CHAPTER 424

AN ACT in relation to the financial affairs and management of municipalities, school districts and district corporations, constituting chapter thirty-three-a of the consolidated laws

Became a law April 12, 1942, with the approval of the Governor. Passed, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

LOCAL FINANCE LAW

CHAPTER THIRTY-THREE-a OF THE CONSOLIDATED LAWS

ARTICLE I
SHORT TITLE; DEFINITIONS

§ 1.00 Short title. This act shall be known and may be cited as the "Local Finance Law."

§ 2.00 Definitions. As used in this chapter:

1. The term "municipality" shall mean a county, city, town or village.

2. The term "school district" shall mean any school district, except the school districts of the cities of New York, Buffalo, Rochester, Syracuse and Yonkers.

2-a. The term "city school district" shall mean the city school district of a city having less than one hundred twenty-five thousand inhabitants, according to the latest federal census.

2-b. The term "school district in a city" shall mean any school district which is coterminous with, or partly within, or wholly within, a city having less than one hundred twenty-five thousand inhabitants, according to the latest federal census.

2-c. The term "board of cooperative educational services" shall mean any board of cooperative educational services, as defined in section nineteen hundred fifty of the education law, and such board shall, solely for the purpose of contracting indebtedness pursuant to section 25.00 of this chapter, be deemed to be a school district.

3. The term "district corporation" shall mean

(a) A fire district

(b) A river improvement, river regulating or drainage district established by or under the supervision of the department of conservation, or

(c) Any other territorial division of the state, other than a municipality or a school district, which as of December thirty-first, nineteen hundred thirty-eight, possessed the power to

(1) Contract indebtedness in its own name, and

(2) Levy taxes or benefit assessments upon real estate or require the levy of such taxes or assessments.

4. The term "finance board" shall mean

(a) In the case of counties, the board of supervisors.

(b) In the case of cities:

(1) The board of estimate, board of estimate and apportionment or board of estimate and contract in any city in which, as of the effective date of this chapter, such body had the power to authorize the issuance of bonds or notes without the approval, in any case, of the council, common council or board of aldermen.

(2) The council, common council or board of aldermen in any city in which, as of the effective date of this chapter, such body had the power to authorize the issuance of bonds or notes without the approval, in any case, of the board of estimate or board of estimate and apportionment or board of estimate and contract.

(3) The council, common council or board of aldermen and the board of estimate, board of estimate and apportionment or board of estimate and contract, in any city in which, as of the effective date of this chapter, the council, common council or board of aldermen had the power to authorize the issuance of all bonds or notes or bonds or notes for certain objects or purposes only with the approval of the board of estimate, board of estimate and apportionment or board of estimate and contract. In such a city, action by the finance board shall be initiated by the council, common council or board of aldermen.

(c) In the case of towns, the town board.

(d) In the case of villages, the village board.

(e) In the case of school districts, the board of education or board of trustees; in the case of common school districts having one trustee, such trustee.

(f) In the case of district corporations, the governing board or body, except that in the case of river regulating districts the action of the governing board or body thereof shall be subject to the approval of the water power and control commission in relation to the authorization, term, form and contents of bonds and capital notes.

Nothing contained in this subdivision shall be construed to affect the power of (a) the executive of a county to veto the acts of the board of supervisors or (b) the executive of a city to veto the acts of the council, common council or board of aldermen, or of the board of estimate, board of estimate and apportionment or board of estimate and contract, when such bodies are acting alone or jointly or (c) the executive of a village to veto the acts of the board of trustees.

5. The term "chief fiscal officer" shall mean:

(a) (1) In the case of counties operating under (1) an alternative form of county government or charter enacted as a state statute or adopted under the alternative county government law or by local law, or (2) the optional county government law, the official designated in such statute, consolidated law or local law as the chief fiscal officer, or, if no such designation is made therein, the official possessing powers and duties similar to those of a county treasurer under the county law as shall be designated by local law.

(2) In the case of counties not included in subparagraph (1) of this paragraph, the treasurer, except that, in the case of such counties having a comptroller, it shall mean the comptroller.

(b) In the case of cities, the comptroller; if a city does not have a comptroller, the treasurer; if a city has neither a comptroller nor a treasurer, such official possessing powers and duties similar to those of a city treasurer as the finance board shall, by resolution, designate. A certified copy of such designation shall be filed with the state comptroller and shall be a public record.

(c) In the case of towns, the town supervisor; if a town has more than one supervisor, the presiding supervisor.

(d) In the case of villages, the village treasurer.

(e) In the case of school districts, the chairman or president of the school board; in the case of common school districts having a sole trustee, such trustee.

(f) In the case of fire districts, the district treasurer; in the case of other district corporations, such official as the finance board shall, by resolution, designate. A certified copy of such designation shall be filed with the state comptroller and shall be a public record.

5-a. The term "chief executive officer" shall mean:

(a) In the case of counties, the chairman of the board of supervisors, except that in those counties having a county administrator, director, executive, manager or president, it shall mean such latter officer.

(b) In the case of cities, the mayor, except that in those cities having a city manager, it shall mean such city manager.

(c) In the case of towns, the supervisor or presiding supervisor.

(d) In the case of villages, the mayor, except that in those villages having a president or manager, it shall mean such latter officer.

(e) In the case of school districts, the chairman or president of the school board; in the case of common school districts having a sole trustee, such trustee.

(f) In the case of fire districts, the chairman of the board of commissioners; in the case of other district corporations, the chairman of the board of commissioners or other comparable officer of the finance board of such district corporation.

6. The term "obligations" shall mean bonds or notes.

7. The term "average assessed valuation" shall mean the average assessed valuation of the real property within a municipality, school district or fire district subject to taxation for any purpose by such municipality, school district or fire district as determined by averaging the assessed valuation of such real property in the last completed assessment roll and the four preceding assessment rolls of such municipality, school district or fire district. If less than five assessment rolls have been prepared for a municipality, school district

or fire district, the average assessed valuation shall be determined by averaging the assessed valuation in the last completed assessment roll and all the preceding assessment rolls of such municipality, school district or fire district. For the purpose of contracting indebtedness or for the purpose of preparing debt statements, the assessment rolls referred to in this subdivision shall mean such assessment rolls as completed, verified and filed by the assessors.

7-a. The term "average full valuation" shall mean the valuation of taxable real estate of a municipality or of a school district in a city which is derived by dividing the assessed valuations of taxable real estate on the last completed and the four preceding assessment rolls by the equalization rates established by the authorized state officer or agency for such rolls or, in the case of school districts, by the city and town rates so established for the rolls on which the school district rolls were based. In a county the average full valuation of taxable real estate thereof shall be derived by dividing the assessed valuations of taxable real estate on the last completed and four preceding assessment rolls of the cities and towns therein by the equalization rates established for such rolls; provided, however, in a county having a county department of assessment the state equalization rates established for the cities and towns therein on the basis of the county roll shall be applied to the appropriate portions of the county roll. The sum of the quotients thus obtained shall be divided by five. In such computations the last completed assessment roll shall be the latest roll for which a state equalization rate shall have been established, or in the case of school districts the last completed assessment roll thereof shall be the latest school district roll for all parts of which the equalization rates to be applied thereto shall have been established. In addition to the foregoing, where real estate on the assessment roll is partially exempt under the provisions of title two-a of article four of the real property tax law, an assessment roll shall not be deemed to be completed until a railroad ceiling, or, if a railroad ceiling has not been certificated, an estimated railroad ceiling established in accordance with the provisions of such title shall have been applied thereto.

Where, after the creation of a new municipality or school district in a city, or after a consolidated school district shall have been created by the consolidation of a school district in a city and one or more other school districts.

1. There is no completed assessment roll or rolls of the municipality or school district as so created, the average full valuation of taxable real estate thereof shall be determined from the last completed assessment roll or rolls upon which the real estate included in the municipality or school district was assessed for city, town or school district purposes, as the case may be, or

2. There are assessment rolls of the municipality or school district as so created which have been completed for at least one year but less than five years, the average full valuation of the taxable real estate of the municipality or school district shall be determined from the last completed assessment roll or rolls and the preceding assessment roll or rolls, if any, of the municipality or district, which were completed after such creation.

Where, after the boundaries of a municipality or school district in a city shall have been altered so that real estate subject to taxation for municipal or school district purposes, as the case may be, shall have been thereby added to or subtracted from the area of the municipality or school district,

1. There is no completed assessment roll of the municipality or school district as so altered, the average full valuation of the taxable real estate of the municipality or school district shall be determined from the last completed assessment roll or rolls and the four preceding assessment rolls upon which the real estate included in the municipality or school district after such alteration was assessed prior to such alteration for city, town or school district purposes, as the case may be, or

2. There are assessment rolls of the municipality or school district as so altered which have been completed for at least one year but less

than five years, the average full valuation of taxable real estate of the municipality or school district shall be determined from the last completed assessment roll or rolls and the four preceding assessment rolls upon which the real estate included in the municipality or school district after such alteration was assessed prior to such alteration for city, town or school district purposes, as the case may be.

For the purpose of contracting indebtedness or for the purpose of preparing debt statements, the assessment rolls referred to in this subdivision shall mean such assessment rolls as completed, verified and filed by the assessors.

8. The terms "real property" or "real estate" shall mean such terms as defined in section two of the tax law, as amended from time to time.

9. The term "capital improvement" shall mean:

(a) Any physical public betterment or improvement or any preliminary studies and surveys relative thereto, or

(b) Land or rights in land, or

(c) Any furnishings, machinery, apparatus or equipment for any physical betterment or improvement when such betterment or improvement is first constructed or acquired, or

(d) Any combination of items (a), (b) and (c).

10. The term "annual budget" shall mean the annual budget or estimate, as finally adopted, of a municipality, school district or district corporation which is required by law to adopt an annual budget or estimate of the expenditures to be made during a current or ensuing fiscal year for the general support or for the expenses of the government of such municipality, school district or district corporation during such fiscal year.

11. The term "budgetary appropriation" shall mean an appropriation for a specific object or purpose in the annual budget as finally adopted or in the annual ordinance, resolution or local law of a municipality, school district or district corporation making appropriations for the general support or expenses of the government thereof, which

appropriation is to be paid from taxes or assessments or from other current revenues or from the proceeds of notes issued in anticipation of the collection of such taxes, assessments or other current revenues.

12. The term "voting strength" shall mean the aggregate number of votes which all the members of the finance board are entitled to cast. If the finance board consists of more than one body, the term shall mean, in relation to each body, the aggregate number of votes which all the members of such body are entitled to cast.

13. The term "housing authority" shall mean an "authority" as that term is defined in section three of the public housing law, as amended from time to time.

14. The term "local share of safety net assistance" shall mean that term as defined in section ninety-three of the social services law, as amended from time to time.

15. The terms "solvent fund or system" or "solvent," in referring to a pension or retirement system or fund, shall mean a pension or retirement system or fund which is on an actuarial reserve basis with current payments to the reserve adequate to provide for all current accruing liabilities.

16. The term "assessment" shall mean any charge based in whole or in part on benefits (other than real estate taxes, water or sewer charges, rents or rates) against a parcel of real property for any capital improvement, for any work or service, for operation and maintenance, or for debt service.

17. The term "resolution" shall mean resolution, act or ordinance.

18. The term "renewal" as applied to a note, shall mean a note the date of payment of which has been extended or a note issued for the purpose of securing money for the redemption of an outstanding note. The proceeds of such renewal note shall be applied only to the redemption of the note for the renewal of which it was issued.

19. The term "fiscal year" shall mean the fiscal year provided by law for a municipality, school district or district corporation, or if no fiscal year is so provided, such fiscal year as shall be determined by resolution of the finance board of such municipality, school district or district corporation. A statement of such determination shall be filed with the state comptroller and shall be a public record.

20. The term "class," as applied to the terms "objects or purposes", "capital improvements" or "equipment", shall mean an unspecified number of items, the description of which is contained in a single subdivision, other than subdivision thirty-five of paragraph a of section 11.00 of this chapter, notwithstanding the fact that such subdivision may be drafted in the singular number.

21. The term "full valuation", when used in relation to real property subject to taxation by a school district, shall mean the valuation which is derived by dividing the appropriate portions of the assessed valuation of the real property concerned, as shown by the last completed assessment roll of the school district, by the city and town equalization rates established by the authorized state officer or agency for the rolls on which such school district roll was based. Where, in the case of a newly created school district, there is no completed assessment roll of such school district in existence, full valuation shall be determined from the last completed assessment roll or rolls upon which the real property included within the district was assessed for school purposes prior to such creation. In such computations the last completed assessment roll shall be the latest roll for all parts of which the equalization rates to be applied thereto shall have been established. In addition to the foregoing, where real estate on the assessment roll is partially exempt under the provisions of title two-a of article four of the real property tax law, an assessment roll shall not be deemed to be completed until a railroad ceiling, or, if a railroad ceiling has not been certificated, an estimated railroad ceiling established in accordance with the provisions of such title shall have been applied thereto.

21-a. The term "full valuation", when used in relation to real property subject to taxation by a fire district, shall mean the valuation which is derived by dividing the assessed valuation of the real property concerned, as shown by the last completed assessment roll for the fire district, by the town equalization rate established by the authorized state officer or agency for such roll. Where, in the case of a newly-created fire district, there is no completed assessment roll for such fire district, full valuation shall be determined from the last completed assessment roll upon which the real property included within the district was assessed for town purposes prior to such creation. Where, after the boundaries of a fire district shall have been changed so that real property subject to taxation for fire district purposes shall have been thereby added to or subtracted from the area of the fire district, there is no completed assessment roll for the fire district as so changed, full valuation shall be determined from the last completed assessment roll upon which the real property included in the fire district after such change was assessed prior to such change for town or fire district purposes, as the case may be. For the purpose of contracting indebtedness or for the purpose of preparing debt statements, the assessment rolls referred to in this subdivision shall mean such assessment rolls as completed, verified and filed by the assessors. Where two or more fire districts consolidate to form one fire district the consolidated fire district, for the purpose of this subdivision, shall not be deemed a newly-created fire district, but shall be deemed an existing fire district and its full valuation shall be determined accordingly.

22. The term "specific" as applied to the terms "object or purpose", "capital improvement" or "equipment" shall mean a single item, or a specified number of items, the description of which is contained in a single subdivision of paragraph a of section 11.00 of this chapter.

23. Urban renewal. The term "urban renewal" shall mean that term as defined in the general municipal law.

24. The term "financially responsible party" shall mean a person or persons other than the issuer, as determined by the finance board, or in

the case of the city of New York, the mayor and the comptroller, to have sufficient net worth and liquidity to (a) purchase and pay for on a timely basis, under the terms of an agreement with the issuer, all of the bonds and notes which may be tendered for repurchase or redemption pursuant to the terms of the bonds or notes by the holders thereof, or (b) advance funds on a timely basis on behalf of a municipality, school district or district corporation to pay bonds, notes or other evidences of indebtedness of such public body on their date or dates of maturity or redemption.

25. The term "governing body" of a municipality or school district shall mean the finance board or its duly authorized designee pursuant to section 56.00 of this chapter.

26. The term "interest" shall mean any payments, however designated, for the use of borrowed money. Interest shall include, but not be limited to, accretions to the value of bonds, notes or other obligations in amounts projected as of their dates of issuance, capital appreciation to bonds, notes or other obligations in amounts projected as of their dates of issuance and any similar payments whether scheduled to be made periodically or at the maturity or prior redemption of bonds, notes or other obligations.

27. The term "face value at maturity" shall mean all interest, principal and other payments due to the holders of bonds, notes or other obligations at their maturity or prior redemption, provided however, that current interest on bonds, notes or other obligations on which interest is payable at least annually shall be excluded.

ARTICLE II
LOCAL INDEBTEDNESS

TITLE 1. POWER TO CONTRACT INDEBTEDNESS AND PERIODS OF PROBABLE USEFULNESS

Section 10.00 Power of municipalities, school districts and district

§ 10.00 Power of municipalities, school districts and district corporations to contract indebtedness. In addition to the power to contract indebtedness pursuant to sections 24.00, 25.00, 25.10, 29.00 and 29.20 of this article, a municipality, school district or district corporation shall have the power to contract indebtedness respectively for any municipal, school district or district corporation object or purpose set forth in paragraph a of section 11.00 of this title, or for a class of such objects or purposes when authorized under the provisions of section 31.00 of this article, if it is authorized by law to expend money for or to accomplish such object or purpose; provided, however, that it shall not be able to contract indebtedness to a greater extent than it is authorized by law to spend money for such object or purpose or class of such objects or purposes and provided also that this section shall not relieve any such unit of government of any duty imposed by law to include in its annual budget or tax levy or otherwise to pay from current funds all or part of any expenditure that it may make for such object or purpose or class of such objects or purposes.

§ 10.10 Municipalities and school districts authorized to incur debt to liquidate operating deficits; requirements and procedures; period of probable usefulness. In the case of a municipality or school district that is authorized by a special or general law to incur debt to liquidate an operating deficit:

a. no bonds to fund the liquidation of such a deficit may be issued unless and until the state comptroller shall first review and confirm the existence of the deficit, as well as certify the amount of the deficit. As soon as practicable after the effective date of the law authorizing the incurrence of debt to fund the deficit, but in no event prior to the close of the then current fiscal year of the municipality in the case of a projected deficit, the municipality or school district shall prepare a report detailing the amount and cause of the deficit and submit to the state comptroller such report, together with the municipality's or school district's independent audit report for its last completed fiscal year, if any such audit report has been or is to be prepared, and such other information as the state comptroller may deem necessary. Within thirty days after receiving all necessary reports and information, the state comptroller shall:

1. perform such reviews as may be necessary;

2. confirm the existence and certify the amount of the deficit; and

3. provide notification to the finance board of the municipality or school district as to the existence and amount of any such deficit.

b. bonds to liquidate such deficit may not be issued in an amount exceeding the amount of such deficit as certified by the state comptroller. If the municipality or school district issues bond anticipation notes for the purpose of liquidating such deficit prior to a determination by the state comptroller pursuant to paragraph a of this section in an amount in excess of the amount of such deficit as confirmed by the state comptroller, the municipality or school district shall, from funds other than proceeds of bonds or bond anticipation notes, either redeem such bond anticipation notes in the amount by which the amount of such bond anticipation notes exceeds the amount of such deficit as confirmed by the comptroller or deposit a sum equal to the amount by which such bond anticipation notes exceed the amount of such deficit as confirmed by the comptroller into a reserve fund for the payment of bonded indebtedness that shall be established pursuant to section six-h of the general municipal law.

c. for each fiscal year occurring during the time deficit bonds or bond anticipation notes issued in anticipation of the sale of such bonds are outstanding, up to and including the last fiscal year during which such debt or debt issued to refund such debt is outstanding, the chief fiscal officer of the municipality or school district on whose behalf such deficit bonds or notes have been issued shall monitor budgets of the municipality or school district and for each budget, prepare a quarterly report of summarized budget data depicting overall trends of actual revenues and budget expenditures for the entire budget rather than individual line items. Such reports shall compare revenue estimates and appropriations as set forth in such budget with the actual revenues and expenditures made to date. All quarterly reports shall be accompanied by a recommendation by the chief executive officer of the municipality or school district setting forth any remedial action necessary to resolve any unfavorable budget variance including the overestimation of revenues and the underestimation of appropriations, and shall be completed within thirty days of the end of each quarter. The chief fiscal officer shall also prepare, as part of such report, a quarterly trial balance of general ledger accounts. The above quarterly budgetary reports and quarterly trial balances shall be prepared in accordance with generally accepted accounting principles. These reports shall be submitted to the governing board and chief executive officer of such municipality or school district, the state director of the budget, the state comptroller, the chair of the assembly ways and means committee, the chair of the senate finance committee and, in the case of a school district, the commissioner of education.

d. beginning with the fiscal year during which the municipality or school district is authorized to incur debt to finance the deficit, to and including the last fiscal year during which such debt or any debt incurred to refund such debt is outstanding, the chief executive officer or other individual or individuals responsible for the preparation of the tentative budget, or in the case of a town, the preliminary budget, shall submit the tentative or preliminary budget for the next succeeding fiscal year to the state comptroller and, in the case of a school district, also to the commissioner of education, no later than thirty days before the date scheduled for the governing board's vote on the adoption of the final budget or the last date on which the budget may be finally adopted, whichever is sooner. The state comptroller and, in the case of a school district, the commissioner of education, shall examine such proposed budget and make such recommendations as deemed appropriate thereon to the municipality or school district prior to the adoption of the budget, but no later than ten days before the date scheduled for the governing board's vote on the adoption of the final budget or the last date on which the budget must be adopted, whichever is sooner. Such recommendations shall be made after examination into the estimates of revenues and expenditures of such municipality or school district. The governing board of the municipality or school district, no later than five days prior to the adoption of the budget, shall review any such recommendations and may make adjustments to its proposed budget consistent with any recommendations made by the state comptroller and, in the case of a school district, by the commissioner of education. Any recommendations that the board rejects shall be explained in writing to the state comptroller and, in the case of recommendations made by the commissioner of education, to the commissioner. The action or inaction of the state comptroller or the commissioner of education under this section shall not be construed to affect the legal validity of any budget of the municipality or school district nor to affect the powers or duties of the municipality or school district with respect to the local budget process, provided, however, that the municipality or school district may not issue bonds for any object or purpose unless and until adjustments to its proposed budget consistent with any recommendations made by the state comptroller and, in the case of a school district, by the commissioner of education, are made, or any such recommendations that are rejected have been explained in writing to the state comptroller and, in the case of school districts, the commissioner of education.

e. beginning with the fiscal year during which the municipality or school district is authorized to incur debt to finance the deficit, to and including the last fiscal year during which such debt or any debt incurred to refund such debt is outstanding, the chief executive officer or other officer or officers responsible for the preparation of the tentative budget, or in the case of a town, the preliminary budget, of the municipality or school district, within thirty days after the final adoption of the budget for the next succeeding fiscal year, shall prepare a three-year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan shall, at a minimum, contain projected employment levels, projected annual expenditures for personal service, fringe benefits, non-personal services and debt service; appropriate reserve fund amounts; estimated annual revenues including projection of property tax rates, the value of the taxable real property and resulting tax levy, annual growth in sales tax and non-property tax revenues; and the proposed use of one-time revenue sources. Copies of the financial plan shall be provided to the chief executive and chief fiscal officers of the municipality or school district, the state director of the budget, the state comptroller, the chair of the assembly ways and means committee and the chair of the senate finance committee. This financial plan requirement shall not apply to the extent a municipality or school district is subject to a different multi-year financial plan requirement under state law.

f. beginning with the fiscal year during which the municipality or school district is authorized to incur debt to finance the deficit, to and including the last fiscal year during which such debt or any debt incurred to refund such debt is outstanding, the chief fiscal officer of the municipality or school district shall notify the state comptroller at least fifteen days prior to the issuance of any bonds or notes or entering to any installment purchase contract and the state comptroller may review and make recommendations regarding the affordability to the municipality or school district of any such proposed issuance or contract.

g. to facilitate the marketing of bonds authorized pursuant to law to be issued to fund a deficit, the municipality or school district may, notwithstanding any limitation on the private sales of bonds provided by law and subject to the approval of the state comptroller of the terms and conditions of such sales:

1. arrange for the underwriting of such bonds at private sale through negotiated fees or by sale of such bonds to an underwriter at a price less than the sum of par value of, and the accrued interest on, such obligations; or

2. arrange for the private sale of such bonds through negotiated

agreement, with compensation for such sales to be provided by negotiated agreement and/or negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this title.

h. the financing of a deficit, when authorized by a special or general law as hereinbefore described, is hereby declared to be an object or purpose of the municipality or school district for which indebtedness may be incurred, the period of probable usefulness of which is determined to be ten years, computed from the date of such bonds or the date of the first bond anticipation note issued in anticipation of the sale of such bonds, whichever is earlier.

i. except as provided in this section or in the general or special law authorizing the incurrence of debt to finance the deficit, all proceedings in connection with the issuance of such debt shall be had and taken in accordance with the provisions of this chapter, provided, however, that any resolution or resolutions authorizing the issuance of such bonds shall not be subject to either a mandatory or permissive referendum. To the extent the provisions of this section are inconsistent with any general, special or local law concerning budget procedures, this section shall apply and any budget schedule set forth in any such law shall be modified to conform with this section.

