*** § 29.10 Issuance of land installment purchase obligations.** 1. A municipality is hereby authorized and empowered to issue land installment purchase obligations for the purpose of financing the acquisition of interests or rights in real property for which the municipality has contracted, pursuant to section two hundred forty-seven of the general municipal law, together with the preliminary and incidental costs of such acquisition. Such obligations shall be authorized by a statement made in a bond resolution authorizing the issuance of bonds to finance such acquisition. Such statement shall provide that all or a portion of the indebtedness for such purpose may be issued in the form of a land installment purchase obligation. Any portion of the estimated maximum cost of the object or purpose for which the issuance of bonds has been authorized that is not financed with the issuance of a land installment purchase obligation may be financed through the issuance of bonds or bond anticipation notes.

2. Each land installment purchase obligation shall state the dates of commencement and maturity, which shall establish a term no longer than the period of probable usefulness of the interests or rights to be acquired. Each land installment purchase obligation shall provide that the municipality shall be vested with title and ownership of such interests or rights and shall be entitled to possession of the interests or rights to be acquired. A land installment purchase obligation may include such other terms related to the acquisition or possession of such interests or rights as may be necessary or convenient.

3. Payments under a land installment purchase obligation shall be in semi-annual or annual installments, as provided in the land installment purchase obligation, commencing within one year of the start of the term, provided that only one such installment scheduled in any fiscal year of a municipality may contain a principal component. The interest and principal components of each installment shall be identified therein and shall be made at the same times and in the same amounts as would be permitted if the land installment purchase obligation were issued in the form of a serial bond or a sinking fund bond, provided that if the municipality elects to schedule such payments at the same times and in the same amounts as would be permitted if the land installment purchase

agreement were a sinking fund bond, section 22.10 of this chapter shall apply, and the owner of such land installment purchase agreement shall be considered a bondholder for purposes of said section, provided, however, that no such owner shall have any lien, trust or other interest in moneys held by the state comptroller until the scheduled installment date on which such amounts are to be paid. The first such installment shall be sufficient to pay interest on the land installment purchase obligation accruing prior to the date of the installment.

4. The obligation to make installment payments under a land installment purchase obligation shall be a faith and credit obligation of the issuer thereof and shall constitute indebtedness under this chapter to the same extent as if issued in the form of bond bearing interest in the amount of the interest component of each such installment.

5. Any municipality may negotiate the terms of a land installment purchase obligation with the owner of such interests or rights and the finance board may delegate the power to set the terms of and sell such land installment purchase obligation to such owner to the chief financial officer, provided that any such delegation pursuant to this sentence shall not include the power to negotiate the price of land which is the subject of such land installment purchase obligation. Before executing any such agreement, the finance board of the municipality shall adopt a resolution determining such agreement is in the prudent financial interest of the municipality and stating the basis of that determination.

6. A land installment purchase obligation issued by a municipality shall be restricted from transfer and may not be the subject of certificates of participation, unless explicitly agreed to by the parties.

7. The interest paid pursuant to a land installment purchase obligation shall be exempt from taxation for municipal and state purposes. Section 161.00 of this chapter shall not apply to land installment purchase obligations.

* NB Repealed July 31, 2031