeds shall be needed to pay such principal and/or interest due on such revenue anticipation notes, and (ii) the use by such paying agent of such moneys for the purchase of direct obligations of or obligations guaranteed by the United States of America under one or more repurchase agreements with any bank or trust company having its principal office in the state of New York, provided that any such repurchase agreement shall provide for the repurchase of such obligations within such time as such moneys are needed to pay the principal and/or interest due on such revenue anticipation notes at a repurchase price at least sufficient to make the amount so invested available for the payment of principal and/or interest due on such revenue anticipation notes, and provided, further, that, at the time of such purchase, the market value of such obligations shall be at least equal to one hundred two per centum of the amount so invested. No person having any claim of any kind in tort, contract or otherwise against such city shall have any right to or claim against any moneys of the state appropriated by the state and in anticipation of which such notes have been issued, other than a claim for payment by the holders of such notes, and such moneys shall not be subject to any order, judgment, lien, execution, attachment, setoff or counterclaim by any such person; provided, however, that nothing contained in this paragraph shall be construed to limit, impair, impede or otherwise adversely affect in any manner the rights or remedies of the purchasers and holders and owners of any bonds or notes of the state or any agency, instrumentality, public benefit corporation or political subdivision thereof, including the city of Buffalo, under which such purchasers and holders and owners have any right of payment of such bonds or notes by recourse to state aid or local assistance moneys held by the state and with respect to which the state has covenanted with such purchasers and holders and owners that it will not repeal, revoke or rescind any provision of law or amend or modify the same so as to limit, impair or impede any such rights or remedies. Notwithstanding any provision of law to the contrary, no instrument relating to any transaction authorized or

contemplated by this paragraph need be filed under the provisions of the uniform commercial code.

6. Commencing on the day when the state comptroller determines that the principal and interest due or to come due on the outstanding revenue anticipation notes issued for a fiscal year against a specific type or types of state aid or local assistance pursuant to this paragraph shall equal ninety percent of the amount of such specific type of state aid or local assistance as set forth on the schedule included in the certificate filed with him pursuant to subdivision three of this paragraph remaining to be paid to such city on or prior to any principal and/or interest payment date, the state comptroller shall deduct and withhold from the amount appropriated for each such specific type of state aid and local assistance otherwise payable to such city an amount sufficient to pay, when due, the principal of and interest on all such revenue anticipation notes issued and then outstanding in anticipation thereof. Amounts so deducted and withheld shall be transferred and credited by the state comptroller to the account established for such specific state aid or local assistance in the state aid and local assistance revenue withholding fund established pursuant to section ninety-two-l of the state finance law, at such time as any payment of each such specific type of state aid or local assistance is scheduled, by law or otherwise, to be made to such city. In each case, the payments required to be made by the state comptroller pursuant to subdivision five of this paragraph shall be made from amounts on deposit in the accounts established for each such specific type of state aid and local assistance in the state aid and local assistance revenue withholding fund. Whenever any issue of revenue anticipation notes has been issued in anticipation of more than one specific type of state aid and local assistance as authorized by subdivision two of this paragraph, each such payment shall be made from each separate account according to the principal amount of indebtedness contracted against each specific type of state aid and local assistance.

7. The state of New York hereby covenants with the holders from time to time of revenue anticipation notes issued by such city that it will not repeal, rescind or revoke the provisions of this paragraph or the

provisions of section ninety-two-l of the state finance law or amend or modify the same as to limit, impair or impede the rights and remedies granted hereby to such holders, provided, however, that nothing in this paragraph contained shall be deemed or construed as giving or pledging the credit of the state or as requiring the state to continue the payment of any specific type or types of state aid or local assistance to such city or as limiting or prohibiting the state from repealing or amending any law heretofore or hereafter enacted relating to state aid and local assistance to such city, the manner and time of payment or apportionment thereof, or the amount thereof, nor shall such revenue anticipation notes be a debt of the state and the state shall not be liable thereon.

8. Notwithstanding any other provision of this paragraph, at the expiration of one hundred eighty days after the maturity date of any issue of revenue anticipation notes issued hereunder, the amounts held by the paying agent thereof for the payment of the principal of and interest on the notes of such issue which have not been presented for payment shall be paid over and remitted by such paying agent to such city and thereafter the holders of such notes shall look only to such city for such payment.

9. All other provisions of this chapter not inconsistent with the provisions of this paragraph shall continue to apply to the authorization and issuance of revenue anticipation notes by such city.

k. 1. A special act public school district may issue revenue anticipation notes or obtain letters of credit in anticipation of moneys to be received from the state, the United States government and from public school districts or social services districts which place students in the special act public school district.

2. For the purposes of this paragraph, and for the purposes of sections 30.00 and 39.00 and titles four, five, six and twelve of this article, the board of education shall be the finance board and its president shall be its chief fiscal officer; provided, further, that section 162.00 of this article shall be applicable to revenue

anticipation notes issued under this paragraph.