§ 11.00 Periods of probable usefulness. a. A municipality, school district or district corporation may not contract indebtedness for any object or purpose for a period longer than the period of probable usefulness set forth below for such object or purpose, provided, however, that for purposes of selling bonds or notes evidencing indebtedness contracted for any two or more objects or purposes, or any combination thereof, for which the periods of probable usefulness as determined pursuant to this section are not all the same, such indebtedness may be contracted for a period no longer than the weighted average period of probable usefulness of the objects or purposes. Unless the context requires otherwise, whenever the phrase "period of probable usefulness" is used in this chapter, it shall include weighted average period of probable usefulness. For purposes of this chapter, indebtedness contracted for an object or purpose (or class of objects or purposes) shall be deemed to be contracted for no longer than the period of probable usefulness of such object or purpose (or class of objects or purposes) irrespective of whether such indebtedness is combined with indebtedness contracted for other objects or purposes (or classes of objects or purposes) for purpose of sale and the combined indebtedness is contracted for the weighted average period of probable usefulness of all of the objects or purposes (or classes of objects or purposes) for which it is contracted. Weighted average period of probable usefulness shall be determined by the governing body by computing the sum of the products derived from multiplying the dollar value of the portion of the proceeds of the indebtedness expected to be received for each object or purpose (or class of objects or purposes) by the period of probable usefulness, or, if less, the maximum authorized maturity of indebtedness to be contracted for such object or purpose (or class of objects or purposes), as determined by the bond resolution authorizing such indebtedness, and dividing the resulting sum by the dollar value of the proceeds expected to be received by the municipality, school district or district corporation from the combined indebtedness. Preliminary costs of surveys, maps, plans, estimates, and hearings in connection with a capital improvement, and costs incidental to such improvement, including but not limited to legal fees, printing or engraving, publication of notices, taking of title, apportionment of costs, and interest during construction, shall be deemed part of the cost of the object or purpose in connection with which they are incurred. Where a municipality is authorized by law to pay to the state or a county all or part of the cost of a capital improvement, the period of probable usefulness determined in this paragraph for a like capital improvement shall be the period of probable usefulness for the municipality's share of the cost of such capital improvement. The period of probable usefulness of each such object or purpose is hereby determined to be as follows:

1. Water systems. The acquisition, construction or reconstruction of or addition to a water supply or distribution system, whether or not including buildings, land or rights in land, original furnishings, equipment, machinery or apparatus, or the replacement of such equipment,

machinery or apparatus, forty years, except for the city of New York; for the city of New York, fifty years, as authorized by section two of article eight of the state constitution; the replacement of such furnishings, fifteen years.

2. River regulating reservoirs. The construction, reconstruction or addition to a reservoir for the regulation of the flow of a stream or river, whether or not including buildings appurtenant or incidental thereto, land or rights in land, original furnishings, equipment, machinery or apparatus, or the replacement of such equipment, machinery or apparatus, forty years; the replacement of such furnishings, fifteen years.

3. Waterway improvement and drainage. The construction, reconstruction, major repairs, alteration, extension or enlargement of the necessary works of all kinds for the improvement of waterways and for drainage or additions thereto, whether or not including buildings appurtenant or incidental thereto, lands or rights in lands, original furnishings, equipment, machinery or apparatus, or the replacement of such equipment, machinery or apparatus, thirty years; the replacement of such furnishings, fifteen years; such dredging, minor repairs or cleaning out as are necessary from time to time for the preservation and restoration to their original condition of such improvements, not involving original construction, reconstruction, major repairs, alteration, extension or enlargement of such works, ten years. The terms "major repairs" and "minor repairs" as used in this subdivision shall apply only to improvements described in articles six and eight of the conservation law and shall be construed as defined in such article.

4. Sewer systems. The acquisition, construction or reconstruction of or addition to a sewer system (either sanitary or surface drainage or both), whether or not including purification or disposal plants or buildings, land or rights in land, or original furnishings, equipment, machinery or apparatus, forty years; the replacement of such equipment, machinery or apparatus, thirty years; the replacement of such furnishings, ten years.

The sealing of sewer lines by injection under pressure of polymers or other similar materials, substances or chemicals into open pipe joints or other leakage points in a sewer system (either sanitary or surface drainage or both), including inspection and testing procedures incidental thereto, fifteen years.

5. Electric light and power systems, gas plants or natural gas producing facilities. The acquisition, construction or reconstruction of or addition to an electric light and power plant or distribution system, a gas plant or distribution system or a natural gas producing facility, whether or not including buildings, land or rights in land, original furnishings, equipment, machinery or apparatus, or the replacement of such equipment, machinery or apparatus, thirty years; the replacement of such furnishing, ten years.

6. Solid waste management-resource recovery facilities. The acquisition, construction, reconstruction, design, operation, or maintenance of a solid waste management-resource recovery facility, as defined in paragraph (b) of subdivision one of section one hundred twenty-w of the general municipal law, whether or not including buildings, original furnishings, equipment, machinery or apparatus, or the replacement thereof, twenty-five years, except in the case of vehicles or other moveable equipment, ten years.

6-a. Refuse disposal areas. The original improvement of a refuse disposal area designed for location of a sanitary landfill installation whether or not including filling, drainage, fences, roadways and buildings appurtenant or incidental thereto, and original furnishings, equipment, machinery, or apparatus, twenty years.

6-b. Refuse disposal area; abandonment. The costs incidental to the abandonment of a refuse disposal area including but not limited to legal fees, printing, engraving and publication of legal notices, engineering costs including filling, drainage, fences, roadways and buildings appurtenant or incidental thereto, not to exceed twenty years.

6-c. Refuse disposal area; cleanup pursuant to a consent agreement or judicial or administrative order. Notwithstanding the provisions of subdivision six-b of this paragraph or paragraph b of this section, when the cleanup of a refuse disposal area in the town of North Hempstead is pursuant to a consent agreement entered into with a federal or state governmental agency or authority or a judicial or an administrative order, the costs incidental to such cleanup, including but not limited to legal fees, printing, engraving and publication of legal notices, engineering costs including filling, drainage, fences, roadways and buildings appurtenant or incidental thereto, not to exceed thirty years.

6-d. Hazardous waste sites in the city of Utica. Remediation of hazardous waste sites in the city of Utica pursuant to a consent agreement entered into with a federal or state governmental agency or authority or a judicial or administrative order, including costs incidental thereto, including but not limited to legal fees, printing, engraving and publication of legal notices, engineering costs, including filling, drainage, fences, roadways and buildings appurtenant or incidental thereto, twenty years.

* 6-e. Remediation of hazardous substance and hazardous waste sites in the city of Buffalo. Investigation, remediation and removal costs incurred in relation to hazardous substance sites in the city of Buffalo pursuant to, environmental restoration project agreements entered into with the state of New York pursuant to title five of article fifty-six of the environmental conservation law, or remediation of hazardous waste sites in the city of Buffalo pursuant to a consent agreement entered into with a federal or state governmental agency or authority or pursuant to a federal or state judicial or administrative order, including costs incidental thereto, including but not limited to legal fees, printing, engraving and publication of legal notices, engineering and remedial design, filling, drainage, fencing, roadways, and buildings appurtenant or incidental thereto, twenty years.

* NB There are 2 sub 6-e's of par a

* 6-e. Remediation of hazardous substance and hazardous waste sites in the city of Rochester. Investigation, remediation and removal costs incurred in relation to hazardous substance sites in the city of Rochester pursuant to environmental restoration project agreements entered into with the state of New York pursuant to title five of

article fifty-six of the environmental conservation law, or remediation of hazardous waste sites in the city of Rochester pursuant to a consent agreement entered into with a federal or state governmental agency or authority or pursuant to a federal or state judicial or administrative order, including costs incidental thereto, including but not limited to legal fees, printing, engraving and publication of legal notices, engineering and remedial design, filling, drainage, fencing, roadways, and buildings appurtenant or incidental thereto, twenty years.

* NB There are 2 sub 6-e's of par a

7. Docks. The acquisition, construction or reconstruction of or addition to docks, piers or wharf property, twenty years, except for the city of New York; for the city of New York: the construction of docks, piers or wharves, whether or not including the acquisition of land in connection therewith, fifty years, and on or after January first, nineteen hundred fifty, forty years, as authorized by section two of article eight of the state constitution; the acquisition or reconstruction of or addition to docks, piers or wharf property, whether or not including land or rights in land, forty years.

8. Rapid transit railroads and mass transit capital program. The acquisition or construction of a rapid transit railroad, whether or not including the acquisition of land or original furnishings, equipment, machinery or apparatus other than rolling stock, or the replacement of such equipment, machinery or apparatus, forty years; the reconstruction of or addition to a rapid transit railroad, forty years; the acquisition of rolling stock for a rapid transit railroad, thirty years; the replacement of such furnishings, fifteen years.

9. Street railroads. The acquisition, construction or reconstruction of or addition to a street railroad (as that term is defined in section two of the public service law, as amended from time to time) other than a rapid transit railroad, whether or not including the franchises thereof or original furnishings, equipment, machinery or apparatus, or the replacement of such equipment, machinery or apparatus, ten years; the replacement of such furnishings, five years.

10. Bridges, tunnels, viaducts and underpasses. The acquisition, construction or reconstruction of or addition to a bridge, tunnel, viaduct or underpass, whether or not including the acquisition of land or rights in land, and whether or not including retaining walls or approaches thereto, of stone, concrete, or steel or of a combination of two or more of these materials, if the estimated cost of the improvement, as set forth in the resolution authorizing the issuance of obligations therefor is in excess of five million dollars, forty years; if the estimated cost of the improvement, as set forth in the resolution authorizing the issuance of obligations therefor is five million dollars or less, twenty years, except land or rights in land; land or rights in land for such an improvement, thirty years; painting as may be necessary from time to time for the preservation and restoration of a bridge, ten years.

11. Buildings. The acquisition or construction of buildings not included in any other subdivision hereof, whether or not including grading or improvement of the site, original furnishings, equipment, machinery or apparatus required for the purposes for which such buildings are to be used, as follows:

(a) Class "A" (fireproof and certain fire resistant) buildings.

(1) Buildings, the walls of which are constructed of brick, stone, concrete, metal or other incombustible material, and in which there are no wooden beams or lintels, except wood glue laminated structural members, and in which the floors, roofs, stairhalls, and other means of vertical communication between floors and their enclosures are built entirely of brick, stone, metal or other incombustible materials, and in which no woodwork or other inflammable material is used in any of the rough partitions, floor or ceiling structures, or

(2) Buildings, not more than one story above the ground, the outer walls of which are constructed of brick, stone, concrete, metal, stucco or other fire-resisting material and which are to be used as school houses by school districts wholly outside of a city, thirty years.

(b) Class "B" (fire-resistant) buildings. Buildings, the outer walls of which are constructed of brick, stone, concrete, metal, stucco or other fire-resisting material, twenty-five years.

(c) Class "C" buildings. Buildings which are neither class "A" nor class "B", as defined in items (a) and (b) above, including any such building which is rebuilt or altered so that it, together with any addition or vertical or other extension, is not fire-proof or fire-resisting, as thus defined, fifteen years.

12. Additions to or conversion of buildings. (a) (1) The construction of an addition or additions to or the reconstruction of a class "A" building, whether or not such construction or reconstruction includes grading or improvement of the site, twenty-five years, except as hereinafter provided; the conversion of a class "B" or class "C" building into a class "A" building, whether or not such conversion includes grading or improvement of the site, twenty-five years. If indebtedness has been contracted or is to be contracted with a maximum maturity of over twenty-five years, but not to exceed thirty years, to finance the cost of acquisition or construction of a class "A" building and if more than twenty-five annual installments of principal on the indebtedness evidenced or to be evidenced by bonds or notes have not matured, then the foregoing twenty-five year period of probable usefulness for the construction of an addition to such class "A" building shall be increased by the number of years over twenty-five as there are unmatured annual installments of principal on such indebtedness which has been or is to be contracted for the class "A" building; provided that such addition is to be constructed to meet the construction standards of the class "A" building to which it is an addition. The maximum maturity of such indebtedness for the class "A" building shall be measured from the date of the bonds or from the date of the first bond anticipation note issued in anticipation of such bonds, whichever is the earlier.

(2) The construction of an addition or additions to or the reconstruction of a class "B" building or the conversion of a class "C" building into a class "B" building, whether or not such construction, reconstruction or conversion includes grading or improvement of the site, fifteen years.

(3) The construction of an addition or additions to or the reconstruction of a class "C" building, whether or not such construction or reconstruction includes grading or improvement of the site, ten years.

(b) The periods of probable usefulness set forth in item (a) above shall include original furnishings, equipment, machinery or apparatus required for the purposes for which such additions to such buildings or for which such reconstructed or converted buildings are to be used.

(c) A building which is to be attached to an existing building or buildings shall be deemed to be a new building and not an addition if the probable useful life thereof is not dependent upon the useful life of such existing building or buildings.

(d) The terms "class 'A' building," "class 'B' building" and "class 'C' building," as used in this subdivision, shall mean such buildings as they are described in subdivision eleven of this paragraph.

12-a. Demolition and repair of buildings. The demolishing or repair of any (a) privately owned building or structure that poses a significant threat to public health or safety, five years, or (b) municipally owned structure or building, or any building or structure owned by a school district or district corporation, whenever the same is no longer of any use or value or has become dangerous or detrimental to human life, health or safety, ten years.

13. Certain building alterations. The installation or reconstruction of a lighting, plumbing, ventilating, elevator or power plant or system in a building when not in connection with the original construction or the reconstruction of such building, in a class "A" or "B" building, ten years; in a class "C" building, five years. The installation or reconstruction of a heating system in a building when not in connection with the original construction or the reconstruction of such building in a class "A", "B" or "C" building, fifteen years. The terms "class 'A' building," "class 'B' building" and "class 'C' building," as used in this subdivision, shall mean such buildings as they are described in subdivision eleven of this paragraph.

14. Airport construction and airport improvements. Except as provided in subdivisions fifteen and sixteen of this paragraph, the construction, reconstruction or extension of an airport or airport improvement, whether or not including buildings other than hangars, ten years.

14-a. Airport construction and improvement of the East Hampton Airport. The construction, reconstruction, or extension of the East Hampton Airport, whether or not including buildings, hangars, runways, taxi-strips, paved areas, perimeter fencing, grading, filling, drainage or other site work, thirty years; the acquisition and installation of an above ground aircraft fuel farm at the East Hampton Airport, including connecting pipes, valves, meters, pumps, concrete spill containment facility, and appurtenant facilities, twenty-five years.

14-b. Airport construction and improvement of the Ithaca Tompkins International Airport. The construction, reconstruction, or extension of the Ithaca Tompkins International Airport, whether or not including buildings, hangars, runways, taxi-strips, paved areas, perimeter fencing, grading, filling, drainage or other site work, thirty-years; the acquisition and installation of an above ground aircraft fuel farm at the Ithaca Tompkins International Airport, including connecting pipes, valves, meters, pumps, concrete spill containment facilities, and appurtenant facilities, twenty-five years.

15. Construction and equipment of airport structures, runways, taxi-strips and other paved areas. Except as provided in subdivision seventeen of this paragraph, the construction and equipment of any permanent fire-proof airport structure, at an airport having an area greater than one thousand acres, if the estimated cost of such structure is in excess of one million dollars, and the construction and equipment of runways, taxi-strips or paved areas, except such as may be opened for use by the general public, on such airport, thirty years.

16. Dredging, filling, grading and drainage of airport property. The dredging, filling, drainage and grading of real property acquired for or used as an airport, having an area greater than one thousand acres, thirty years.

17. Airport hangars. The construction or purchase of an airport hangar if the estimated cost thereof as set forth in the resolution authorizing the issuance of obligations therefor is one million dollars or less and the hangar is not a class "A" building, fifteen years; if the estimated

cost thereof is one million dollars or less and the hangar is a class "A" building, twenty years; if the estimated cost thereof is in excess of one million dollars, twenty-five years. The term class "A" building, as used in this subdivision, shall mean any such building as described in subdivision eleven of this paragraph.

18. Land acquisition and development for airport purposes. The acquisition of land in connection with the establishment, maintenance or operation of an airport having an area greater than one thousand acres, forty years.

18-a. The acquisition and installation of an above ground aircraft fuel farm at the Greater Rochester International Airport, including connecting pipes, valves, meters, pumps, concrete spill containment facility, and appurtenant facilities, twenty-five years.

19. Parks, playgrounds and recreational areas. The original improvement or embellishment of:

(a) A new park, playground or recreational area of not less than fifty acres, twenty years;

(b) An addition of not less than twenty-five acres to an existing park, playground or recreational area, including the improvement or embellishment, if any, of such existing park, playground or recreational area, twenty years;

(c) Any other park, playground or recreational area, fifteen years.

20. Highways, roads, streets, parkways and parking areas. The construction, reconstruction, widening or resurfacing of a highway, road, street, parkway or parking area, whether or not including sidewalks, curbs, gutters, drainage, landscaping, grading or improving the rights of way, or the elimination of any grade crossing (exclusive of bridges therefor) or improvements in connection therewith, if:

(a) pavement of sand and gravel, water bound macadam or penetration process with single surface treatment, five years;

(b) flexible pavement not specified in (a) or (c), ten years;

(c) flexible pavement with penetration macadam or plant mix bottom course and heavy duty, bituminous concrete wearing surface, fifteen years;

(d) rigid base (portland cement concrete) pavement with: sheet asphalt, bituminous concrete, granite block or asphalt block wearing surface, fifteen years;

(e) rigid pavement, namely reinforced portland cement concrete, fifteen years;

(f) parking areas regardless of kind of pavement, ten years.

20-a. County parkways. The construction, reconstruction, widening, straightening or improvement of a county parkway, meaning a restricted landscaped area traversed by a multiple-lane thoroughfare limited as to vehicular traffic, and owned and operated by a county, including all bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, toll houses, service areas, restaurants, service stations, service facilities, communications facilities and administration, storage, and other buildings which such county may deem necessary for the operation of such parkway, and all property, rights, easements and interests which may be acquired by such county in connection therewith, thirty-five years.

21. Land acquisition. (a) The acquisition of land or permanent rights in land not provided for in any other subdivision hereof, thirty years;

(b) The financing of the acquisition of land, permanent rights in land or temporary easements in land incidental to a capital improvement, inclusive of any administrative or other expenditures arising therefrom or related thereto, if such acquisition and expenditures are financed from a fund into which are paid the proceeds of the sale of bonds or bond anticipation notes issued in anticipation of such bonds and out of which the cost of such acquisition and such expenditures are paid, thirty years.

22. Dredging and construction of dikes and bulkheads. The dredging and making navigable of creeks, streams, bays, harbors and inlets, whether or not including the construction, reconstruction of or addition to a dike, bulkhead, dam, sea wall, jetty or similar device for navigation purposes or to prevent the encroachment of or damage from flood or storm waters:

(a) Construction work of steel, stone or concrete, thirty years.
(b) Construction work of wood or partly of wood, twenty years.
(c) Dredging alone, five years.

23. Sewer and water connections. The construction or reconstruction of a sewer, water or other service connection from the service main in a highway, road, street or parkway to the curb or property line, when such improvement is not a part of the construction, reconstruction or addition to a water distribution or sewer system, ten years.

24. Curbs, sidewalks and gutters. The construction or reconstruction of a curb, sidewalk or gutter of brick, stone or concrete, not included in any other subdivision hereof, ten years.

25. Police and fire alarm systems and signal systems. The purchase or installation of a fire or police alarm, telegraph or telephone system or any other system of communication or transmission, or additions thereto, ten years.

26. Fire, police and ferry boats. The acquisition of a fire or police boat, propelled by mechanical power, ten years. The acquisition of a ferry boat, propelled by mechanical power, thirty-five years.

27. Fire-fighting vehicles and apparatus. The purchase of a motor vehicle used for fighting fires, other than a passenger vehicle having a seating capacity of less than ten persons, whether or not including apparatus used in connection with such motor vehicle, or the purchase of such apparatus alone, if the estimated cost thereof, as set forth in the resolution authorizing the issuance of obligations therefor, is five thousand dollars or less, five years; if the estimated cost thereof is in excess of five thousand dollars, ten years; if the estimated cost thereof is in excess of fifty thousand dollars, twenty years.

27-a. Ambulances. The purchase of a motor vehicle which is specially designed for use for the treatment, care or transport of sick or injured persons, whether or not including equipment or furnishings used in connection with such a vehicle, ten years, or the purchase of original equipment or furnishings for such a vehicle or the replacement of equipment or furnishings for such a vehicle, five years.

27-b. Police emergency response vehicles. Notwithstanding the provisions of subdivision seventy-seven of this paragraph, the purchase of a motor vehicle that is specially designed for use for law enforcement purposes, including but not limited to responding to 911 calls or transporting persons under arrest or in police custody, and that is equipped with emergency vehicle lights and a police siren, five years.

28. Machinery and apparatus for construction and maintenance. The purchase of machinery or apparatus to be used for constructing, reconstructing, repairing, maintaining or removing the snow and ice from, any physical public betterment or improvement, other than machinery or apparatus which is to be permanently attached to or to form a part of any such betterment or improvement, five years if the cost is fifteen thousand dollars or less; ten years if the cost is over fifteen thousand dollars, but less than thirty thousand dollars; fifteen years if the cost is thirty thousand dollars or over.

29. Motor vehicles. The purchase of a motor vehicle, five years. The term "motor vehicle," as used in this subdivision, shall mean a vehicle propelled by any power other than muscular power, except

(a) a passenger vehicle, other than a school bus, having a seating capacity of less than ten persons,

(b) a vehicle used for fighting fires,

(c) a motor cycle, traction engine, and electric truck with small wheels used in warehouses and railroad stations and a vehicle which runs only upon rails or tracks,

(d) machinery or apparatus for which a period of probable usefulness has been determined by subdivision twenty-eight of this paragraph,

(e) a vehicle which is specially designed for use for the treatment, care or transport of sick or injured persons,

(f) a zero-emission school bus as defined in section three thousand six hundred thirty-eight of the education law, and

(g) a vehicle that is specially designed for use for law enforcement purposes and that is equipped with emergency vehicle lights and a police siren.

29-a. Transit motor vehicles. The purchase of municipally owned omnibus or similar surface transit motor vehicles, ten years; and the purchase of zero-emission school buses owned by a school district defined pursuant to paragraph two of section 2.00 of this chapter, a city school district with a population of more than one hundred twenty-five thousand inhabitants, or board of cooperative educational services, eight years.

30. Water meters. The purchase or installation of a water meter, twenty years; the replacement of such water meter, twenty years. Provided, however, that if such purchase or installation is incidental to and in connection with the acquisition, construction or reconstruction of or addition to a water supply or distribution system, such purchase or installation of such water meter shall have the same period of probably usefulness as may be determined for such acquisition, construction or reconstruction of or addition to such system.

31. Voting machines. The purchase of a voting machine, ten years.

32. Equipment, machinery, apparatus or furnishings. The acquisition of original equipment, machinery, apparatus or furnishings for any physical public betterment or improvement or required for the purposes for which the physical public betterment or improvement is to be used, not included in any other subdivision hereof, five years; the replacement of such equipment, machinery, apparatus or furnishings, whether or not the original acquisition thereof is included in any other subdivision hereof, five years, unless a longer period for the replacement thereof is prescribed in another subdivision hereof, in which case such other subdivision shall be applicable.

33. Judgments, claims, awards and determinations.
(a) The payment of (1) A judgment or a compromised or settled claim against a municipality, school district or district corporation, or
(2) An award or sum payable by a municipality, school district or

district corporation pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity, five years, except as hereafter provided in this subdivision.

(b) The payment of any such judgment, claim, award or sum set forth in subdivision (a) above or any combination of such judgment or judgments, claim or claims, award or awards, or sum or sums, falling due in a single fiscal year, amounting to more than one per centum of the average assessed valuation of such municipality, school district or district corporation, ten years.

(c) The payment of any such judgment, claim, award or sum set forth in subparagraph (a) of this subdivision or any combination of such judgment or judgments, claim or claims, award or awards, or sum or sums, falling due in a single fiscal year, amounting to more than two per centum of the average assessed valuation of such municipality, school district or district corporation, fifteen years.

(d) Nothing in this subdivision shall be construed to prevent the payment of any such judgment, claim, award or sum for a capital improvement or equipment out of the proceeds of bonds issued for the financing of such capital improvement or equipment, or out of the proceeds of bond anticipation notes issued in anticipation of such bonds, except, however, that the payment of all or part of a judgment, claim, award or sum for a capital improvement (other than the acquisition of land or rights in land) or equipment, in excess of the amount authorized to be expended for such capital improvement or equipment shall be subject to the periods of probable usefulness of this subdivision and except further, that item (b) of this subdivision shall not apply to a judgment, claim, award or sum for a capital improvement or equipment which, pursuant to this section, has a period of probable usefulness of five years or less.

* 33-a. Judgments, compromised claims or settled claims resulting from court orders on proceedings brought pursuant to article seven of the real property tax law. Notwithstanding the provisions of subdivision thirty-three of this paragraph, the payment in a single fiscal year of judgments, compromised claims or settled claims against a municipality, school district or district corporation resulting from court orders on proceedings brought pursuant to article seven of the real property tax law.

(a) Where the accumulated tax refunds to be paid by the municipal corporation liable therefore as a result of such court orders are more than one per centum but less than three per centum of that portion of the real property tax levy of such municipal corporation to be levied for its municipal purposes for the year in which payment is to be made, ten years; or

(b) Where the accumulated tax refunds to be paid by the municipal corporation liable therefore as a result of such court orders are more than three per centum but less than five per centum of that portion of the real property tax levy of such municipal corporation to be levied for its municipal purposes for the year in which payment is to be made, fifteen years; or

(c) Where the accumulated tax refunds to be paid by the municipal corporation liable therefore as a result of such court orders are more than five per centum of that portion of the real property tax levy of such municipal corporation to be levied for its municipal purposes for the year in which payment is to be made, twenty years.

* NB Expires June 15, 2028

33-a-1. Judgments, compromised claims, or settled claims resulting from section two hundred fourteen-g of the civil practice law and rules. Notwithstanding the provisions of subdivision thirty-three of this section, the payment of judgments, compromised claims, or settled claims against a school district, board of cooperative educational services, or school district created by special act of the legislature, resulting from court orders on proceedings brought pursuant to section two hundred fourteen-g of the civil practice law and rules, up to thirty years.

33-b. Real property tax refunds and credits. Payments of exemptions, refunds, or credits for real property tax, sewer and water rents, rates and charges and all other real property taxes to be made by a municipality, school district or district corporation as a result of participating in the Superstorm Sandy assessment relief act, ten years.

33-c. Real property tax refunds and credits. Payments of exemptions, refunds, or credits for real property tax, sewer and water rents, rates and charges and all other real property taxes to be made by a municipality, school district or district corporation as a result of participating in the Mohawk Valley and Niagara county assessment relief act, ten years.

33-d. Real property tax refunds and credits. Payments of exemptions, refunds, or credits for real property tax, sewer and water rents, rates and charges and all other real property taxes to be made by a municipality, school district or district corporation as a result of participating in the Lake Ontario and connected waterways assessment relief act, ten years.

34. Certain assessable improvements. The financing of the construction of any physical public betterment or improvement, whether or not including the acquisition of land or rights in land therefor, the cost of which is determined or required by ordinance, resolution or local law to be paid completely by assessments upon the property benefited or partially by assessments upon the property benefited and the balance by assessments

(a) Upon the municipality or a subdivision or subdivisions thereof, or

(b) Upon the municipality and a subdivision or subdivisions thereof, if such betterment or improvement is financed through a special fund into which the proceeds of the sale of bonds and the assessments collected are paid and out of which the cost of such betterment or improvement is paid and such bonds are redeemed, whether or not interest thereon is paid from such fund, twelve years. This subdivision shall apply only to betterments or improvements financed from such fund. Betterments or improvements which are paid for in whole or in part by assessments but which are not financed from such funds shall have the same period of probable usefulness as if they were paid for completely by ad valorem real estate taxes.

35. Unspecified betterments and improvements. The acquisition, construction or reconstruction of or addition to any physical public betterment or improvement not included in any other subdivision hereof, five years; if the useful life of a physical public betterment or improvement classified as a capital asset under generally accepted accounting principles for municipalities has been determined to be at

least ten years by an appropriate engineering, architectural or other professional, ten years; if the useful life of a physical public betterment or improvement classified as a capital asset under generally accepted accounting principles for municipalities has been determined to be at least fifteen years by an appropriate engineering, architectural or other professional, fifteen years.

36. Tax and revenue anticipation. The temporary financing in anticipation of:

(a) The collection of real property taxes and assessments levied or to be levied, five years.

(b) The receipt of moneys from the state, or a local subdivision thereof, or the United States government, except the receipt of moneys described in subparagraph d of this subdivision, three years.

(c) The collection of sewer or water rents, rates or charges, or taxes other than real property taxes or the receipt of revenues from municipally owned and operated electric light and power plants or distribution systems or other utility plants or distribution systems, three years.

(d) The receipt of moneys (1) from the sale of real property, or any interest therein, acquired for or incidental to an urban renewal project; or (2) from the United States government pursuant to title one of the housing act of nineteen hundred forty-nine, as amended; or (3) from the state of New York pursuant to the general municipal law, five years.

37. Tax lien foreclosure expenditures. The financing of

(a) The protection of tax liens owned by a municipality, at a judicial sale of the real property affected by such tax liens in an action for the foreclosure of the tax liens of any other municipality on such real property, or

(b) The cost of the foreclosure of tax liens owned by a municipality, to an extent not exceeding fifty per centum of the amount of such tax liens owned by such municipality and provided further that there are not outstanding any notes, certificates or other evidences of indebtedness issued in anticipation of the levy or collection of taxes represented by such tax liens, five years.

38. Change of county fiscal year. In a county which, pursuant to the provisions of the county law, changes its fiscal year, the financing of the payment of obligations and other expenses of such county falling due during the period between the close of the former fiscal year and the beginning of the new fiscal year, five years.

39. Change of village fiscal year. In a village which, pursuant to the village law, changes its fiscal year, the finacing of the payment of obligations falling due during the period between the last day of the former fiscal year and the commencement of the new year and the other expenses of such village during such period, five years.

40. Miscellaneous expenditures. Any object or purpose set forth in section 29.00 or 29.20 of this article, if such object or purpose is to be financed by the issuance of budget notes or deficiency notes, three years.

41. Housing. The effectuating of any of the purposes of the public housing law, other than making loans to limited profit housing companies pursuant to article two of the private housing finance law, and other than making loans to owners of existing multiple dwellings, fifty years; bonds issued by a housing authority pursuant to section forty-one of the public housing law and guaranteed by a municipality pursuant to section ninety-five of the public housing law, five years, in addition to the foregoing period of fifty years, for the temporary financing of a project prior to the permanent financing thereof; evidences of indebtedness issued to the state pursuant to paragraph c of section 20.00 of this chapter, three years, in addition to the foregoing period of fifty years for the temporary financing of a project prior to the permanent financing thereof; loans to limited profit housing companies pursuant to article two of the private housing finance law, fifty-five years; loans or grants to owners of existing private or multiple dwellings, non-residential property, or vacant land pursuant to the provisions of article eight, article eight-A, article eight-B, article eleven or article fifteen of the private housing finance law, or loans for the construction of multiple dwellings pursuant to article eleven of

the private housing finance law, or loans or grants for the pre-development costs or construction of private or multiple dwellings pursuant to article twenty-two of the private housing finance law, thirty years.

41-a. The effectuating of any urban renewal program or part thereto pursuant to the general municipal law, fifty years. Nothing herein contained, however, shall prevent the application of the period of probable usefulness prescribed in any other subdivision of this section for any object or purpose constituting a separable part of an urban renewal program.

41-b. The effectuating of any of the purposes of section thirty-six-a of the private housing finance law, other than making loans to limited profit housing companies, forty-years. Nothing herein contained, however, shall prevent the application of the period of probable usefulness prescribed in any other subdivision of this section for any object or purpose constituting a separable part of a project within the scope of section thirty-six-a of the private housing finance law.

41-d. Urban development action area projects. The making of loans or grants to the owners of existing private or multiple dwellings, pursuant to article sixteen of the general municipal law, thirty years; site preparation undertaken by a municipality pursuant to article sixteen of the general municipal law, thirty years; loans or grants for the purpose of projects undertaken pursuant to article three-A of the private housing finance law, thirty years; improvements associated with the construction or rehabilitation of private or multiple dwellings, pursuant to article sixteen of the general municipal law, thirty years.

41-e. Housing New York program act. The carrying out, financing or refinancing by the city of New York, by loans or otherwise, of programs and activities designed to achieve the purposes set forth in the opening paragraph and paragraphs (a) through (f) of subdivision two of section four of section one of chapter thirty-two of the laws of nineteen hundred eighty-six, as amended, such section one constituting the housing New York program act, thirty years.

42. Pension and retirement systems. The establishment of a pension or retirement system or fund on a solvent basis, twenty years.

* 42-a. Volunteer ambulance workers' service award program. The financing of prior service contributions authorized pursuant to subdivision two of section two hundred nineteen-f of the general municipal law by the sponsor of a service award program, including financing by a town on behalf of an ambulance district, or a town on behalf of a fire protection district which contracts with an ambulance service which is not organized pursuant to section two hundred nine-b of the general municipal law, five years.

* NB There are 2 sub 42-a's of par a

* 42-a. Defined benefit service award programs for volunteer ambulance workers. The financing of contributions to a service award program attributable to years of ambulance service rendered during the five years immediately preceding the adoption of the program, including financing by a town on behalf of an ambulance district, or a town on behalf of a fire protection district which contracts with an ambulance service which is not organized pursuant to section two hundred nine-b of the general municipal law, five years.

* NB There are 2 sub 42-a's of par a

43. Plans for post-war projects. The preparation of preliminary plans and detailed plans and specifications for a capital improvement which may be undertaken after the termination of the war, including test borings or other extraordinary expenditures related thereto, state aid for which shall have been approved by the temporary state post-war public works planning commission pursuant to law, three years.

44. Tax maps. The original establishment and original preparation of tax maps and assessment maps which are not incidental to any other object or purpose specified in this paragraph, ten years; the original preparation of county-wide tax maps in accordance with the requirements of article fifteen-a of the real property tax law, including the compensation of cities, towns and villages for existing maps used in the preparation thereof, ten years.

45. Lot and block system of property registration. The original establishment and original preparation of a lot and block system of recording or registering the titles of real property, including the preparation of maps, surveys or plans incidental thereto, ten years.

46. Ferry terminals. The acquisition, construction, or reconstruction of or addition to ferry terminals, whether or not including the acquisition of land or rights in land, in connection therewith, twenty years.

47. Ferry boats. The acquisition of a system of ferry boat transportation, whether or not including franchises thereof, and including the acquisition, construction or reconstruction of ferry boats propelled by mechanical power, ten years.

48. Maps, assessments, determination of enhancements and apportionments of cost. In the case of river improvement or drainage improvement districts established by or under the supervision of the department of conservation, the original preparation of maps of the district, original assessments, determination of enhancements and apportionments of cost, surveys and studies in connection therewith, all of which matters are not incidental to any other object or purpose specified in this paragraph, five years.

49. Appraisals for equalization purposes. The expenses incurred by a county for the employment of experts to appraise the value of real property within the county to assist the board of supervisors or commissioner of equalization in the county in determining just ratios for the equalization of assessed valuations of real property in the several tax districts of the county, five years.

50. Parking meters. The purchase and installation of parking meters, five years.

51 Planning for sewer systems or sewage treatment works. The preparation of preliminary plans and detailed plans, specifications and estimate for a sewer system or sewage treatment works, including the

test borings or other extraordinary expenditures related hereto, state aid for which shall have been approved by the department of health pursuant to law, three years. If the cost of such preliminary plans and detailed plans, specifications and estimate, however, is to be financed as part of the cost of a sewer system or sewage treatment works in connection with which they are prepared, then and in such event they shall have the same period of probable usefulness as may be determined for the construction or reconstruction of or addition to such such sewer system or sewage treatment works.

52. Equipment used in connection with preparation of assessment rolls, tax billing and receipting, and accounting and tabulating equipment. The purchase of equipment or machinery in connection with preparation of assessment rolls, tax billing and receipting, and accounting and tabulating equipment, not included in any other subdivision hereof, five years.

53. Appraisals of real property for assessment. The expense incurred by a municipality in the employment of experts to appraise the value of real property within the municipality to assist in the assessment thereof for purposes of taxation, including a "revaluation" or "update", as such terms are defined in the real property tax law, five years.

53-a. Installation of computer assisted system for the preparation and maintenance of assessment and tax rolls including computer assisted tax accounting system. The expense incurred by a municipality in the installation of a computer assisted system for the preparation and maintenance of assessment and tax rolls, and the installation of a computer assisted tax accounting system, including data collection, computer hardware and software, ten years.

54. Golf courses. The construction or acquisition of a golf course, whether or not including buildings appurtenant or incidental thereto, land or rights in land, original furnishings and equipment and the improvement of such land for use as a golf course, twenty years; the construction of an addition or additions to or reconstruction of a golf course, whether or not including buildings appurtenant or incidental

thereto or the installation of water sprinkling systems or electric illuminating systems and appurtenances thereto in an existing golf course fifteen years.

55. Boardwalks. The acquisition, construction or reconstruction of, or additions to a boardwalk adjacent to the Atlantic Ocean, a lake, bay, river or other large body of water, which walk is constructed of wood or more durable materials on heavy piling and is at least twenty feet in width, ten years.

56. Fire safety and prevention programs. The financing of a program for fire safety and fire prevention in relation to one or more buildings by any municipality or school district, including one or more of the following: the installation, construction or reconstruction of a sprinkler system, fire alarm system, fire escape, fire tower, fire door, illuminated exit sign, or of any other improvement or system in a building to eliminate fire hazards or to provide for the safety of persons and property in the event of fire therein, or the acquisition of fire extinguishers or other equipment for such purposes, if the estimated aggregate cost thereof, as set forth in the resolution authorizing the issuance of obligations therefor, is less than ten thousand dollars, five years; if the estimated aggregate cost thereof is ten thousand dollars or more, ten years; provided, however, that if a different period for the installation, construction, reconstruction or acquisition of any item or class of items of the improvement or equipment included in such program is prescribed in another subdivision hereof, such other subdivision shall be applicable to such item or class of items when the expenditure therefor is not to be financed as a fire safety and fire prevention program pursuant to the provisions of this subdivision.

* 57. Tree rehabilitation and replacement programs. The financing of a program for the rehabilitation and replacement of ornamental shade trees within the limits of a municipality, including as a part of any such program the acquisition, growing, planting, preservation, removal, disposal and replacement of trees, five years.

* NB There are 3 sub 57's of par a

* 57. Hydraulic and mechanical dredges. Dredges, both hydraulic and

mechanical, used in dredging creeks, streams, bays, harbors and inlets and the construction of dikes, bulkheads, dams, sea walls and jettys, fifteen years.

* NB There are 3 sub 57's of par a

* 57. Workmen's compensation self-insurance plans. (a) Payments required of a municipality, school district or district corporation upon entry to or withdrawal from a county self-insurance plan, five years, except that if the amount of such payment exceeds one per centum of the average assessed valuation of such municipality, school district or district corporation, ten years.

(b) The amount of an apportionment payable by a participating municipality or fire district upon changing to a county self-insurance plan in accordance with the transition provisions of section seventy-five of the workmen's compensation law, five years, except that if the amount of such payment exceeds one per centum of the average assessed valuation of such municipality or district corporation, ten years.

* NB There are 3 sub 57's of par a

58. Steam plants or distribution systems. The acquisition, construction or reconstruction of or addition to a steam plant or distribution system, whether or not including buildings, land or rights in land, original furnishings, equipment, machinery or apparatus, or the replacement of such equipment, machinery or apparatus, thirty years; the replacement of such furnishings, ten years.

58-a. Hot water heating plants or distribution systems. The acquisition, construction or reconstruction of or addition to a hot water heating plant or distribution system, whether or not including buildings, land or rights in land, original furnishings, equipment, machinery or apparatus, or the replacement of such equipment, machinery or apparatus, thirty years; the replacement of such furnishings, ten years.

59. Retroactive social security coverage. Where an irrevocable election is made to finance all or part of the employer's share of the cost of retroactive coverage provided to employees under the federal

old-age and survivors insurance system pursuant to section one hundred thirty-eight-a of the retirement and social security law and where an insufficient or no provision is or has been made in the annual budget for such cost, provided no part of such share has been or is financed by the issuance of budget notes, three years.

60. Current social security coverage. All or part of the employer's share of the cost of current coverage provided to employees under the federal old-age and survivors insurance system pursuant to the retirement and social security law, for the period January first, nineteen hundred fifty-eight to June thirtieth, nineteen hundred fifty-nine, not exceeding seventeen million dollars, three years.

61. Artificial swimming pools. The construction of artificial swimming pools, twenty years. The reconstruction of artificial swimming pools, fifteen years.

* 62. Skiing developments. The construction of a skiing development, including: ski lifts and other original facilities, equipment and furnishings; buildings appurtenant or incidental thereto; access roads and parking areas; land or rights of land, and the improvement of such land for use as a skiing development; twenty years.

* NB There are 2 sub 62's of par a

* 62. a. Planning for future capital improvements. The preparation pursuant to section ninety-nine-d of the general municipal law of surveys, preliminary plans and detailed plans, specifications and estimates necessary for planning for a capital improvement which it is contemplated might be undertaken in the future, five years. If the cost of such surveys, preliminary plans and detailed plans, specifications and estimates, however, is to be financed as part of the cost of the capital improvement in connection with which they are prepared, then and in such event they shall have the same period of probable usefulness as may be determined for such capital improvement.

b. In the event that any such capital improvement is financed in whole or in part pursuant to this chapter after the commencement of the financing of the cost of any such surveys, preliminary plans and detailed plans, specifications and estimates, and if the period of five years shall not have elapsed since the date of issuance of the first obligation or obligations for such surveys, preliminary plans and detailed plans, specifications and estimates, then the period of probable usefulness for such surveys, preliminary plans and detailed plans, specifications and estimates, may be increased so that the period of probable usefulness thereof shall be equal to the period of probable usefulness of the capital improvement for which the financing of such surveys, preliminary plans and detailed plans, specifications and estimates was originally commenced less the period of time which shall have elapsed from the date of issuance of the first obligation or obligations therefor to the date of issuance of the first obligation or obligations for such capital improvement.

* NB There are 2 sub 62's of par a

* 63. System of permanent personal registration of voters. The original establishment and original preparation of a system of permanent personal registration of voters including the purchase of equipment and recording material required in connection therewith, ten years.

* NB There are 2 sub 63's of par a

* 63. Placing of fill. The placing of earth, rocks, gravel or hydraulic fill on land acquired for a public purpose in connection with the improvement thereof, including acquisition and transportation, thirty years.

* NB There are 2 sub 63's of par a

64. Comprehensive master plans. The preparation of a comprehensive master plan for the development of the entire area of the municipality, five years.

66. Equipment for county police district or department. The purchase of equipment, machinery, apparatus or furnishings from any town or village incident to the creation or establishment of a county police department or district which includes such town or village, five years.

70. State office building projects in certain cities. The construction of one or more office buildings and the construction, reconstruction or provision of other public improvements and appurtenances pursuant to section twenty-e of the general city law, whether or not including

demolition, grading or improvement of site, original furnishings, equipment, machinery or apparatus required for the purposes for which such buildings, public improvements and appurtenances are to be used, forty years; the acquisition of land or permanent rights in land pursuant to such section of the general city law, forty years.

* 71. State office building projects in certain counties. The construction of one or more office buildings and the construction, reconstruction or provision of other public improvements and appurtenances pursuant to section eight hundred fifty of the county law, whether or not including demolition, grading or improvement of site, original furnishings, equipment, machinery or apparatus required for the purposes for which such buildings, public improvements and appurtenances are to be used, forty years; the acquisition of land or permanent rights in land pursuant to such section of the county law, forty years.

* NB There are 2 sub 71's of par a

* 71. Special population census. The expenses incurred by a county, city, town, or village to conduct a special population census supervised by the United States bureau of the census pursuant to a contract made pursuant to section twenty of the general municipal law, three years.

* NB There are 2 sub 71's of par a

* 72. Records preservation. The cost of the establishment of a system for the preservation of public records by microfilm reproduction or digital image technology, including the original preparation of microfilm negatives, the conversion of paper records or microfilm negatives to digital images, and the purchase of original equipment and apparatus required for viewing, copying and storage purposes, five years.

* NB There are 3 sub 72's of par a

* 72. Traffic signals, traffic signal systems, traffic signs and traffic sign supports.

(a) The purchase of traffic signals and traffic signal systems, twenty years.

(b) The purchase of traffic signs and traffic sign supports, ten years.

* NB There are 3 sub 72's of par a

* 72. Codification of laws, ordinances, codes, resolutions, rules or regulations. The initial cost of codifying or recodifying the laws,

ordinances, codes, resolutions, rules or regulations of or applicable to a municipality, including the fees and expenses of experts, legal advertising costs, and the initial cost of printing or otherwise reproducing copies of any such codification or recodification for municipal use and to make copies available to the public, but not including the salaries and expenses of officers and regular employees of the municipality, three years.

* NB There are 3 sub 72's of par a

73. Job and business opportunity expansion programs of municipalities. The planning and effectuation of any program, activity or project by a municipality, either directly by the municipality or by contract or by any other lawful means, to create, improve or expand job or business opportunities or job or business training, or both, for persons in the municipality as to whom such opportunities or training are lacking or inadequate, so as to enable such persons to earn enough to maintain a decent standard of living, thirty years. Nothing herein contained however shall prevent the application of the period of probable usefulness prescribed in any other subdivision of this section for any object or purpose constituting a separable part of such program, activity or project.

74. Equipment for off-track, pari-mutuel betting. In the case of any municipality in which the conduct of off-track, pari-mutuel betting on horse races is authorized by law, the purchase by such municipality of equipment, machinery, apparatus or furnishings incident to the conduct of such betting, including equipment, machinery, apparatus or furnishings for use in the establishment or operation of off-track betting offices, facilities or premises, or in providing communications and transmission systems and facilities in connection therewith, ten years.

75. Loans for hospital construction. The making of loans of money or credit to or in aid of any eligible corporation or association for the purpose of providing hospital or other facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or

appurtenant thereto, as may be authorized by law pursuant to section seven of article seventeen of the state constitution, thirty years.

76. Exterior cleaning and beautification of public buildings and monuments owned by a municipality, ten years.

* 77. Passenger vehicle other than a school bus. The purchase of a passenger vehicle, other than a school bus, having a seating capacity of less than ten persons, when purchased to replace a similar vehicle previously in service for three years or more, or in the case of a police or fire vehicle, in service for one year or more, three years.

* NB There are 2 sub 77's of par a

* 77. In the city of New York a comprehensive program of renovation or improvement of transit facilities or the water supply system or a public or school building or playground or of a public park and of the lighting, plumbing, ventilating and communication systems in such building, playground or park, five years. Nothing herein contained, however, shall prevent the application of the period of probable usefulness prescribed in any other subdivision of this section for any object or purpose constituting a separable part of such program.

* NB There are 2 sub 77's of par a

* 78. Payments by the city of New York to the housing finance agency. Any payment of monies by the city of New York to the New York state housing finance agency or any bank or trust company organized under the laws of the state of New York or national banking association doing business in the state of New York or any person, firm or corporation which holds such monies for payment to such agency, if such monies, together with the income earned thereon, are used to make, or discharge such ctiy's obligation to make, in whole or in part, payments which such city is required to make to such agency in each of three or more consecutive fiscal years of such city under a lease, sublease or other agreement with respect to a health facility constructed, acquired, reconstructed, rehabilitated or improved by the health and mental hygiene facilities improvement corporation, three years.

* NB There are 2 sub 78's of par a

* 78. Payments by the city of New York. Any payment of moneys by the city of New York to the lessor or sublessor of real property leased or subleased for any public or municipal purpose or any bank or trust

company organized under the laws of the state of New York or national banking association doing business in the state of New York or any person, firm or corporation which holds such moneys for payment to such lessor or sublessor, if such moneys, together with the income earned thereon, are used to make, or discharge such city's obligation to make, in whole or in part, payments which are required to be made to such lessor or sublessor in each of three or more consecutive fiscal years of such city under a lease or sublease with respect to such real property, three years.

* NB There are 2 sub 78's of par a

79. The effectuation of any program to pay benefits and provide other social and technical assistance to residential tenants eligible for public assistance whose relocation is necessitated by a condition dangerous to life or health, five years. Nothing herein contained, however, shall prevent the application of the period of probable usefulness prescribed in any other subdivision of this paragraph for any object or purpose constituting a separable part of such program.

80. Pedestrian malls. The construction or reconstruction of or addition to a pedestrian mall, whether or not including land or rights in land or the construction or acquisition of public improvements and appurtenances required for the purpose for which such pedestrian mall will be used, twenty years; the replacement of such public improvements and appurtenances, ten years. The term "pedestrian mall", as used in this subdivision, shall mean a public thoroughfare designed as a promenade for pedestrians from which motorized vehicles are to be restricted or prohibited.

81. Computer assisted integrated financial management and accounting system. (a) The expenses incurred by a municipality, for the acquistition and installation of a new computer assisted integrated financial management and accounting system, including computer hardware, ten years.

(b) Computer software incidental to the acquisition and installation of a new computer assisted integrated financial management and accounting system, five years.

82. Computer-aided police emergency dispatch systems in the county of Nassau. (a) The expenses incurred by a municipality in the county of Nassau for the acquisition and installation of a new computer-aided police dispatch system, including computer hardware, ten years.

(b) The expenses incurred by a municipality in the county of Nassau for the acquisition of computer software incidental to the acquisition and installation of a new computer-aided police dispatch system, five years.

83. Certain liability insurance. Payments, other than annual insurance premiums, required by a county, town, city, village, district corporation (as defined in paragraph three of section 2.00 of this chapter), school district, city school district, or school district in a city, as a subscriber of a municipal reciprocal insurer formed under article sixty-one of the insurance law, five years, except where such payments amount to more than one percent of the full equalized valuation of such public entity, ten years.

84. Educational facilities. The acquisition, construction, reconstruction, improvement, rehabilitation, repair, furnishing or equipping of, or other provision for educational facilities, as defined in section twenty-five hundred ninety-a of the education law, or the implementation of the five-year educational facilities capital plan of the board of education of the city school district of the city of New York, thirty years.

85. Payment of amortized amounts for retirement contributions. Payment of the amortized amounts outstanding pursuant to section seventeen-a and section three hundred seventeen-a of the retirement and social security law and section five hundred twenty-one of the education law, including the refinancing of such amounts as authorized by paragraph n of subdivision two of such section five hundred twenty-one, the period of time then remaining for the amortization of amounts under such statutes; provided, however, no indebtedness shall be issued if the remaining amortization period is less than five years.

85-a. Payments for the separation incentive program adopted in nineteen hundred ninety-five by the enlarged city school district of the city of Middletown, Orange county pursuant to an agreement between the district's various collective bargaining groups and the enlarged city school district of Middletown, five years.

85-b. Two thousand four--two thousand five retirement contributions. Payments made by participating employers to the New York state and local employees' retirement system and the New York state and local police and fire retirement system for the two thousand four-two thousand five fiscal year of the retirement systems, but only up to a maximum of the "amount eligible for amortization" pursuant to section seventeen-b or three hundred seventeen-b of the retirement and social security law, ten years; provided, however, that in no event shall the amount of such debt, when added to any amounts amortized pursuant to section seventeen-b or three hundred seventeen-b of the retirement and social security law, exceed the "amount eligible for amortization" as defined in section seventeen-b or three hundred seventeen-b of the retirement and social security law.

85-c. Two thousand five--two thousand six retirement contributions. Payments made by participating employers to the New York state and local employees' retirement system and the New York state and local police and fire retirement system for the two thousand five--two thousand six fiscal year of the retirement systems, but only up to a maximum of the "amount eligible for amortization" pursuant to section seventeen-c or three hundred seventeen-c of the retirement and social security law, ten years; provided, however, that in no event shall the amount of such debt, when added to any amounts amortized pursuant to section seventeen-c or three hundred seventeen-c of the retirement and social security law, exceed the "amount eligible for amortization" as defined in section seventeen-c or three hundred seventeen-c of the retirement and social security law.

85-d. Two thousand six--two thousand seven retirement contributions. Payments made by participating employers to the New York state and local employees' retirement system and the New York state and local police and fire retirement system for the two thousand six--two thousand seven fiscal year of the retirement systems, but only up to a maximum of the "amount eligible for amortization" pursuant to section seventeen-d or three hundred seventeen-d of the retirement and social security law, ten years; provided, however, that in no event shall the amount of such debt, when added to any amounts amortized pursuant to section seventeen-d or three hundred seventeen-d of the retirement and social security law, exceed the "amount eligible for amortization" as defined in section seventeen-d or three hundred seventeen-d of the retirement and social security law.

85-e. Payments by the city of Long Beach to or for the benefit of employees upon separation from employment, as have been or may be approved by the city and including, but not limited to, cash payment for separation incentives, voluntary early retirement incentive programs and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation, premiums or contributions with respect to health, dental and vision care insurance plans for the fiscal year in which such separation occurs, and any other forms of payment required to be paid to or for the benefit of such employees in connection with the separation from employment, five years.

* 86. Soft-body armor and semi-automatic pistols in municipalities, for use by police departments of such municipalities. (a) The expenses incurred by municipalities for the acquisition of soft-body armor of such municipalities, five years.

(b) The expenses incurred by municipalities for the acquisition of semi-automatic pistols, five years.

* NB There are 2 sub 86's of par a

* 86. Soft-body armor and semi-automatic pistols in the cities of Long Beach and Glen Cove, Nassau county, for use by police departments of such cities. (a) The expenses incurred by the city of Long Beach or the city of Glen Cove in the county of Nassau for the acquisition of soft-body armor, five years.

(b) The expenses incurred by the city of Long Beach or the city of Glen Cove in the county of Nassau for the acquisition of semi-automatic pistols, five years.

* NB There are 2 sub 86's of par a

* 88. Criminal justice information system in the county of Suffolk. The expenses incurred by the county of Suffolk for the acquisition and installation of a criminal justice information system, including computer hardware and software, reconstruction of county buildings and facilities required in connection with such installation and furnishings and equipment to be used in connection with such system, ten years.

* NB There are 2 sub 88's of par a

* 88. Underground liquid fuel tanks. (a) the acquisition and installation of tanks for the storage of liquid fuel at ambient pressure, including connected pipes, valves, meters, pumps, leak detection equipment and vent alarms and the construction of groundwater monitoring wells, fifteen years;

(b) the excavation, emptying or disposal of such existing tanks or their contents, ten years.

* NB There are 2 sub 88's of par a

89. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least five years, five years.

90. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least ten years, ten years.

91. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least fifteen years, fifteen years.

92. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least twenty years, twenty years.

93. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least twenty-five years, twenty-five years.

94. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least thirty years, thirty years.

95. Payment by Suffolk county for the retirement incentive programs adopted in nineteen hundred ninety-five in accordance with the provisions of chapter twelve of the laws of nineteen hundred ninety-five and in nineteen hundred ninety-seven in accordance with the provisions of chapter forty-one of the laws of nineteen hundred ninety-seven, and payment by Suffolk county for past service payments pursuant to any special retirement plan for sheriffs, undersheriffs and deputy sheriffs in accordance with the provisions of chapter one hundred sixty-five of the laws of nineteen hundred ninety-five, the time remaining as the payment period under such statutes.

96. Payment by the village of Rockville Centre, in the county of Nassau, of contributions to the New York state and local police and fire retirement system to provide additional pension benefits, pursuant to section three hundred eighty-four-e of the retirement and social security law, to police officers employed by such village, ten years.

97. Educational facilities. The acquisition, construction, reconstruction, improvement, rehabilitation, repair, furnishing or equipping of a school construction project eligible for the apportionment of aid pursuant to subdivision six of section thirty-six hundred two of the education law, thirty years.

98. Communication and computer equipment directly related to the receipt of wireless 911 calls and the dispatch of emergency services in response to such call, including costs associated with the local government cellular emergency 911 program authorized pursuant to section sixteen hundred eighty-nine-g of the public authorities law, ten years.

* 99. Payment for a retirement incentive program adopted in accordance with the provisions of part A of chapter sixty-nine of the laws of two thousand two and payment for any outstanding obligations for any retirement incentive program adopted in accordance with any legislation

prior to such date, five years.

* NB There are 2 sub 99's of par a

* 99. Payment by the city of Albany, in the county of Albany, of contributions to the New York state and local police and fire retirement system to reopen the optional twenty year retirement plan to certain firefighters in the city of Albany and to provide additional pension benefits, pursuant to section three hundred eighty-four-e of the retirement and social security law, to firefighters employed by such city, twenty years.

* NB There are 2 sub 99's of par a

* 100. Certain retirement prior service contributions. Contributions to the New York state and local police and fire retirement system for benefits provided pursuant to section three hundred eighty-four-e of the retirement and social security law that are attributable to service rendered prior to the adoption of such section, and which are being amortized over ten years or less, the lesser of ten years or the period of time remaining to pay such contributions to such retirement system.

* NB There are 2 sub 100's of par a

* 100. Payment by the Ridge Road fire district, in the county of Monroe, of contributions to the New York state and local police and fire retirement system to provide additional pension benefits, pursuant to section three hundred eighty-four-e of the retirement and social security law, to all eligible firefighters employed by such fire district, five years.

* NB There are 2 sub 100's of par a

* 101. Payment of certain negotiated benefits by the village of Haverstraw. Payment of negotiated benefits pursuant to collective bargaining agreements to retiring or transferring village police officers in connection with the disbanding of the village of Haverstraw police department, five years, except that if the amount of such payments in any fiscal year exceeds one per centum of the average assessed valuation of such village, ten years.

* NB There are 2 sb 101's

* 101. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least thirty-five years, thirty-five years.

* NB There are 2 sb 101's

102. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least forty years, forty years.

103. One or more objects or purposes for which a period of probable usefulness has been determined under any other subdivision of this paragraph to be at least fifty years, fifty years.

* 104. Payments of a targeted retirement program by the county of Rockland incentive payments by the county of Rockland with respect to a targeted retirement program for current employees, ten years.

* NB There are 2 sb 104's

* 104. Payments by the county of Nassau to employees upon separation from employment, as may be approved by the county and including, but not limited to, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation and any other forms of payment required to be paid to such employees upon separation from employment, ten years.

* NB There are 2 sb 104's

* 105. Payments by the town of East Hampton, county of Suffolk to employees upon separation from employment, as may be approved by the town and including, but not limited to, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation and any other forms of payment required to be paid to such employees upon separation from employment, ten years.

* NB There are 2 sb 105's

* 105. Payments by the town of Stony Point to or for the benefit of employees upon separation from employment, as may be approved by the town and including, but not limited to, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation, premiums or contributions with respect to health, dental

and vision care insurance plans for the fiscal year in which such separation occurs, and any other forms of payment required to be paid to or for the benefit of such employees in connection with the separation from employment, ten years.

* NB There are 2 sb 105's

* 106. Payments by the town of Southampton to or for the benefit of employees upon separation from employment, as may be approved by the town and including, but not limited to, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation, premiums or contributions with respect to health, dental and vision care insurance plans for the fiscal year in which such separation occurs, and any other forms of payment required to be paid to or for the benefit of such employees in connection with the separation from employment, ten years.

* NB There are 4 sb 106's

* 106. Payments by the village of Lynbrook, in the county of Nassau, made on or after April first, two thousand eleven, to employees upon separation from employment, as may be approved by such village and including, but not limited to, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation and any other forms of payment required to be paid to such employees upon separation from employment, ten years.

* NB There are 4 sb 106's

* 106. Payments by the town of Oyster Bay to employees upon separation from employment, as may be approved by the town and including, but not limited to, such payments, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, vacation time, and any other forms of payment required to be paid to such employees upon separation from employment, ten years.

* NB There are 4 sb 106's

* 106. Any payments by the city of Glen Cove made after January first, two thousand twelve to employees upon separation from employment, as may

be approved by the city and including, but not limited to, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, personal leave, holiday leave, vacation time, time allowances granted in lieu of overtime compensation and any other forms of payment required to be paid to such employees upon separation from employment, ten years.

* NB There are 4 sb 106's

107. Payment by the city of Elmira, county of Chemung, of the past service cost due to the New York state and local police and fire retirement system to provide additional pension benefits pursuant to sections three hundred seventy-five-i and three hundred seventy-five-j of the retirement and social security law to eligible firefighters employed by the city of Elmira, ten years.

* 108. Payments by the town of Hempstead, county of Nassau, to employees upon separation from employment, as may be approved by the town and including, but not limited to, such payments, cash payment for separation incentives and/or payment of the monetary value of accrued and accumulated but unused and unpaid sick leave, vacation time, and any other forms of payment required to be paid to such employees upon separation from employment, ten years.

* NB There are 2 sb 108's

* 108. Intangible assets. The acquisition or development of an intangible asset that is classified as a capital asset under generally accepted accounting principles for municipalities and that has been determined to have a useful life of at least five years by an appropriate engineering or other professional, five years.

* NB There are 2 sb 108's

* 109. Lead service line replacement programs established by a municipality, school district or district corporation, including, but not limited to programs that inventory, design and replace publicly owned and privately owned lead service lines within an established water system, thirty years. As used in this subdivision, "lead service line" means a service line made in whole or in part of lead, which connects a water main to a building inlet. A lead service line may be owned by the water system, a property owner, or both. A lead gooseneck, pigtail, or connector shall be eligible for replacement regardless of the service

line material to which a lead gooseneck, pigtail, or connector is attached. Gooseneck, pigtail, or connector means a short section of piping, typically not exceeding two feet, which can be bent and used for connections between rigid service piping. A galvanized iron or steel service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material.

* NB There are 2 sb 109's

* 109. For acquisition, construction, or replacement of broadband and related telecommunications infrastructure pursuant to section ninety-nine-y of the general municipal law, ten years.

* NB There are 2 sb 109's

110. Septic systems. The acquisition, construction, or reconstruction of or addition to septic systems funded by programs established by the county of Suffolk, twenty-five years.

b. The finance board or other body or official designated by law shall have the power to determine, prior to the contracting of an indebtedness for any object or purpose specified in paragraph a of this section, or a class thereof, the period of probable usefulness thereof, but the period so determined shall in no event exceed the period determined by this section. In those municipalities in which the finance board has such power, the finance board may, by resolution, delegate such power to such other body or official as it may designate, in which event such body or official shall exercise such power until the finance board, by resolution, shall elect to reassume the same. If a body other than the finance board makes such determination it shall do so by resolution and it shall file a certified copy thereof with the finance board. If an official makes such determination he shall do so by a certificate properly dated and signed by him, and he shall file such certificate with the finance board.

c. The agency exercising the power to determine the period of probable usefulness, pursuant to paragraph b above, shall also determine which subdivision of paragraph a of this section applies to such object or purpose, or class thereof. If the indebtedness which is to be contracted for such object or purpose, or class thereof, is to be evidenced by obligations, such determination shall become conclusive upon the sale of such obligations. If a body other than the finance board makes such determination it shall do so by resolution and it shall file a certified copy thereof with the finance board. If an official makes such determination he shall do so by a certificate properly dated and signed by him, and he shall file such certificate with the finance board.

TITLE 1-A
INDEBTEDNESS RELATIVE TO MUNICIPAL COOPERATIVE ACTIVITIES

§ 15.00 Indebtedness relative to municipal cooperative activities. a. Legislative intent. The provisions of title one-A of article two of this chapter are intended to effectuate the provisions of sections one and two-a of article eight of the constitution, as in force and effect on January first, nineteen hundred sixty, in relation to indebtedness contracted, either jointly or severally, for (a) a joint service described in section one of such article eight and (b) a joint water, sewage or drainage project described in paragraphs B, D and F of section two-a of such article eight.

b. Definitions. As used in this title:

1. The term "municipal corporation" means a county outside the city of New York, a city, a town, a village, or a school district.

2. The term "municipality" means a county outside the city of New York, a city, a town or a village.

3. The term "district," unless a specific type of district is referred to, means a county or town improvement district for which the county or town or towns in which such district is located is or are required to pledge its or their faith and credit for the payment of the principal of and interest on all indebtedness to be contracted for the purposes of such district.

4. The term "joint service" means a municipal facility, service, activity or undertaking described in section one of article eight of the constitution, but shall not include any object or purpose the indebtedness for which would be subject to the limitations of paragraph a of section 150.00 of this chapter.

5. The term "joint water, sewage or drainage project" means a joint project to provide for a common supply of water, the common conveyance, treatment and disposal of sewage or a common drainage system, as described in paragraphs B, D and F of section two-a of article eight of the constitution.

6. The term "joint indebtedness" means indebtedness contracted for or in relation to a joint service or a joint water, sewage or drainage project and for which the joint faith and credit of the municipal corporations or municipalities would be pledged for the payment thereof. Such term also shall include (a) indebtedness on account of the acquisition of real property the title to which has vested in the municipal corporations or municipalities, or the title to which they have agreed to accept pursuant to a contract therefor, and for which payment has not been made, (b) indebtedness arising from contracts and (c) involuntary indebtedness incurred in relation to a joint service or a joint water, sewage or drainage project and for which the municipal corporations or municipalities are jointly liable, where, from the context of this title, it is evident that indebtedness on account of real property liabilities, contract liabilities and involuntary indebtedness are intended to be included within the meaning of the term.

7. The term "several indebtedness" means indebtedness contracted for or in relation to a joint service or a joint water, sewage or drainage

project and for which the faith and credit of a single municipal corporation or municipality would be pledged for the payment thereof. Such term also shall include (a) indebtedness on account of the acquisition of real property the title to which has vested in a municipal corporation or municipality, or in the participating municipal corporations or municipalities, or the title to which it has, or they have, agreed to accept pursuant to a contract therefor, and for which payment has not been made, (b) indebtedness arising from contracts and (c) involuntary indebtedness incurred in relation to a joint service or a joint water, sewage or drainage project and for which a municipal corporation or a municipality is not jointly liable, where, from the context of this title, it is evident that indebtedness on account of real property liabilities, contract liabilities and involuntary indebtedness are intended to be included within the meaning of the term.

c. Power to contract indebtedness; joint services and joint projects. 1. Municipal corporations. Two or more municipal corporations which have agreed to provide a joint service, either directly or on behalf of a district, pursuant to article five-G of the general municipal law, or pursuant to any other law enacted by the legislature, may contract either joint indebtedness or several indebtedness to provide for such joint service. Such indebtedness shall not be contracted, however, unless there is an applicable period of probable usefulness prescribed in paragraph a of section 11.00 of this chapter under which each of the participating municipal corporations, acting separately, either directly or on behalf of a district, could have issued obligations pursuant to this chapter.

2. Municipalities. Two or more municipalities which, either directly or on behalf of a district, have agreed to provide a joint water, sewage or drainage project pursuant to any law enacted by the legislature may contract either joint indebtedness or several indebtedness to provide for such joint project. Such indebtedness shall not be contracted, however, unless there is an applicable period of probable usefulness prescribed in paragraph a of section 11.00 of this chapter under which each of the participating municipalities, acting separately, either directly or on behalf of a district, could have issued obligations

pursuant to this chapter.

3. General provisions. (a) The financing of a joint service or a joint water, sewer or drainage project may include but shall not be limited to (1) the acquisition of land and permanent and temporary rights in land, (2) the original furnishings, equipment, machinery or apparatus for a physical public betterment or improvement or required for the purposes for which the public betterment or improvement is to be used, and the replacement of such furnishings, equipment, machinery or apparatus, (3) the acquisition, construction, reconstruction, conversion or alterations, of, or additions to, buildings, (4) the acquisition of motor vehicles, machinery or apparatus to be used in the work of constructing, reconstructing, converting, altering, or adding to, repairing or maintaining a physical public betterment or removing the snow and ice therefrom, (5) appraisals of real property by experts to assist in the assessment thereof for taxation, (6) the payment of judgments, claims, awards or sums described in and subject to the limitations of subdivision thirty-three of paragraph a of section 11.00 and required to be paid because of such joint service or joint water, sewage or drainage project, (7) the temporary financing in anticipation of the collection of taxes, assessments, rents, rates or charges or the receipt of money as provided in subdivision thirty-six of paragraph a of section 11.00, (8) the financing of the protection of tax liens and foreclosure costs described in and subject to the limitations of subdivision thirty-seven of paragraph a of section 11.00 and (9) the temporary financing of miscellaneous expenditures by the issuance of budget notes as provided in subdivision forty of paragraph a of section 11.00.

(b) A municipal corporation shall not contract indebtedness for a joint service, and a municipality shall not contract indebtedness for a joint water, sewage or drainage project, to a greater extent than it is authorized by law to spend money for any such service or project and provided also that this section shall not relieve any such unit of government of any duty imposed by law to include in its annual budget or tax levy or otherwise to pay from current funds all or part of any expenditure that it may make for any such service or project.

(c) Where the agreement between the municipal corporations or municipalities in relation to any joint service or any joint water, sewage or drainage project does not provide that the indebtedness which is to be contracted is to be joint indebtedness, the amounts of indebtedness which are to be contracted severally by the parties to the agreement shall be in the proportions specified in the agreement. Where the agreement does not provide how the indebtedness shall be contracted, and the parties cannot otherwise agree, the indebtedness shall be contracted as joint indebtedness.

(d) Any involuntary indebtedness which is incurred because of a joint service or joint water, sewage or drainage project shall, until satisfied, be deemed the joint indebtedness of the parties to the agreement. The payment of any such indebtedness, however, may be financed by the issuance of obligations severally by such parties for specific proportions of the amount thereof according to the terms of the agreement. Where the agreement does not provide how such involuntary indebtedness shall be financed, and the parties cannot otherwise agree, the obligations issued to finance the payment thereof shall be joint indebtedness.

(e) Where joint indebtedness is contracted pursuant to the provisions of this section the participating municipal corporations or municipalities, by joint action of their finance boards or their chief fiscal officers, as the case may be, may issue obligations pursuant to the provisions of this chapter in the same manner as a single county, city, town, village or school district and shall pledge the joint faith and credit of the issuers for the payment of all such indebtedness.

(f) Notwithstanding any other provision of this title, or of any other provision of law, in relation to (1) the allocation and apportionment of joint indebtedness for the purpose of determining the debt-contracting power of a municipal corporation or municipality or (2) the exclusion of any such joint indebtedness in determining the debt-contracting power of a municipal corporation or municipality, the liability of the participating municipal corporations or municipalities for the payment of the principal of an interest on such joint indebtedness shall be a joint liability of the participating municipal corporations or municipalities.

(g) Where there has been a pledge of the faith and credit of any municipal corporation or municipality pursuant to section 100.00 of this chapter for the payment of any several indebtedness, or of any joint indebtedness, in relation to a joint service or a joint water, sewage or drainage project, provisions shall be made annually by appropriation for the payment of the interest thereon and of the amounts required for the redemption thereof in compliance with the provisions of section two of article eight of the constitution. If at any time the respective appropriating authorities of any such municipal corporation or municipality shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The chief fiscal officer of any such participating municipal corporation or municipality may be required to set apart and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness. All laws requiring the withholding of state aid in the event of the default in the payment of the principal of and interest on indebtedness shall be applicable in the event of a default in the payment of the principal of and interest on any such several indebtedness or joint indebtedness.

(h) The powers which may be exercised by a finance board in relation to such joint indebtedness or several indebtedness shall include, but shall not be limited to, the following:

1. Determining the period of probable usefulness for any object or purpose or class thereof.

2. Determining the subdivision of paragraph a of section 11.00 of this chapter which applies to any object or purpose or class thereof.

3. Authorizing the issuance of bonds and the issuance and renewal of bond anticipation notes, capital notes, tax anticipation notes, revenue anticipation notes and budget notes subject to the provisions of this section and sections 21.00, 23.00, 24.00, 25.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 33.10, 34.00, 35.00, 36.00, 37.00, 38.10, 39.00, 40.00 and 41.10 of this chapter.

4. Prescribing the terms, form and contents of obligations, the place of payment thereof, and providing for the sale, execution, issuance and delivery and cancellation thereof subject to the provisions of this

section and sections 50.00, 51.00, 52.00, 53.00, 54.00, 55.00, 55.10, 56.00, 57.00, 58.00, 59.00, 60.00, 61.00, 62.00, 62.10, 63.00 and 63.10 of this chapter, except as otherwise provided in subparagraph (u) of this subdivision.

5. Entering into contracts with a bank or trust company for the place of payment of obligations and for the purpose of having a bank or trust company act as paying agent or as registration agent subject to the provisions of this section and sections 54.00 and 70.00 of this chapter.

6. Adopting the procedure specified in sections 80.00 and 81.00 of this chapter which would be requisite to making sections 82.00, 83.00 and 84.00 of this chapter applicable.

7. Repealing or revoking resolutions or certificates authorizing the issuance of obligations, subject, however, to the provisions of section 41.00 of this chapter.

8. Refunding of capital notes pursuant to the provisions of section 91.00 of this chapter, except that the provisions of paragraph b of section 107.00 of this chapter shall not be applicable in any such refunding of joint indebtedness or several indebtedness.

9. Reissuing obligations in place of lost, destroyed, partially destroyed or defaced obligations pursuant to section 104.00 of this chapter.

10. Depositing and investing the proceeds of obligations subject to the provisions of section 165.00 of this chapter.

11. Authorizing the temporary use of funds pursuant to section 165.10 of this chapter.

(i) The finance boards of the participating municipal corporations or municipalities shall provide that the place of payment of bonds or notes constituting joint indebtedness shall be in the office of an appropriate officer of one of the participating municipal corporations or municipalities if a contract is not made with a bank or trust company as the place of payment as provided in section 54.00 of this chapter.

(j) The finance boards of the participating municipal corporations or municipalities shall designate an appropriate officer of one of the participating municipal corporations or municipalities as registration agent in relation to any bonds or notes constituting joint indebtedness if a contract is not entered into with a bank or trust company to act as registration agent as provided in section 70.00 of this chapter. The officer so designated shall perform all of the duties and keep all of the records in relation to such joint indebtedness required by sections 70.00, 71.00, 72.00, 73.00, 74.00, 75.00 and paragraph d of section 164.00 of this chapter.

(k) The finance board of the participating municipal corporations or municipalities shall designate an appropriate officer of one of the participating municipal corporations or municipalities to keep the record of any bonds or notes constituting joint indebtedness as required by section 163.00 of this chapter.

(l) Notwithstanding any other provisions of this section, if any power of a finance board of any participating municipal corporation or municipality may be delegated to its chief fiscal officer or to any other official or body under any section of this chapter, such chief fiscal officer or other official or body may exercise the powers so delegated in relation to matters to which this title and other provisions of this chapter apply.

(m) Notwithstanding any other provisions of this section, where any power may be delegated to the chief fiscal officers of the participating municipal corporations or municipalities pursuant to this section, the finance boards of the participating municipal corporations or municipalities may agree that any such power may be delegated to and exercised by one of such chief fiscal officers.

(n) Where any action is taken in relation to joint indebtedness for which the joint faith and credit of the participating municipal corporations or municipalities would be pledged, or in relation to obligations issued pursuant to this chapter, the finance boards of each of the participating municipal corporations or municipalities must separately authorize such action to be taken, except as otherwise provided in subparagraphs (l) and (m) of this subdivision. Such separate authorization by each such finance board shall be subject to the provisions of this chapter, and of local laws enacted pursuant to this chapter, which would be applicable in the event that the object or purpose in relation to which action is being taken was the object or purpose solely of the county, city, town, village or school district which the finance board represents.

(o) Where the fiscal years of the participating municipal corporations or municipalities are not the same and where joint indebtedness is to be or has been contracted by the issuance or renewal of tax anticipation notes, revenue anticipation notes, capital notes and budget notes or any action is required to be taken in, or limitation is applicable in connection with, a "fiscal year," the finance boards of such participants may determine that the "fiscal year" for such purposes shall be the same as the fiscal year of one of the participants.

(p) Notwithstanding the provisions of section 31.00 of this chapter, any school district which is a participating municipal corporation in relation to a joint service may, in connection with such joint service, adopt one or more bond resolutions or capital note resolutions authorizing the issuance of bonds or capital notes as several indebtedness, or may participate in the adoption of any such resolution authorizing the issuance of bonds or capital notes as joint indebtedness, for a class of objects or purposes for which objects or purposes serial bonds may be issued, subject, however, to the applicable provisions of section 37.00 of this chapter.

(q) A bond resolution, a capital note resolution or a budget note resolution adopted in compliance with the provisions of sections 32.00 and 40.00 of this chapter for a joint service or a joint water, sewage or drainage project shall state the total amount of the indebtedness which is to be contracted severally by the issuance of bonds, capital notes or budget notes by each of the participating municipal corporations or municipalities for the object or purpose or class thereof set forth in the resolution, or, if joint indebtedness is to be contracted, any such resolution shall set forth the total amount of the joint indebtedness which is to be contracted and the amounts which it is estimated will be allocated and apportioned to each of the participating municipal corporations or municipalities for the purpose of ascertaining their debt-contracting powers.

(r) Notices to be published in relation to a mandatory or permissive referendum pursuant to sections 33.10, 35.00, 36.00 and 37.00 of this chapter, and notices required to be published in connection with the voting of a special tax or a tax to be collected in installments as a condition precedent to the adoption of a bond resolution for a joint service or joint water, sewage or drainage project, shall state the total amount of the indebtedness which is to be contracted severally by the issuance of bonds and capital notes by each of the participating municipal corporations or municipalities for the object or purpose or class thereof for which it is proposed that bonds or capital notes will be issued, or, if joint indebtedness is to be contracted, any such notice shall set forth the total amount of the joint indebtedness which is to be contracted and the amounts which it is estimated will be allocated and apportioned to each of the participating municipal corporations or municipalities for the purpose of ascertaining their debt-contracting powers.

(s) The notice required to be published in an official newspaper pursuant to section 81.00 of this chapter shall, where joint indebtedness is to be incurred, be published in the official newspaper or newspapers of each of the participating municipal corporations or municipalities or if there be no such newspaper or newspapers, then in one or more newspapers having general circulation in such municipal corporations or municipalities as the finance boards shall designate, except that where any newspaper is the official newspaper of all of the participating municipal corporations or municipalities or is the only newspaper designated by the finance boards as a newspaper having general circulation in all of the participating municipal corporations or municipalities only one notice need be published in any such newspaper.

(t) If bonds which would constitute several indebtedness are sold at private sale pursuant to the provisions of paragraph b of section 63.00 of this chapter, the amount of such bonds shall be included in any computation of the total amount of bonds which may be sold at private sale in any fiscal year of the issuer.

(u) Bonds which would constitute joint indebtedness may be sold at private sale pursuant to and, except as hereinafter provided, subject to the provisions of paragraph b of section 63.00 of this chapter. The total amount of such bonds which may be so sold at private sale in any calendar year shall not exceed one million dollars. The limitation of paragraph b of section 63.00 in relation to the total amount of bonds which may be sold at private sale in any fiscal year of the issuer shall not be applicable to bonds sold pursuant to this subparagraph. The amount of any bonds sold pursuant to this subparagraph shall not be included in computing the total amount of bonds not constituting joint indebtedness which could be sold at private sale in any fiscal year of the issuer pursuant to paragraph b of section 63.00.

(v) The provisions of paragraph b of section 107.00 of this chapter in relation to down payment shall not apply in relation to any joint service or joint water, sewage or drainage project which is to be financed in whole or in part by the issuance of obligations constituting joint indebtedness or several indebtedness of the participating municipal corporations or municipalities.

(w) The limitations on the amount of budget notes which may be issued in any fiscal year and which are set forth in subdivisions two and three of paragraph a of section 29.00 of this chapter and in paragraph i of such section shall not be applicable to budget notes issued for the purposes permitted by such subdivisions two and three of paragraph a and such paragraph i of section 29.00 and in relation to a joint service or a joint water, sewage or drainage project. Such budget notes issued for such purposes shall not affect the power of a county, city, town, village or school district to issue budget notes for other purposes under such provisions of section 29.00 of this chapter.

(x) The provisions of sections 160.00, 160.10, 161.00, 162.00, 165.00, 166.00, 167.00, 170.00 and 180.00 of this chapter relating to action by the finance board, delegation of powers and duties, negotiability of obligations, tax exemption, use of proceeds, inclusive of premiums, from the sale of obligations, legal actions and appeals, powers to adopt local laws and liberal construction, and all other pertinent provisions of this chapter essential to effectuate the objects and purposes of this title, shall be applicable in relation to the indebtedness and financing of a joint service or a joint water, sewage or drainage project, except as otherwise expressly provided in this title.

§ 15.10 Allocation of indebtedness. a. Several indebtedness and joint indebtedness contracted or incurred for a joint service or a joint water, sewage or drainage project shall be included as gross indebtedness in the debt statement of the municipal corporation or municipality which has contracted or incurred such indebtedness, except that such indebtedness contracted or incurred by a school district, other than a school district in a city, shall not be included unless it is evidenced by bonds or bond anticipation notes or is included as indebtedness of a merged or annexed school district pursuant to section 121.00 of this chapter.

b. The amount of joint indebtedness which is to be included as gross indebtedness in the debt statement of a participating municipal corporation or municipality shall not exceed the amount of such indebtedness allocated and apportioned to such municipal corporation in the bond resolution or note resolution authorizing such indebtedness to be contracted. In the case of other joint indebtedness for such a joint service or joint water, sewage or drainage project arising out of real property liabilities and contract liabilities, the amount thereof to be included as gross indebtedness in a debt statement of a participating municipal corporation or municipality shall not exceed the amount of such indebtedness required to be allocated and apportioned to such municipal corporation in the agreement of the participating municipal corporations in relation to such joint service. Where the agreement does not provide for any such allocation and apportionment, or in the case of involuntary joint indebtedness, the amount to be allocated and apportioned to a participating municipal corporation or municipality shall be in the same proportion as the full valuation of the real estate subject to taxation or assessment for such joint service or joint water, sewage or drainage project by such municipal corporation or municipality bears to the full valuation of the real estate subject to taxation or assessment by all of the participating municipal corporations or municipalities for such joint service or project. Full valuations shall be determined by applying to the latest assessed valuation the appropriate state equalization rate established on the same period price level. Where such rate has not been established on the same period price level for all participants, application may be made to the commissioner of taxation and finance for the establishment of a special rate or rates as so required and the commissioner shall have power to establish the same, which special rate or rates shall then be used. The amounts of joint indebtedness so allocated and apportioned shall not exceed in the aggregate the total amount of such joint indebtedness.

c. The agreement between the participating municipal corporations and municipalities may provide for apportionment and allocation of joint indebtedness on a ratio of full valuations of real property or on a basis of the amount of services rendered or to be rendered, or benefits received or conferred or to be received or conferred, or on any other equitable basis.

d. Any allocation and apportionment of joint indebtedness which has been contracted or incurred or which is proposed to be contracted or incurred shall be conclusive if made or approved by the state comptroller. The application to the state comptroller for any such allocation and apportionment may be made on behalf of the participating municipal corporations or municipalities by the finance boards thereof acting jointly or by the chief fiscal officers thereof acting jointly upon the direction of such finance boards, or by the finance board of any such participating municipal corporation or municipality or the chief fiscal officer thereof upon the direction of such finance board. The application shall be verified by the finance board or boards or by the chief fiscal officer or officers making the application. It shall be in such form and shall contain such information as shall be prescribed by the state comptroller. If the application is not made by the finance boards or by the chief fiscal officers of all of the participating municipal corporations or municipalities, written notice of such application shall be given to the chief fiscal officer of any other participating municipal corporation or municipality prior to the filing of the application with the state comptroller.

e. If the application to the state comptroller is for the allocation or apportionment of existing or proposed indebtedness exceeding one hundred thousand dollars in amount, then within five days after the filing of such application with the state comptroller, the chief fiscal officer or chief fiscal officers of the applicant or applicants shall cause a notice to be published that such application has been filed with the state comptroller. Such notice shall be published in accordance with the provisions of paragraph c of section 15.20 of this chapter. The notice also shall contain a description of the existing or proposed indebtedness sought to be allocated and apportioned and the nature of the joint service or joint water, sewage or drainage project in relation to which such existing or proposed indebtedness is to be contracted or incurred. Proof of publication of such notice shall be filed in the office of the state comptroller. A copy of the application and of all data and information which will be submitted to the state comptroller in support of such application shall be filed in the office or offices of such chief fiscal officer or chief fiscal officers and shall be public records.

f. After the filing of the application, the state comptroller shall review the facts set forth therein. Notwithstanding the provisions of paragraph e of this section, the state comptroller may require notice of the application to be published in any such proceeding. The state comptroller shall have power to examine the accounts and records of the municipal corporations or municipalities with respect to the joint service or joint water, sewage or drainage project concerning which the application is made. He may also require the chief fiscal officer and other public officers, boards and agencies of the municipal corporations or municipalities involved to furnish such additional data and information in their possession as he deems necessary to enable him to make his determination.

g. The state comptroller shall issue a written certificate setting forth his determination as to how such existing or proposed indebtedness should be allocated and apportioned. The certificate of the state comptroller shall not be issued until ten days after the filing of such application or proof of publication of the notice of such application, whichever date is the later, and the certificate shall be issued within forty-five days after such filing. The certificate of the state comptroller shall be executed under his hand and seal. Such certificate shall be filed in the department of audit and control and duplicate certificates shall be executed under the hand and seal of the state comptroller and filed in the offices of the chief fiscal officers of each of the participating municipal corporations or municipalities.

§ 15.20 Limitations on amount of local indebtedness; exclusions of certain indebtedness. a. The provisions of section 104.00 of this chapter shall be applicable in relation to the powers of counties, cities, towns, villages and school districts in cities to contract indebtedness, and the powers of other school districts to issue bonds and bond anticipation notes, in connection with a joint service or joint water, sewage or drainage project; provided, however, that the amount of the joint indebtedness of any such municipal corporation or municipality therefor shall not exceed the amount allocated and apportioned as provided in or pursuant to the provisions of section 15.10 of this chapter.

b. In ascertaining the power of a county, city, town or village to contract indebtedness, there shall be excluded any joint indebtedness and any several indebtedness contracted to provide for the supply of water. Any such indebtedness for such purpose shall not be excluded in ascertaining the power of any school district to contract indebtedness. The provisions of paragraph c of this section shall not apply to indebtedness contracted to provide for the supply of water.

c. In ascertaining the power of a county, city, town or village to contract indebtedness there shall be excluded any joint indebtedness or several indebtedness contracted or proposed to be contracted for a joint service, other than a joint sewage or drainage project, to the extent permitted by paragraph C of section five of article eight of the constitution, as implemented by section 123.00 of this chapter. The provisions of this paragraph shall not be deemed to affect or impair any other existing exclusions of indebtedness granted by any other provision of this chapter or the constitution. Any such municipal corporation, or all of such municipal corporations, participating in a joint service, other than a joint sewage or drainage project, may apply to the state comptroller for a conclusive determination of the amount or amounts of any such indebtedness contracted or proposed to be contracted for such joint service to be excluded pursuant to the provisions of section

123.00 of this chapter. The provisions of such section, other than subdivision two of paragraph b thereof, shall be applicable in relation to any such application, and the procedural provisions thereof shall be liberally construed to effectuate the provisions of paragraph C of section five of article eight of the constitution. Where there is a joint application and the fiscal years of the municipal corporations are not the same, the term "preceding fiscal year," as used in section 123.00, shall, for the purposes of this section, mean "preceding year." If an application is not made jointly by all of the chief fiscal officers of the participating municipal corporations, written notice of such application shall be given, prior to the filing of the application with the state comptroller, to the chief fiscal officer of each participating municipal corporation not joining in such application. In the case of a joint application the notice required to be published under the provisions of paragraph h of section 123.00 shall be published in the official newspaper or newspapers of each of the participating municipal corporations, or if there be no such newspaper or newspapers, then in one or more newspapers having general circulation in such municipal corporations as the finance boards shall designate, except that where any newspaper is the official newspaper of all of the participating municipal corporations, or is the only newspaper designated by the finance boards as a newspaper having general circulation in all of the participating municipal corporations, only one notice need be published in any such newspaper. Where there is a joint application in relation to a joint service which has been in operation for one year, and the fiscal years of the municipal corporations are not the same, the certificate of the state comptroller shall be effective only until the first day of the fourth month following the close of the year of operation described in the application.

d. In ascertaining the power of a municipality to contract indebtedness there shall be excluded all or any part of the joint indebtedness or several indebtedness contracted or proposed to be contracted for a joint sewage or drainage project the amount or amounts of which shall be determined conclusively by the state comptroller in the same manner as provided in paragraph c of this section, except that, in any proceeding under this paragraph, any requirement that the improvement, or part thereof, or service shall have yielded net revenue during the preceding fiscal year or preceding year in a sum equal to twenty-five per centum or more of the amount required in such year for the payment of the interest on an amortization of, or payment of, indebtedness, as set forth in subdivisions one and three of paragraph b and in subdivision two of paragraph c of section 123.00, shall not be applicable.

§ 15.30 Debt statements. a. The state comptroller, in the performance of his duties pursuant to section 141.00 of this chapter, shall cause debt statements of municipal corporations and municipalities to be prepared in such manner as will reflect (1) the gross amounts of any several indebtedness and joint indebtedness contracted or incurred by a participating municipal corporation or municipality in relation to a joint service or joint water, sewage or drainage project, (2) the amounts of any such several indebtedness, and the amounts of any such joint indebtedness allocated and apportioned to any participating municipal corporation or municipality, which are to be included as gross indebtedness in a debt statement prepared in accordance with the provisions of title ten of article two of this chapter, and (3) the amounts of any such several indebtedness or joint indebtedness which under or pursuant to any provision of this chapter may be excluded in ascertaining the debt-contracting margin of the participating municipal corporation or municipality.

b. The provisions of section 109.00 and of title ten of article two of this chapter which are consistent with the provisions of title one-A of such article shall be applicable in relation to the debt statements of a municipal corporation or municipality which is a participant in a joint service or joint water, sewage or drainage project.

§ 15.40 Additional limitations. a. Indebtedness shall not be contracted or incurred pursuant to this title for any object or purpose which is intended to effectuate any of the purposes of article eighteen of the state constitution as implemented by the public housing law or any other law including this chapter.

b. The following provisions of this chapter shall not be applicable in relation to indebtedness contracted or incurred in relation to a joint service or a joint water, sewage or drainage project: Paragraph c of section 20.00, and sections 28.10, 90.00 and 92.00.

TITLE 2

LOCAL OBLIGATIONS: TYPES THEREOF

§ 20.00 Types of obligations which may be issued. a. Bonds, notes or other evidences of indebtedness authorized to be issued by municipalities, school districts or district corporations for any object or purpose shall hereafter be of the following nature and kind only and shall be denominated respectively as follows:

1. Serial bonds.

2. Sinking fund bonds or corporate stock.

3. Bond anticipation notes.

4. Tax anticipation notes.

5. Revenue anticipation notes.

6. Capital notes.

7. Budget notes.

8. Urban renewal notes.

9. Deferred payment notes.

* 10. Land installment purchase obligations.

* NB Repealed July 31, 2031

11. Lease, sublease or other agreements entered into pursuant to subparagraph two of paragraph b of subdivision thirty-eight of section sixteen hundred eighty of the public authorities law.

12. Deficiency notes.

b. Nothing contained in this section shall be construed to prevent the prepayment of taxes to a municipality, school district or district corporation and the furnishing of a non-negotiable receipt of such prepayment whether or not interest is to be paid on the moneys so prepaid.

c. Nothing contained in this chapter shall prevent a municipality from issuing evidences of indebtedness to the state of New York or to the United States of America with respect to a project or projects undertaken by such municipality pursuant to any general law to effectuate any of the purposes of article eighteen of the state constitution.

d. Nothing contained in this section shall be construed to prevent a municipality from issuing evidence of indebtedness or entering into installment contracts to purchase equipment, machinery and apparatus pursuant to section one hundred nine-b of the general municipal law.

§ 21.00 Serial bonds. a. Any municipality, school district or district corporation may issue serial bonds for any object or purpose having a period of probable usefulness set forth in paragraph a of section 11.00 of this chapter and for which object or purpose it may contract indebtedness pursuant to section 10.00 of this chapter; provided, however, that serial bonds shall not be issued by such municipality, school district or district corporation (1) in those cases in which provision is made in sections 24.00 and 25.00 of this chapter for the issuance of tax anticipation notes and revenue anticipation notes to be issued in anticipation of the collection or receipt of taxes, revenues or assessments, as the case may be, or (2) in those cases in which provision is made in section 29.00 of this chapter for the issuance of budget notes other than paragraph n of such section, or (3) in those cases in which budget notes have been issued under such paragraph n; and further provided, however, that nothing contained herein shall prohibit the issuance of serial bonds by such municipality, school district or district corporation for the object or purpose specified in subdivision sixty of paragraph a of section 11.00 of this chapter.

b. Serial bonds shall mature in annual installments. The first installment shall mature not later than eighteen months after the date of such bonds or two years after the date of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is the earlier, provided, however, that until July fifteenth, two thousand twenty-seven, the first installment shall mature not later than two years after the date of such bonds or two years after the date of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is the earlier. However, if bond anticipation notes are issued in anticipation of bonds and if a portion of such notes or the renewals thereof are redeemed from a source other than the proceeds of such bonds within two years from the date of the first such note or notes and a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, the first installment of such bonds may, in the alternative, be made to mature not later than five years from the date of the first such note or notes.

b-1. Notwithstanding the provisions of paragraph b of this section, if bond anticipation notes are issued in anticipation of bonds for assessable improvements and if a portion of such notes or the renewals thereof are redeemed from a source other than the proceeds of such bonds within two years from the date of the first such note or notes and a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, the first installment of such bonds shall mature not later than twelve months from the last preceding date such portion is so redeemed.

c. The last installment of serial bonds shall mature not later than the expiration of the period of probable usefulness of the object or purpose for which such bonds are issued, as computed from the date of such bonds or, if bond anticipation notes shall have been issued in anticipation thereof, as computed from the date of the earliest note or notes so issued.

d. No annual installment of serial bonds shall be more than fifty per centum in excess of the smallest prior installment. For the purpose of the preceding sentence, bond anticipation notes, which are redeemed from a source other than the proceeds of bonds, shall be deemed to be serial bonds. Notwithstanding the foregoing, the finance board of any municipality, school district or district corporation may determine to issue bonds and provide for substantially level or declining annual debt service. The determination of whether annual debt service is substantially level or declining shall not take into account the first twelve months after issuance to the extent that no provision is to be made for the payment of principal during such period. If a municipality, school district or district corporation determines to issue bonds with a substantially level or declining annual debt service schedule, then the aggregate amount of debt service payable in each year shall not exceed the lowest aggregate amount of debt service payable in any prior year by more than the greater of five percent or ten thousand dollars. For purposes of this paragraph, debt service shall include all of the following scheduled to become due: principal, redemption price, sinking fund installments or contributions, and interest. For purposes of determining whether debt service is substantially level or declining on bonds issued with a variable rate of interest pursuant to section 54.90 of this article, the finance board shall estimate the average rate of interest at which fixed interest rate bonds of the same maturities would be sold and amortize principal based upon such interest rate assumption. The estimate by the finance board of such interest rate shall be deemed final and conclusive. If the finance board of the municipality, school district or district corporation determines that interest on such bonds shall be compounded and payable at maturity or prior redemption, such bonds may be issued only where such finance board has determined to issue the bonds pursuant to a substantially level or declining annual debt service schedule unless accrued interest is contributed at least annually to a sinking fund in accordance with section two of article VIII of the constitution and the procedures of section 22.10 of this title. A municipality, school district or district corporation providing for substantially level or declining debt service may provide for contracting such indebtedness as serial bonds, as sinking fund bonds, as term bonds, or as any combination thereof. Term bonds may be issued under the authority of this paragraph with a stated maturity and a schedule of mandatory redemptions prior thereto, providing (with other bonds of the same issue, if any) for substantially level or declining debt service.

e. Serial bonds shall be redeemed by an annual appropriation.

f. Notwithstanding the provisions of paragraphs b and d of this section:

1. The first installment of serial bonds issued for the purpose of providing moneys out of which to make loans to or in aid of

limited-profit housing companies pursuant to article two of the private housing finance law, or loans to owners of existing multiple dwellings pursuant to article eight of the private housing finance law, or issued for the purpose of providing moneys for the effectuating of any urban renewal program or part thereof pursuant to the general municipal law, may mature not later than five years after the date of issuance of such bonds or six years after the date of issuance of the first bond anticipation note or notes issued in anticipation of such bonds, whichever is earlier; provided, however, that if the bond anticipation notes or renewals thereof issued in anticipation of such serial bonds extend more than five years beyond the original date of such issue, pursuant to the provisions of paragraph b of section 23.00 of this chapter, the first installment of such serial bonds may mature not later than such number of years after the date of issuance of such bonds or such number of years plus one after the original date of issuance of such notes, whichever is earlier; and

2. The annual installments of serial bonds issued for such purpose and for the purpose of providing moneys out of which to make loans to owners of existing multiple dwellings pursuant to article eight of the private housing finance law may be computed in such manner that the total of principal and interest required to be paid in each year beginning with the year in which the first installment is due, will be approximately equal to the total of principal and interest required to be paid in each succeeding year of the period for which such bonds were issued.

§ 22.00 Sinking fund bonds of the city of New York. a. The city of New York may issue sinking fund bonds pursuant to this section for the following purposes:

1. The supply of water,

2. The acquisition, construction or equipment of rapid transit railroads, or

3. The construction of docks,

including the acquisition of land in connection with any of such purposes.

b. Sinking fund bonds issued by the city of New York pursuant to this section shall mature at a date not later than the expiration of the period of probable usefulness of the object or purpose for which they are authorized to be issued, as computed from the date of such bonds or, if bond anticipation notes shall have been issued in anticipation thereof, from the date of the earliest note or notes so issued. Sinking fund bonds may be referred to as "corporate stock" or as "term bonds".

c. Sinking fund bonds heretofore or hereafter issued by the city of New York pursuant to this section shall be redeemable from the sinking funds provided therefor pursuant to the New York city charter and the administrative code of the city of New York.

d. The provisions of this section shall not be construed to prohibit the city of New York from issuing sinking fund bonds pursuant to section 22.10 of this chapter for any of the purposes for which sinking fund bonds may be issued pursuant to such section.

§ 22.10 Sinking fund bonds of municipalities and school districts. a. Any municipality or school district may issue sinking fund bonds for any object or purpose for which serial bonds may be issued.

b. Sinking fund bonds shall mature at a date not later than the expiration of the period of probable usefulness of the object or purpose for which they are authorized to be issued, as computed from the date of such bonds or, if bond anticipation notes shall have been issued in anticipation thereof, from the date of the earliest note or notes so issued; provided, however, that such bonds shall not mature at a date that is later than fifty years from the date of such bonds or, if bond anticipation notes shall have been issued in anticipation thereof, from the date of the earliest note or notes so issued. Sinking fund bonds may be referred to as "term bonds".

c. Sinking fund bonds shall be redeemed through annual contributions to sinking funds established by the municipality or school district issuing such sinking fund bonds. Each annual contribution shall be at least equal to the amount required, if any, to enable the sinking fund to redeem, on the date of the contribution, the same amount of indebtedness as would have been paid and then be payable if such indebtedness had been financed entirely by the issuance of serial bonds, except, if an issue of sinking fund bonds is combined for sale with an issue of serial bonds, for the same object or purpose, then the amount of each such annual contribution shall be at least equal to the amount required, if any, to enable the sinking fund to redeem, on the date of each such annual contribution, (i) the amount which would be required to be paid annually if such indebtedness had been issued entirely as serial bonds, less (ii) the amount of indebtedness, if any, to be paid during such year on the portion of such indebtedness actually issued as serial bonds. There shall be established within a sinking fund established by a municipality or school district an account for the amortization and redemption of each issue of sinking fund bonds issued by such municipality or school district. At the time of the issuance of sinking fund bonds, the municipality or school district issuing such bonds shall establish and deliver to the state comptroller a schedule setting forth the amount required to be on deposit in the account established for the redemption of such bonds for each year following the year of issuance of such bonds until the year in which all the bonds of such issue are to be redeemed. Each account shall be maintained at or above the amount required to be on deposit pursuant to such schedule less the principal amount of sinking fund bonds acquired pursuant to subparagraph (e) of subdivision four of paragraph d of this section or purchased by or on behalf of the municipality or school district and thereupon cancelled or paid or for payment of which funds have been duly transferred to the fiscal agent of the municipality or school district that issued the bonds redeemable from such account. Not less than fifteen days nor more than thirty days prior to the date on which the annual contribution shall be made, the municipality or school district shall calculate the amount expected to be on deposit in the sinking fund on such date and shall certify such amount to the state comptroller. The municipality or school district shall annually appropriate for deposit in the sinking fund an amount equal to the difference between the amount required to be on deposit in the sinking fund in accordance with the provisions of this paragraph and the amount on deposit therein on the date the annual contribution is to be made.

d. Sinking funds shall be maintained and managed by the state comptroller pursuant to the provisions set forth below:

1. (a) Moneys deposited and retained in each account in the sinking funds to be maintained and managed by the state comptroller shall vest immediately in the state comptroller in trust for the benefit of the holders of the bonds for which such account was established. Payments and transfers from the sinking funds and the accounts therein shall not be subject to appropriation by the legislature. The state comptroller shall have custody of the securities and other assets in the sinking funds; provided, however, that, subject to the rights of the owners of the bonds, the state comptroller may contract with a bank or trust company for the maintenance, management and custody of the sinking funds. Such bank or trust company shall have an office and be authorized to do business in the state and shall maintain a combined capital and surplus of not less than seventy-five million dollars or shall be the wholly-owned subsidiary of a corporation which maintains a combined capital and surplus of not less than seventy-five million dollars.

(b) In performing his duties hereunder, the state comptroller shall have no obligation to follow the directions of any bondholder or group of bondholders nor to take any action on behalf of the bondholders, including, without limitation, the obligation to take any action against the municipality or the school district for nonpayment of an annual contribution. The state comptroller shall be required to perform only such duties as are set forth in this section and no implied covenants or obligations shall be read into this section. The state comptroller shall not be liable for any error of judgment made in good faith nor for any action taken or omitted to be taken by him in good faith. The state comptroller makes no representations as to the validity or sufficiency of the bonds redeemable with amounts on deposit in the sinking funds, and shall not be accountable for the use or application of the proceeds of such bonds or of any excess in the sinking funds. The municipalities and school districts shall deliver to the state comptroller such certificates and documents as he shall by regulation or otherwise request. A determination made or action taken by the state comptroller under this section shall be final unless it is shown that such determination or action was arbitrary and capricious or an abuse of discretion.

(c) In connection with any claim, demand, suit, or judgment against the state comptroller in connection with the exercise or performance of any of his powers or duties under this section, the state comptroller shall be entitled to representation by private counsel of his choice in any civil judicial proceeding whenever the attorney general determines based upon his investigation and review of the facts and circumstances of the case that representation by the attorney general would be inappropriate. The attorney general shall notify the state comptroller in writing of such determination. The provisions of this subparagraph shall be in addition to and shall not supplant the indemnification or other benefits conferred upon the state comptroller by section seventeen of the public officers law or otherwise, or any further indemnification or other benefits that may be hereafter conferred by any such law. The provisions of this subparagraph shall inure only to the state comptroller, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance.

2. As soon as practicable after a municipality or school district on whose behalf the state comptroller is maintaining and managing a sinking fund notifies the state comptroller of its intention to redeem sinking fund bonds redeemable from an account in such sinking fund prior to or at maturity, the state comptroller shall transfer the requested funds in accordance with the instructions of such municipality or school district.

3. Subject to the provisions of subdivision six of this paragraph, the state comptroller shall, as soon as practicable following the request of the municipality or school district, (i) transfer to such municipality or school district any amounts in any account in the sinking fund held on its behalf determined by the municipality or school district and

certified by it to the state comptroller to be over and above the amount required to be maintained in such account pursuant to paragraph c of this section or (ii) transfer or credit the excess in one account to another account within a sinking fund established by such municipality or school district. Such request shall not be made more than once in any twelve month period.

4. (a) Moneys in any sinking fund shall be invested in any of the following:

(i) Direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(ii) Certificates of deposit issued by commercial banks or trust companies maintaining their principal place of business in this state which maintain, or the corporations of which they are wholly-owned subsidiaries maintain, a combined capital and surplus of not less than seventy-five million dollars; provided that any such investment in certificates of deposit shall be secured by direct obligations of the United States of America or the state or by obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or the state in a principal amount with a fair market value at least equal at all times to the principal amount at maturity of such certificates of deposit, and provided further that such collateral securities shall be physically delivered by the bank or trust company issuing the certificate of deposit to the state comptroller or to a bank or trust company designated pursuant to section sixty-five of the state finance law as his agent (which designated bank or trust company shall not be an issuer of certificates of deposit for the purposes of this section) unless such collateral securities are issued in book-entry form, in which case the state comptroller shall take such other action as may be necessary to obtain title to or a perfected security interest in such collateral securities.

(iii) With the consent of the municipality or school district on whose behalf a sinking fund is held, securities of or guaranteed by the state of New York or obligations of political subdivisions and public benefit corporations thereof, other than obligations of such municipality or school district.

(iv) Deposit accounts (other than certificates of deposit) at the banks or trust companies described in subdivision one of this paragraph; provided that the amounts on deposit in such accounts are secured at all times by direct obligations of the United States of America or the state or by obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or the state in an amount with a fair market value at least equal at all times to the amount of such deposits; and provided further that such collateral securities shall be physically delivered for retention to the state comptroller or a bank or trust company designated pursuant to section sixty-five of the state finance law as his agent (which designated bank or trust company shall not be the bank or trust company at which such account is located) unless such collateral securities are issued in book-entry form, in which case the state comptroller shall take such other action as may be necessary to obtain title to or a perfected security interest in such collateral securities.

(b) For purposes of making any investment of amounts pursuant to this section, the state comptroller may consolidate moneys in any sinking fund or account in a sinking fund with moneys in any other sinking fund or account in the same or any other sinking fund and may transfer an interest in an investment from one sinking fund or account to another without liquidating the investment, but only if all such investments are authorized or consented to for such sinking funds, and all such investments shall be credited on a pro-rata basis to the appropriate sinking funds and accounts. The allocable amount of income or interest earned and gains realized in excess of losses suffered due to the investment of amounts on deposit in any account in a sinking fund shall be deposited upon receipt in such account. All investments made pursuant to this section shall mature or be redeemable at the option of the holder thereof on such dates and in such amounts as may be necessary to pay principal of any sinking fund bonds when due, whether at maturity or by redemption prior to maturity.

(c) Each municipality and school district shall provide the state comptroller with information and opinions of counsel necessary to insure that the municipality or school district complies with any restrictions imposed by applicable federal law on the yield payable on investments in a sinking fund. In order to comply with such yield restrictions, the state comptroller shall, at the direction of the municipality or school district, invest the amounts on deposit in any account of a sinking fund of such municipality or school district in obligations described in clause (iii) of subparagraph (a) of subdivision four of this paragraph, the interest on which is exempt from federal income taxes. The state comptroller is authorized to promulgate rules and regulations as he deems appropriate to implement the provisions of this paragraph.

(d) The state comptroller may engage the services of such consultants and counsel as he may deem necessary to assist in performing the functions required to be performed by him under this section.

(e) The state comptroller shall, at the instruction of any municipality or school district on whose behalf the state comptroller is maintaining and managing a sinking fund, use his best efforts to apply funds in any account within such sinking fund to purchase bonds redeemable from such account.

5. The principal amount of sinking fund bonds required to be redeemed on any date by payment from a sinking fund shall be reduced by the principal amount of any such sinking fund bond which has been purchased or redeemed and cancelled and not theretofore applied as a credit against such requirement.

6. The state comptroller shall be reimbursed annually by March fifteenth of each year for the fees and expenses of custodians of securities in a sinking fund, fees and expenses of custodians of collateral securities for investments in a sinking fund, fees of banks and trust companies designated pursuant to subdivision one of this paragraph, fees and expenses of counsel other than the attorney general, fees and expenses of consultants, direct personnel costs of the department of audit and control and other similar costs and related expenses of maintaining and managing the sinking funds during the year ending the preceding December thirty-first by the municipalities or school districts issuing the bonds redeemable therefrom. Notwithstanding the foregoing, the fees and expenses of consultants retained by the comptroller shall be reimbursed by any such municipality or school district only with its express consent. In the event that the state comptroller shall not have been reimbursed as provided above, then the

state comptroller shall deduct the amount of the required reimbursement from any excess on deposit in a sinking fund; provided, however, that in no event shall the state comptroller use assets of the sinking funds other than the excess therein for such reimbursement. The state comptroller may establish such accounts in the state special revenue fund as are necessary to provide for the receipt and disposition of such payments as may be received from municipalities and school districts pursuant to this subdivision; provided that payments and transfers from such accounts shall be made pursuant to an appropriation provided by law.

7. (a) The state comptroller shall adopt such regulations as he deems appropriate to implement the provisions of this section, which may include, but shall not be limited to, regulations establishing:

(A) The rights and responsibilities of the state comptroller in maintaining and managing the sinking funds hereunder, which rights and responsibilities may include, among others, that:

(i) the state comptroller undertakes to perform such duties and only such duties as are specifically set forth in the statute, the regulations or any agreement with the municipality or school district and no implied covenants or obligations shall be read into the statute, the regulations or into any agreement with the municipality or school district against the state comptroller;

(ii) the state comptroller may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the state comptroller and conforming to the requirements of the statute, the regulations and any agreement with the municipality or school district; but in the case of any such certificates or opinions which are specifically required to be furnished to the state comptroller pursuant to paragraph c of this section, the state comptroller shall be under a duty to examine the contents of the same to determine whether or not they conform to the requirements of the statute, the regulations and any agreement with the municipality or school district;

(iii) the state comptroller shall not be liable for any error of judgment made in good faith by him;

(iv) the state comptroller shall not be liable with respect to any action taken or omitted to be taken by him in good faith in accordance with the direction of the municipality or school district;

(v) the state comptroller may rely, and shall be protected in acting or refraining from acting in reliance, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document believed by him to be genuine and to have been signed or presented by the proper party or parties;

(vi) any request or direction of the municipality or school district shall be sufficiently evidenced by a certificate signed by an authorized official of the municipality or school district and any resolution of the governing body of the municipality or school district may be sufficiently evidenced by a copy of such resolution certified by the appropriate official of the municipality or school district;

(vii) whenever the state comptroller shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action, the state comptroller (unless other evidence be specifically prescribed) may, in the absence of bad faith on his part, rely upon a certificate signed by an authorized official of the municipality or school district;

(viii) the state comptroller may consult with counsel, including the attorney general, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith and in reliance thereon;

(ix) the state comptroller shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document, but the state comptroller, in his discretion, may make such further inquiry or investigation into such facts or matters as he may see fit, and, if the state comptroller shall determine to make such further inquiry or investigation, he shall be entitled to examine the books, records and premises of the municipality or school district, personally or by agent or attorney;

(B) Procedures for determining the value of investments in the sinking funds and of the collateral securities securing such investments;

(C) Procedures for determining and allocating administrative expenses related to maintaining and managing the sinking funds and the payment thereof;

(D) Procedures for determining the amount of excesses in a sinking fund and when withdrawals of excesses in a sinking fund may occur, for transferring moneys from a sinking fund to redeem sinking fund bonds and for directing the purchase of sinking fund bonds, including the frequency with which such actions may be taken;

(E) The form and substance of reports, certificates and other material to be delivered by the municipality or the school district to the state comptroller;

(F) Standards for the qualification of consultants to the state comptroller;

(G) Procedures for securing amounts on deposit in the sinking funds;

(H) Procedures for distributing the amount on deposit in a sinking fund if such amount is insufficient to pay any bonds when due; and

(I) Procedures for the disposition of a sinking fund upon defeasance of the sinking fund bonds, if defeasance other than by payment or purchase by sinking fund moneys is legally permissible.

(b) Each municipality and school district is authorized to enter into agreements with the state comptroller and the state comptroller is authorized to enter into agreements with one or more municipality or school district setting forth, with respect to the sinking funds and each account therein, the dates on which annual contributions to such accounts shall be made, the dates on which withdrawals from such accounts may be made, the dates on which excesses in such accounts shall be calculated, any limitations on the price to be paid for the purchase of bonds pursuant to subparagraph (e) of subdivision four of this paragraph and such other matters as the state comptroller and the municipality or school district shall deem appropriate. Such agreements shall be subject to approval only by the chief fiscal officer and the finance board of the municipality or school district.

8. Nothing in this section shall be construed to prevent or apply to the issuance of sinking fund bonds by the city of New York pursuant to the authorization contained in section 22.00 of this chapter; provided, however, that in the event the city of New York issues sinking fund bonds pursuant to the authorization contained in this section, all of

the provisions of this section shall apply.

9. Failure to comply with any provision of this section shall not affect the validity of any sinking fund bonds.

10. The comptroller shall annually prepare a report with respect to the maintenance and management of sinking funds authorized by this section. Such report, with respect to each municipality and school district issuing sinking fund bonds pursuant to this section, shall include, but not be limited to, a summary statement of the cash and bonds invested in sinking funds, earnings thereon and disbursements therefrom, and fees charged including information pertaining to the allocation of the costs of the department of audit and control of managing and maintaining such funds. Such report may also include any other matter which the comptroller deems advisable. Such report shall be delivered not later than May thirtieth to the governor, the temporary president of the senate, the speaker of the assembly, the chairman of the senate finance committee, the chairman of the assembly ways and means committee and the chief fiscal officer of each such municipality and school district.

§ 23.00 Bond anticipation notes. a. Bond anticipation notes may be issued by any municipality, school district or district corporation in anticipation of the sale of bonds. Such notes may be issued whenever bonds have been authorized and the proceeds of such notes shall be expended only for the same object or purpose, or class thereof for which the proceeds of such bonds may be expended.

b. Such notes shall mature at such time as the issuer may determine and may be renewed from time to time, provided, that in no event shall such notes or the renewals thereof extend more than two years beyond such original date of issue unless a portion of such notes or the renewals thereof shall be redeemed from a source other than the proceeds of bonds within two years from such original date of issue and unless a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, if any of such notes, as renewed, are still outstanding at the termination of each such period, but such notes or the renewals thereof shall not extend more than five years beyond such original date of issue. Such redemption shall be consistent with the amortization requirements of article eight of the state constitution and section 21.00 of this title. If the finance board has determined to provide for substantially level or declining debt service on the bonds in anticipation of which such notes are authorized to be issued, such notes shall be redeemed in an amount at least equal in each year to the annual installment which would be paid in such year if such notes were serial bonds issued at a five percent rate of interest for the remaining period of probable usefulness of the object or purpose for which issued, or, if less, the remaining portion of the maximum authorized maturity of such bonds, and all annual debt service payments were equal over the life of such bonds. In any event, bond anticipation notes shall not be renewed after the receipt of the proceeds from the sale of the bonds in anticipation of which such notes were issued. Notwithstanding the provisions of this paragraph: 1. bond anticipation notes issued in anticipation of the receipt of the proceeds of the sale of bonds for the purpose of providing moneys out of which to make loans to limited profit housing companies pursuant to article two of the private housing finance law, or loans to owners of existing multiple dwellings pursuant to article eight of the private housing finance law, or for the purpose of providing moneys for the effectuating of any urban renewal program or part thereof pursuant to the general municipal law, or the renewals of such notes, may extend not more than five years beyond the original date of issue of such notes; and 2. renewals of bond anticipation notes issued originally during calendar years two thousand fifteen through two thousand twenty-one, inclusive may not extend more than seven years beyond the original date of issue of such bond anticipation notes.

b-1. Notwithstanding the provisions of paragraph b of section 21.00 of this title and the provisions of paragraph b of this section any bond anticipation notes issued in anticipation of bonds for an assessable improvement may be renewed from time to time for a period not exceeding one year for each such renewal, and without limitation as to the number of such renewals, provided that such notes, as renewed, shall not extend beyond the expiration of the period of probable usefulness of the object or purpose for which issued, as computed from the date of the first note or notes so issued, and provided further that such notes, as renewed, shall not extend more than two years from the date of the first note or notes so issued unless a portion thereof shall be redeemed from a source other than the proceeds of such bonds within two years from the date of the first note or notes so issued and unless a further portion thereof shall be so redeemed prior to the termination of each twelve months' period succeeding the date such original portion was so redeemed, if any of such notes, as renewed, are still outstanding at the termination of each such period. Annual principal installments on notes issued pursuant to this paragraph shall be computed in accordance with the provisions of paragraph b of this section. Every bond anticipation note resolution and certificate authorizing any such renewal note, in addition to the statements and provisions required by section 38.10 of this chapter, shall contain a statement indicating that such note is issued in anticipation of bonds for an assessment improvement.

c. Bond anticipation notes shall not be issued in an amount which shall exceed the par value of the bonds in anticipation of which they are to be issued.

d. 1. Bond anticipation notes shall be redeemed from the proceeds of the sale of the bonds in anticipation of which they were issued. However, if such bonds are not sold, then such bond anticipation notes shall be redeemed:

(a) From any unencumbered balance in any fund which may be applied to the payment thereof, or

(b) By a budgetary appropriation.

2. Notwithstanding the provisions of subdivision one of this paragraph, bond anticipation notes may be redeemed, in whole or in part, prior to the sale of the bonds in anticipation of which such notes were issued, from any moneys which lawfully may be applied to the payment of such notes.

§ 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.

§ 24.10. Tax receivable notes. The city of New York may issue tax anticipation notes which are tax receivable notes. As used in this section, the term "tax receivable notes" shall mean tax anticipation notes issued pursuant to section 24.00 of this title, which shall, upon maturity, at the election of the holder thereof if so provided in such notes, be receivable at full face value and in lieu of cash in payment of any tax of the city of New York, any installment of estimated tax of the city of New York, or any interest or penalties thereon, as shall be designated by the comptroller of the city of New York at the time such tax receivable notes are issued. Tax receivable notes received in payment of any such tax or installment of estimated tax or interest or penalties shall be cancelled by the officer receiving the same, as of the date of their receipt.

§ 24.11 Tax receivable notes for the city of Yonkers. a. The city of

Yonkers may issue tax anticipation notes which are tax receivable notes. As used in this section, the term "tax receivable notes" shall mean tax anticipation notes issued pursuant to section 24.00 of this title, which shall, upon maturity, at the election of the holder thereof if so provided in such notes, be receivable at full face value of principal and interest to the date of maturity and in lieu of cash in payment of any tax or installment or portion thereof of the city of Yonkers or any installment or portion thereof of estimated tax of said city or any interest or penalties thereon as shall be designated by the comptroller of the city of Yonkers at the time such tax receivable notes are issued. Tax receivable notes received in payment of any such tax or installment of estimated tax or interest or penalties shall be cancelled by the officer receiving the same, as of the date of maturity. At the time of registration in the name of the taxpayer or at the time of payment in lieu of cash by any holder, the taxpayer or holder or any duly authorized agent or attorney thereof shall state in writing in a space provided on the reverse side of the note the taxes to be paid and the amounts thereof, and shall acknowledge such statement before a notary public, commissioner of deeds or officer of any bank or trust company located and authorized to do business in the state of New York. Upon the acknowledgment of such statement on such note or notes and the delivery thereof to the office of the comptroller of the city of Yonkers, the taxes included in such statement shall be satisfied and extinguished to the extent of the face value of principal and interest to maturity of such note or notes. The term "tax" as used in this section shall mean and include all ad valorem taxes or assessments or special benefit assessments on real property, all sales, compensating use, or other taxes levied for the municipal purposes of the city of Yonkers. Tax receivable notes registered in the name of the mortgagor of real property may be accepted by or on behalf of the mortgagee of such real property in lieu of cash as payment of real property taxes of the city of Yonkers, and thereafter the mortgagee may use such note in payment of the real property taxes due from such mortgagor to the city of Yonkers.

b. Tax receivable notes shall be authorized by a "tax receivable note resolution" adopted by the city council and such notes and said resolution shall be subject to the provisions of this chapter applicable to tax anticipation notes except as otherwise provided by law.

c. Such notes may be sold at public or private sale at such interest rate as the city council of the city of Yonkers shall determine. Such notes may be signed by the facsimile signature of the comptroller and the seal of said city may be imprinted or otherwise reproduced on such notes and attested by the manual signatures of the city clerk or any deputy city clerks appointed by the city council for such purpose.

d. Notwithstanding the provisions of section 24.00 of this title, or of any other law, general, special or local, tax receivable notes may be issued by the city of Yonkers during the emergency period established by the financial emergency act for the city of Yonkers, up to one hundred twenty days prior to the commencement of the fiscal year in which the real property taxes or assessments, in anticipation of which such tax receivable notes are to be issued, are to be received or collected and such notes or any renewals thereof may extend to the end of such fiscal year.

§ 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.

§ 25.10. Urban renewal notes. a. To effectuate the purposes of article eighteen of the state constitution and article fifteen of the general municipal law, any municipality which has authorized an urban renewal project may issue urban renewal notes, from time to time, in anticipation of the receipt of moneys for such project, or any part thereof, from (1) the sale of real property, or any interest therein, acquired for or incidental to such project; or (2) the United States government pursuant to title one of the housing act of nineteen hundred forty-nine, as amended; or (3) the state of New York pursuant to the general municipal law; or from any or all such sources. Such notes may be issued in anticipation of the receipt of such moneys whether or not such moneys are to be received or to become due and payable during the fiscal year in which such notes are issued.

b. Such notes shall mature within one year from the date of their issue and may be renewed from time to time, but each renewal shall be for a period not exceeding one year, provided that no such notes or any renewals thereof, issued in anticipation of the receipt of moneys for an urban renewal project, shall extend more than seven years beyond the date of the first such note or notes issued in connection with such project. In any event, urban renewal notes shall not be renewed after the receipt of the moneys in anticipation of which such notes were issued.

c. Where, prior to the effective date of this section, a municipality has issued a revenue anticipation note in anticipation of the receipt, of any such moneys, such note, or any renewal thereof, may be renewed, in whole or in part, by the issuance of an urban renewal note subject to the limitations of this section. In such event, the seven-year period specified in paragraph b of this section shall be computed from the date of issue of the original revenue anticipation note, and such urban renewal note shall be deemed a renewal note for the purposes of this chapter.

d. Urban renewal notes shall be redeemed from the moneys in anticipation of the receipt of which they were issued. However, if such moneys are not received or are not received in an amount sufficient to redeem such notes in full, such notes, to the extent such moneys are not sufficient, shall be redeemed:

1. From any unincumbered balance in any fund which may be applied to the payment thereof;

2. By a budgetary appropriation; or

3. By the proceeds of the sale of serial bonds issued pursuant to section 93.00 of this chapter for the purpose of refunding such notes.

e. The total amount of urban renewal notes which a municipality may issue for any urban renewal project in anticipation of the receipt of any such moneys shall not exceed the total estimated cost of such project as stated in the certificate of the chief fiscal officer of the municipality approved and filed as hereinafter provided less (a) the total amount of any and all advances, loans and grants made by the federal government or by the state of New York to such municipality in aid of such project prior to and including the date of the issuance of any such note or notes; (b) the amount of any local grants-in-aid made or to be made for such project; and (c) the amount of the proceeds of the sale of any real property acquired for or incidental to such project actually received by such municipality prior to and including the date of the issuance of any such note or notes.

Such certificate of the chief fiscal officer of the municipality shall be in such form and shall contain such information as shall be prescribed by the state comptroller and shall be filed not more than fifteen nor less than three days before the sale of any such note or notes in the office of the state comptroller with the approval thereof of the commissioner of housing endorsed thereon.

f. All such moneys in anticipation of which any urban renewal note or notes shall have been issued, as thereafter received or collected, shall be set aside in a special bank account to be used only for the payment of such urban renewal notes as they become due. Any municipality may make budgetary appropriations for the redemption of urban renewal 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 such special account so much of such moneys as shall equal the amount of such appropriation but any moneys not so paid into such special account may be used in the manner provided by law or, if there is no provision of law pertaining to the use of such moneys, they shall be treated as surplus moneys for the fiscal year in which they are collected.

§ 26.00 Temporary alternative methods of financing snow and ice removal expenses. a. Definitions. 1. With respect to any municipality which has a calendar fiscal year which commenced on the first day of January, two thousand two, the terms "extraordinary expenses for snow and ice removal" and "such extraordinary expenses", as used in this section, shall mean the expenses incurred for the removal of snow and ice from the public thoroughfares and public places of such municipality during any month in such year up to and including June two thousand three, in excess of the normal expenses which would have been incurred for such purposes during such period, as determined by the finance board of such municipality. In making any such determination, the finance board shall not include as a part of such extraordinary expenses the salaries and wages of regular employees, except for overtime work and work on Sundays and holidays.

2. With respect to any municipality which has a fiscal year which commenced in the year two thousand two on or after the first day of March in such year, the terms "extraordinary expenses for snow and ice removal" and "such extraordinary expenses", as used in this section, shall mean the expenses incurred for the removal of snow and ice from the public thoroughfares and public places of such municipality during such fiscal year, in excess of the amounts appropriated for such purposes in the annual budget for such fiscal year, or, if no such appropriations were made, then in excess of the average of all expenditures for such purposes during each of the five preceding fiscal years, as determined by the finance board of such municipality.

b. The financing of snow and ice removal expenses by the issuance of serial bonds. 1. The finance board of a municipality which has a fiscal year which commenced on the first day of January, two thousand two, may authorize the issuance of serial bonds in the two thousand three fiscal year to provide for the payment of all or part of the extraordinary expenses of snow and ice removal incurred during any month in the year two thousand two up to and including June two thousand three, to reimburse any fund or account of the municipality from which monies to pay such extraordinary expenses have been advanced or to replenish any fund or account of the municipality from which such extraordinary expenses have been paid, or any combination of such purposes, notwithstanding that there may have been lack of statutory authority for any such advance or payment from such fund or account. The period of probable usefulness of such objects or purposes shall be five years. Any such serial bonds shall have a maximum maturity of over two years, but the date of final maturity of any such issue shall not extend beyond the first day of March in the year two thousand eight as to counties and towns and shall not extend beyond the thirty-first day of December, two thousand eight, as to other municipalities.

2. The finance board of a municipality which has a fiscal year which commenced in the year two thousand two on or after the first day of March in such year may authorize the issuance of serial bonds in such fiscal year, or in its next succeeding fiscal year, to provide for the payment of all or part of the extraordinary expenses of snow and ice removal incurred in such fiscal year, to reimburse any fund or account of the municipality from which monies to pay such extraordinary expenses have been advanced or to replenish any fund or account of the municipality from which such extraordinary expenses have been paid, or any combination of such purposes, notwithstanding that there may have been lack of statutory authority for any such advance or payment from such fund or account. The period of probable usefulness of such objects or purposes shall be five years. Any such serial bonds shall have a maximum maturity of over two years, but the date of final maturity of any such issue shall not extend beyond the thirty-first day of December, two thousand seven.

3. Notwithstanding the foregoing provisions of subdivisions one and two of this paragraph, serial bonds may not be authorized to be issued for the purpose of financing any portion of such extraordinary expenses described in such subdivisions which heretofore have been or hereafter shall be financed by the issuance of budget notes or for the purpose of redeeming any such notes.

4. Except as provided in this section, such serial bonds and any bond anticipation notes in anticipation thereof, shall be authorized, sold and issued in the manner provided by this chapter. Any bond anticipation notes issued in anticipation of such bonds shall, for the purpose of determining the power of the issuer to contract indebtedness and to raise taxes upon real estate, be deemed to be serial bonds of an issue having a maximum maturity of more than two years as described in

subdivision A of section five and in section ten of article eight of the state constitution and for the purposes of (1) paragraph one-a of section 136.00 of this chapter, (2) section two hundred thirty-three of the county law, (3) any general or special law applicable to counties, cities and villages which relates to the raising of taxes on real estate to provide for the payment of the interest on and the principal of indebtedness, and (4) all laws relating to the financial reports, debt statements and real estate tax margin computations of such municipalities. The chief fiscal officer of any municipality issuing or renewing such bond anticipation notes shall immediately after the issuance or renewal thereof notify the state comptroller of such issuance or renewal. The state comptroller may prescribe the form of any such notice and shall furnish such forms to municipalities for the purpose of making any such report.

5. Capital notes may not be issued to finance any object or purpose for which serial bonds are authorized to be issued pursuant to this paragraph. The provisions of this paragraph shall not affect the power of any municipality described in paragraph a of this section to finance all or part of any such extraordinary expenses pursuant to the provisions of section 29.00 of this title and paragraph c of this section.

6. Section 104.10 of this chapter shall not be applicable in relation to, or as the result of, the adoption of a bond resolution authorizing the issuance of serial bonds pursuant to this paragraph. The provisions of section 10.00, paragraph a of section 21.00 and any other section of this chapter, or the provisions of any general, special or local law, which would restrict, limit or prohibit the issuance of such bonds (except those enacted to conform with the state constitution) are, to the extent that this section is utilized by a municipality, suspended and made ineffective in so far as necessary to effectuate the purposes of this section; provided, however, that this paragraph shall not apply to a city having a population of over one million inhabitants, if the legislature at the request of such city enacts a law at the one hundred eighty-fourth annual session of the legislature amending the administrative code of such city in relation to facilitating payment of

certain unusual snow and ice removal expenses of the city incurred in its current fiscal year nineteen hundred sixty--nineteen hundred sixty-one.

c. The financing of snow and ice removal expenses by the issuance of budget notes. 1. If any municipality described in paragraph a of this section has heretofore issued budget notes pursuant to the provisions of subdivision two of paragraph a of section 29.00 of this title to provide for the payment of extraordinary expenses of snow and ice removal, as defined in this section, the finance board, by resolution, may determine that such notes shall be deemed to have been issued pursuant to the provisions of subdivision one of paragraph a of such section and that such notes so issued shall not thereafter be considered in determining the power of such municipality to issue budget notes pursuant to such subdivision two.

2. If any municipality described in paragraph a of this section has heretofore issued budget notes pursuant to the provisions of subdivision one or two of paragraph a, or paragraph b, of section 29.00 of this title, to provide for the payment of extraordinary expenses of snow and ice removal, as defined in this section, the finance board may determine that the provisions of paragraph j of such section shall not be applicable in relation to the maturity of such notes and (a) that such notes shall mature in equal annual installments in two different fiscal years, but the final maturity of such notes shall not extend beyond the close of the second fiscal year immediately succeeding the year of their issue, or (b) if the fiscal procedures applicable to such municipality will enable the necessary budgetary appropriations for debt service to be made and such appropriations to become available, that such notes shall mature in three equal annual installments in three different fiscal years, but the final maturity of any such notes shall not exceed three years in accordance with the provisions of paragraph a of section 11.00 of this chapter which prescribes a period of probable usefulness of three years for objects or purposes financed by the issuance of budget notes. Such budget notes which mature in three equal annual installments, as aforesaid, shall, for the purpose of determining the power of the issuer to contract indebtedness and to raise taxes on real

estate, be deemed to be serial bonds of an issue having a maximum maturity of more than two years as described in subdivision A of section five and in section ten of article eight of the state constitution and for the purposes of (1) paragraph one-a of section 136.00 of this chapter, (2) section two hundred thirty-three of the county law, (3) any general or special law applicable to counties, cities and villages which relates to the raising of taxes on real estate to provide for the payment of the interest on and the principal of indebtedness, and (4) all laws relating to financial reports, debt statements and real estate tax margin computations of such municipalities. If the finance board determines that such budget notes shall mature in three equal annual installments, as aforesaid, the chief fiscal officer of such municipality immediately after the adoption of the resolution making such determination shall file a copy of the resolution with the state comptroller and shall immediately after the issuance or renewal of such notes notify the state comptroller of such issuance or renewal. The state comptroller may prescribe the form of any such notice and shall furnish such forms to municipalities for the purpose of making any such report.

3. Notwithstanding any of the provisions of section 29.00 of this title, the finance board of a municipality described in paragraph a of this section may authorize the issuance of budget notes pursuant to subdivision one of paragraph a, or paragraph b, of such section 29.00 to provide for the payment of all or part of the extraordinary expenses of snow and ice removal, as defined in this section, to reimburse any fund or account of the municipality from which monies to pay such extraordinary expenses have been advanced or to replenish any fund or account of the municipality from which such extraordinary expenses have been paid, or any combination of such purposes, notwithstanding that there may have been lack of statutory authority for any such advance or payment from such fund or account. The finance board may determine that such notes may mature in the manner provided in paragraph j of section 29.00, or, if the fiscal procedures applicable to such municipality will enable the necessary budgetary appropriations for debt service to be made and such appropriations to become available, that such notes shall mature in two equal annual installments in two different fiscal years,

but the final maturity of such notes shall not extend beyond the close of the second fiscal year immediately succeeding the year of their issue.

4. If a municipality which had a calendar fiscal year which commenced on the first day of January, two thousand two, issued budget notes in such year pursuant to the provisions of section 29.00 of this title to finance the payment of expenses of removal of snow and ice in such fiscal year and if such budget notes, under the provisions of paragraph j of such section, could not be renewed after the close of its fiscal year which would end in the year two thousand three, then and in such event the finance board of such municipality may determine that the provisions of paragraph j of such section shall not be applicable in relation to the maturity of such notes and that such notes shall mature in equal annual installments in the years two thousand three and two thousand four.

5. If a municipality which had a calendar fiscal year which commenced on the first day of January, two thousand two, authorized the issuance of budget notes in such year pursuant to the provisions of section 29.00 of this chapter to finance the payment of expenses of removal of snow and ice in such year and if such notes were not issued in the year two thousand two, but were or are to be issued in the year two thousand three, and if such budget notes, under the provisions of paragraph j of such section, could not be renewed after the close of its fiscal year which would end in the year two thousand four, then and in any such event the finance board of such municipality may determine that the provisions of paragraph j of such section shall not be applicable in relation to the maturity of such notes and that such notes shall mature in equal annual installments in the years two thousand four and two thousand five.

6. Any resolution of a finance board of a municipality making a determination pursuant to subdivision one, two, three, four or five of this paragraph may be adopted by a majority vote of the finance board, notwithstanding the provisions of paragraph d of section 40.00 of this chapter.

7. The provisions of subdivision four of paragraph c of section 40.00 and of any other section of this chapter and the provisions of any general, special or local law which would restrict, limit or prohibit the renewal of budget notes as provided in this paragraph (except those enacted to conform with the state constitution) are, to the extent that this section is utilized by a municipality, suspended and made ineffective in so far as necessary to effectuate the objects and purposes of this section.

d. Separability. If any clause, sentence, subdivision, paragraph, or part of this section be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

§ 26.10 Temporary alternative methods of financing storm relief expenses. a. Definitions. As used in this section, the terms "extraordinary expenses of storm relief" and "such extraordinary expenses" shall mean expenses incurred by a municipality, school district or district corporation before the first day of January, two thousand fourteen, for storm relief projects necessitated by damage caused by the storm commonly known as Sandy on or shortly after October twenty-ninth, two thousand twelve. The term "storm relief projects" shall mean the repair or reconstruction of public thoroughfares, buildings, places, and projects of such municipality, school district or district corporation, in excess of the normal expenses which would have been incurred for such purposes during such periods as determined by the finance board of such municipality, school district or district corporation. In making any such determination, the finance board shall not include as a part of such extraordinary expenses the salaries and wages of regular employees, except for overtime work and work on Sundays and holidays. Such extraordinary expenses may include any interest payments on revenue anticipation notes issued in anticipation of the receipt of moneys from the state or federal government on account of such storm pursuant to any state or federal disaster relief act.

b. The financing of storm relief expenses by the issuance of serial bonds.

1. The finance board of a municipality, school district or district corporation may authorize the issuance of serial bonds on or before December thirty-first two thousand thirteen to provide for the payment of all or part of the extraordinary expenses of storm relief, to reimburse any fund or account of the issuer from which moneys to pay such extraordinary expenses have been advanced or to replenish any fund or account of the issuer from which such extraordinary expenses have been paid, or any combination of such purposes, notwithstanding that there may have been lack of statutory authority for any such advance or payment from such fund or account. The period of probable usefulness of such objects or purposes shall be five years. Any such serial bonds shall have a maximum maturity of over two years, but the date of final maturity of any such issue shall not extend beyond the thirty-first day of December, two thousand eighteen.

2. No provision of subdivision one of this paragraph shall be deemed to prohibit the issuance of serial bonds for the purpose of financing any portion of such extraordinary expenses described in such subdivision which heretofore have been or hereafter shall be financed by the issuance of budget notes or for the purpose of redeeming any such notes.

3. Except as provided in this section, such serial bonds and any bond anticipation notes in anticipation thereof, shall be authorized, sold and issued in the manner provided by this chapter. Any bond anticipation notes issued in anticipation of such bonds shall, for the purpose of determining the power of the issuer to contract indebtedness and to raise taxes upon real estate, be deemed to be serial bonds of an issue having a maximum maturity of more than two years as described in paragraph A of section five and in section ten of article eight of the state constitution and for the purposes of (1) subdivision one-a of section 136.00 of this chapter, (2) section two hundred thirty-three of the county law, (3) section 5-514 of the village law, (4) any general or

special law applicable to counties, cities, villages, school districts or district corporations which relates to the raising of taxes on real estate to provide for the payment of the interest on and the principal of indebtedness, and (5) all laws relating to the financial reports, debt statements and real estate tax margin computations of such municipalities, school districts or district corporations. The chief fiscal officer of any municipality, school district or district corporation issuing or renewing such bond anticipation notes shall immediately after the issuance or renewal thereof notify the state comptroller of such issuance or renewal. The state comptroller may prescribe the form of any such notice and shall furnish such forms to municipalities, school districts and district corporations for the purpose of making any such report.

4. Capital notes may not be issued to finance any object or purpose for which serial bonds are authorized to be issued pursuant to this paragraph. The provisions of this paragraph shall not affect the power of any municipality, school district or district corporation described in paragraph a of this section to finance all or part of any such extraordinary expenses pursuant to the provisions of section 29.00 of this chapter and paragraph c of this section.

5. Section 104.10 of this chapter shall not be applicable in relation to, or as the result of, the adoption of a bond resolution authorizing the issuance of serial bonds pursuant to this paragraph. The provisions of section 10.00, paragraph a of section 21.00 and any other section of this chapter, or the provisions of any general, special or local law, which would restrict, limit or prohibit the issuance of such bonds (except those enacted to conform with the state constitution) are, to the extent that this section is utilized by a municipality, school district or district corporation, suspended and made ineffective insofar as necessary to effectuate the purposes of this section.

c. The financing of storm relief expenses by the issuance of budget notes. 1. If any municipality or school district described in paragraph a of this section has heretofore issued budget notes pursuant to the provisions of subdivision two or three of paragraph a of section 29.00

of this chapter to provide for the payment of extraordinary expenses of storm relief, the finance board, by resolution, may determine that such notes shall be deemed to have been issued pursuant to the provisions of subdivision one of paragraph a of such section and that such notes so issued shall not thereafter be considered in determining the power of such municipality or school district to issue budget notes pursuant to such subdivision two or three.

2. If any municipality, school district or district corporation described in paragraph a of this section has heretofore issued budget notes pursuant to the provisions of subdivision one, two or three of paragraph a, or paragraph b, of section 29.00 of this chapter, to provide for the payment of extraordinary expenses of storm relief, the finance board may determine that the provisions of paragraph j of such section shall not be applicable in relation to the maturity of such notes and (a) that such notes shall mature in equal annual installments in two different fiscal years, but the final maturity of such notes shall not extend beyond the close of the second fiscal year immediately succeeding the year of their issue, or (b) if the fiscal procedures applicable to such municipality, school district or district corporation will enable the necessary budgetary appropriations for debt service to be made and such appropriations to become available, that such notes shall mature in three equal annual installments in three different fiscal years, but the final maturity of any such notes shall not exceed three years in accordance with the provisions of paragraph a of section 11.00 of this chapter which prescribes a period of probable usefulness of three years for objects or purposes financed by the issuance of budget notes. Such budget notes which mature in three equal annual installments, as aforesaid, shall, for the purpose of determining the power of the issuer to contract indebtedness and to raise taxes on real estate, be deemed to be serial bonds of an issue having a maximum maturity of more than two years as described in paragraph A of section five and in section ten of article eight of the state constitution and for the purposes of (1) paragraph one-a of section 136.00 of this chapter, (2) section two hundred thirty-three of the county law, (3) section 5-514 of the village law, (4) any general or special law applicable to counties, cities, villages, school districts or district

corporations which relates to the raising of taxes on real estate to provide for the payment of the interest on and the principal of indebtedness, and (5) all laws relating to financial reports, debt statements and real estate tax margin computations of such municipalities, school districts or district corporations. If the finance board determines that such budget notes shall mature in three equal annual installments, as aforesaid, the chief fiscal officer of such municipality, school district or district corporation immediately after the adoption of the resolution making such determination shall file a copy of the resolution with the state comptroller and shall immediately after the issuance or renewal of such notes notify the state comptroller of such issuance or renewal. The state comptroller may prescribe the form of any such notice and shall furnish such forms to municipalities, school districts or district corporations for the purpose of making any such report.

3. Notwithstanding any of the provisions of section 29.00 of this chapter, the finance board of a municipality or a school district described in paragraph a of this section may authorize the issuance of budget notes pursuant to subdivision one of paragraph a, or, in the case of a municipality, paragraph b of such section 29.00 of this chapter to provide for the payment of all or part of the extraordinary expenses of storm relief, to reimburse any fund or account of the municipality or school district from which moneys to pay such extraordinary expenses have been advanced or to replenish any fund or account of the municipality or school district from which such extraordinary expenses have been paid, or any combination of such purposes, notwithstanding that there may have been lack of statutory authority for any such advance or payment from such fund or account. The finance board may determine that such notes may mature in the manner provided in paragraph j of section 29.00 of this chapter, or, if the fiscal procedures applicable to such municipality or school district will enable the necessary budgetary appropriations for debt service to be made and such appropriations to become available, that such notes shall mature in two equal annual installments in two different fiscal years, but the final maturity of such notes shall not extend beyond the close of the second fiscal year immediately succeeding the year of their issue.

4. The provisions of subdivision four of paragraph c of section 40.00 of this chapter and of any other section of this chapter and the provisions of any general, special or local law which would restrict, limit or prohibit the renewal of budget notes as provided in this paragraph (except those enacted to conform with the state constitution), are, to the extent that this section is utilized by a municipality, school district or district corporation, suspended and made ineffective insofar as necessary to effectuate the objects and purposes of this section.

d. Separability. If any clause, sentence, subdivision, paragraph, or part of this section be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

§ 28.00 Capital notes. a. Any municipality, school district or district corporation may issue capital notes to finance all or part of the cost of any object or purpose for which serial or sinking fund bonds may be issued. Such capital notes may be renewed from time to time but such notes, including the renewals thereof, shall mature not later than the last day of the second fiscal year succeeding the fiscal year in which such notes are issued. However, an installment of not less than fifty per centum of the amount of such notes shall mature in the first fiscal year succeeding the fiscal year in which such notes are issued, unless such notes are authorized and issued during a fiscal year at a time subsequent to the date of the adoption of the annual budget for the next succeeding fiscal year.

b. Capital notes shall be redeemed out of the taxes or assessments levied or to be levied for the fiscal year in which they mature or out of other revenues of that fiscal year legally available for that purpose.

§ 29.00 Budget notes. a. 1. Any municipality or district corporation, other than a fire district, may issue budget notes during any fiscal year for any unforeseeable public emergency during such year such as epidemic, conflagration, riot, storm, flood, earthquake or other unusual peril to the lives and property of the citizens of such unit of government in such amount as the finance board shall determine to be necessary, but no municipality may issue such notes for emergencies in behalf of any local improvement district. Any school district may issue budget notes during any fiscal year to provide temporary school buildings or facilities in such year when such buildings or facilities are necessitated because of an unforeseeable public emergency during such year such as epidemic, conflagration, riot, storm, flood, earthquake or other unusual circumstance preventing the use in whole or in part, of the buildings or other facilities used by such school district.

2. Any municipality or district corporation which adopts an annual budget may issue budget notes during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget for such fiscal year in an amount not to exceed five per centum of the amount of such annual budget.

Notwithstanding the foregoing limitation, any fire district may issue budget notes pursuant to this subdivision in the amount of at least one thousand dollars. In addition, any county which adopts an annual budget may issue budget notes pursuant to this subdivision without limitation as to amount for necessary expenditures for the apprehension and prosecution of persons charged with the commission of crime and for which an insufficient or no provision has been made in the annual budget for such fiscal year. If, however, any such municipality or district corporation may issue budget notes for any such expenditures pursuant to the provisions of any other paragraph of this section, such municipality or district corporation shall not issue budget notes for any such expenditures pursuant to this subdivision. Any town, and any county, in computing "the amount of the annual budget" for the purposes of this subdivision shall not include any amounts which are to be paid in the first instance from improvement district assessments.

3. A school district may issue budget notes during the last nine months of any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget for such fiscal year in an amount not to exceed five per centum of such annual budget. The foregoing limitation shall not be applicable in any case in which a budget note resolution has been adopted by the finance board of a school district and has been approved by a majority of the qualified voters of the school district present and voting at any annual or special meeting of the school district held pursuant to the provisions of the education law during the last nine months of such fiscal year. The notice for any such meeting, in addition to complying with applicable provisions of the education law, must state that such budget note resolution will be submitted for approval by the voters at such meeting; the purpose for which moneys are proposed to be borrowed under such resolution; the total amount proposed to be borrowed, and the fiscal year in which taxes are required to be levied for the payment of the budget note proposed to be issued. The vote at any such meeting on such proposition shall be by ballot, or ascertained by taking and recording the ayes and noes of such qualified voters attending and voting at such meeting.

3-a. Notwithstanding any other provisions of this section, where a school district can demonstrate to the satisfaction of the commissioner of education extenuating circumstances that a waiver is warranted for the adoption of a budget note resolution by its finance board, upon certification by the chief executive officer to the commissioner of education, in such form as the commissioner of education shall determine pursuant to guidelines developed, for the purpose of making additional accruals requirements in the two thousand four--two thousand five or two thousand five--two thousand six school years associated with changes in accounting methodologies for liabilities for employer and employee contributions due and payable to a public retirement system that will result in a tax increase to the residents of the district in the following school year, a school district may issue budget notes during the last nine months of the school year in which such resolution is adopted, or during the first three months of the following school year, in an amount not to exceed the amount of such additional accruals for public pension liabilities. The limitation on the amount of budget notes contained in subdivision three of this paragraph shall not be applicable to notes issued pursuant to this section and the amount of budget notes issued pursuant to this section shall not be included in the computation of such limitation.

4. Any fire district may issue budget notes for expenditures for necessary repairs to any fire-fighting apparatus, fire-fighting vehicles or other motorized equipment of such fire district which has been damaged as the result of an accident; but only to the extent that budgetary appropriations for such purpose and the proceeds of insurance received on account of such damage and on hand at the time the repairs are completed are insufficient to pay for such damage. Unless a budgetary appropriation for the payment of such notes is in existence at the time the proceeds of any such insurance are received, such proceeds shall be used only for the payment of such notes.

5. Any municipality or fire district may issue budget notes during any fiscal year to provide for the payment in such fiscal year of the cost of insurance secured to indemnify against liability for benefits payable under the volunteer firefighters' benefit law and for which cost an insufficient or no provision was made in the annual budget of the municipality or fire district for such fiscal year. The aggregate amount of any such notes which may be issued for such purpose in a fiscal year commencing after December thirty-first, nineteen hundred sixty-five, shall not exceed the sum by which the actual cost of such insurance to be paid in the fiscal year in which such notes are issued exceeds the actual cost of such insurance in the fiscal year prior to the fiscal year in which such notes are issued; provided, however, that this limitation shall not apply in a case where the municipality or fire district has not incurred any such cost in the fiscal year prior to that in which such notes are issued.

6. Any fire district may issue budget notes for expenditures for water supply and in relation to fire hydrant maintenance and rental costs; but only to the extent that budgetary appropriations for such purpose under

subdivision twelve of section one hundred seventy-six of the town law are insufficient to pay increased charges which the public service commission has authorized and the fire district is required to pay in the fiscal year in which the budget note is issued for such maintenance or rental.

7. Any fire district which elects to become liable for payments in lieu of contributions pursuant to section five hundred sixty-five of the labor law and is required by the commissioner of labor to pay into the unemployment insurance fund an amount equal to the amount of benefits paid to claimants and charged to such fire district's account may issue budget notes for such expenditures for the amount required to be so paid in the fiscal year in which the budget note is issued, but only to the extent that budgetary appropriations for such purpose are insufficient to pay such claim.

8. Any county, city, village, town, town on behalf of an ambulance district, or town on behalf of a fire protection district which contracts with an ambulance service which is not organized pursuant to section two hundred nine-b of the general municipal law, may issue budget notes during the first fiscal year in which it is required to pay contributions to the volunteer ambulance workers' service award program, but only to the extent that budgetary appropriations for such purpose are insufficient to pay such contributions.

b. Any municipality which adopts an annual budget may issue budget notes during any fiscal year for either or both the following purposes:

1. The payment of the expenses for the removal of snow and ice, exclusive of salaries and wages of regular employees except for overtime work and work on Sundays and holidays, or

2. The payment of the expenses for the demolition of unsafe buildings, to the extent that an insufficient provision shall have been made therefor in the annual budget for such fiscal year, if such municipality is required by statute, local law or ordinance to include in its annual budget for such fiscal year and each fiscal year thereafter either (a)

an amount equal to at least the average of all expenditures for such purpose during each of the five preceding fiscal years for each purpose for which such budget notes are to be issued, or (b) such amount as is prescribed in the schedule set forth below, for each purpose for which such budget notes are to be issued:

1. For such fiscal year, an amount equal to at least one-fifth of the average of all expenditures for such purpose during each of the five preceding fiscal years.

2. For the first fiscal year succeeding such fiscal year, an amount equal to at least two-fifths of the average of all expenditures for such purpose during each of the five preceding fiscal years.

3. For the second fiscal year succeeding such fiscal year, an amount equal to at least three-fifths of the average of all expenditures for such purpose during each of the five preceding fiscal years.

4. For the third fiscal year succeeding such fiscal year, an amount equal to at least four-fifths of the average of all expenditures for such purpose during each of the five preceding years.

5. For the fourth fiscal year succeeding such fiscal year and for each succeeding fiscal year thereafter, an amount equal to at least the average of all expenditures for such purpose during each of the five preceding fiscal years.

Any city, any county and any village having a population of five thousand or more, as determined pursuant to the latest available federal census, may adopt a local law or ordinance, and any other municipality may adopt an ordinance requiring the inclusions of such amounts set forth in the above schedule for either of or both such purposes in its annual budget.

c. Any city which is required pursuant to law to include annually in its annual budget an amount for:

1. Judgments which may be obtained against the city and which may

become due and payable during the fiscal year for which the budget is adopted,

2. Claims which may be settled or compromised and become payable during such fiscal year, and

3. The repaving of streets
may issue budget notes for any of such purposes during a fiscal year if the amount included in the annual budget for such fiscal year is insufficient therefor.

d. Any municipality, school district or district corporation which is required by law to include in its annual budget the amount of judgments or compromised or settled claims which are outstanding at the time such budget is prepared, may issue budget notes for the payment of any such judgment or claim. Such notes may be issued at any time prior to the earliest time at which tax anticipation notes may be issued by such municipality, school district or district corporation pursuant to section 24.00 of this chapter in anticipation of the levy or collection of taxes for such budget. If such notes are issued in a fiscal year prior to the preparation of an annual budget during such fiscal year, an appropriation for their redemption shall be included in such next budget when it is prepared. If such notes are issued after an appropriation has been included in an annual budget for the payment of the judgments or claims for which the notes are issued, such notes shall be redeemed from such appropriation. Such budget notes may be renewed from time to time, but such notes including renewals thereof shall mature not later than the close of the fiscal year for which such annual budget is adopted.

e. Any city, county or town, during any fiscal year or, in the case of the city of New York, within ninety days after the close of such fiscal year, for which it shall make a supplemental, deficiency or additional appropriation for one or more purposes authorized by or under the provisions of the social services law, including the administration thereof, may issue budget notes for the amount of the local share of the cost thereof.

e-1. If any town has made an appropriation in its annual budget for any fiscal year for its share of the cost of an approved project under article eight-A of the highway law, and the appropriation is insufficient, the town may issue budget notes in such fiscal year to finance such share in an amount not to exceed fifty per centum of the town's share of the cost of such project. Budget notes may not be issued under any other paragraph of this section to finance any portion of the town's share of the cost of an approved project under such article eight-A of the highway law.

f. If any municipality which is authorized or required by law to include in its annual budget an estimate of the amount of state, county district and other county taxes to be levied on the real property within such municipality for or during the fiscal year for which such budget is adopted, underestimates the amount that is actually levied, such municipality may issue budget notes for the payment of all or part of such deficiency.

g. If any portion of the taxes or assessments levied by a municipality, school district or district corporation in any fiscal year are cancelled prior to the collection thereof pursuant to a determination by a court in an action or proceeding brought by the taxpayer, or, in the case of a school district with the written approval and consent of the commissioner of education under section thirty-five hundred twelve of the education law, such municipality, school district or district corporation may issue budget notes in the fiscal year in which any such cancellation occurs in an amount not in excess of the amount of taxes or assessments so cancelled. The proceeds of such notes shall be used only for the purposes for which such taxes or assessments so cancelled were levied, or for the redemption of tax anticipation notes which had been issued in anticipation of the collection of the taxes or assessments so cancelled and for the redemption of which notes no other provision has been made, or for the redemption of budget notes in renewal of which they were issued.

h. Any county which does not adopt an annual budget may issue budget notes during any fiscal year to pay accounts, claims, demands or charges which may be directed to be paid pursuant to the provisions of any law in an amount not in excess of the total amount of such accounts, claims, demands or charges directed to be paid in such fiscal year and for which an insufficient or no provision was made in the estimate upon which the tax levy for such fiscal year was based. No county shall issue budget notes pursuant to this paragraph on or after January first, nineteen hundred fifty-one; provided that budget notes issued prior to such date pursuant to this paragraph may be renewed as provided in paragraph j of this section.

i. Any town on behalf of a town improvement district situated therein, or any county on behalf of a county improvement district situated therein, may issue budget notes during any fiscal year for expenditures for which an insufficient or no provision is made in the annual estimate for such improvement district as finally adopted for such fiscal year in an amount not to exceed five per centum of the amount of such annual estimate.

j. Except as otherwise provided in paragraph d of this section, budget notes may be renewed from time to time but such notes, including the renewals thereof, shall mature not later than the close of the fiscal year succeeding the fiscal year in which such notes are issued. However, such notes, including the renewals thereof, may mature not later than the close of the second fiscal year succeeding the fiscal year in which such notes are issued, when authorized and issued during a fiscal year at a time subsequent to the date of the adoption of the annual budget for the next succeeding fiscal year, by a municipality, school district or district corporation in which the total amount of taxes or assessments levied for a fiscal year is determined pursuant to an annual budget adopted during the fiscal year preceding such fiscal year.

k. Budget notes shall be redeemed out of the taxes or assessments levied or to be levied for the fiscal year in which they mature or out of other revenues of that fiscal year legally available for that purpose.

l. Notwithstanding the provisions of any general, special or local law, any municipality, school district or district corporation, which has the power to issue budget notes under this section, shall to the same extent have the power to appropriate and expend money received from the proceeds of the sale of budget notes for the purposes for which such notes are issued.

m. Notwithstanding the provisions of this section or any other law, no city shall issue budget notes for the purpose of providing funds for the payment pursuant to section thirty-six-a of the rapid transit law, or otherwise, of the amounts which the board of transportation or any other agency of such city determines or estimates, claims (including claims reduced to judgment) or certifies to the board of estimate or other analogous local authority of such city, as the sum by which the revenues derived from operation of any railroad, as defined in section two of the rapid transit law, fail or will fail to provide for any costs and expenses of operation and maintenance of such railroad for any period or periods commencing on or after July first, nineteen hundred fifty-three. For the purpose of this paragraph, such costs and expenses shall also include the payments or contributions paid or payable by the board of transportation or the city during such period to any employees' pension or retirement system on account of membership therein of officers and employees of such board of transportation.

n. Notwithstanding any other provision of this section, except where any obligations other than budget notes are or have been issued for the object or purpose described in subdivision fifty-nine of paragraph a of section 11.00 of this chapter, budget notes may be issued by a municipality, school district or district corporation, or by a county on behalf of a county improvement district situated therein or by a town on behalf of a town improvement district situated therein, pursuant to an irrevocable election to finance all or part of the employer's share of the cost of retroactive coverage provided to its employees under the federal old-age and survivors insurance system pursuant to section one hundred thirty-eight-a of the retirement and social security law where an insufficient or no provision is or has been made in the annual budget for such cost.

o. Notwithstanding any other provision of this section, if any city in this state having a population of one million or more includes in its annual budget for the fiscal year nineteen hundred seventy-one--nineteen hundred seventy-two an estimate in an amount not to exceed one hundred million dollars of additional revenues available to it as a result of a federal program of general or special revenue sharing or any similar program or any combination of such programs which relieves a financial burden which would otherwise require expenditure from city tax receipts in such amount for the fiscal year, and if that estimate should exceed the amount of such revenue that actually becomes available to it, such city may issue during the last quarter of such fiscal year budget notes which shall have a maximum maturity of not more than one year for the payment of all or part of the amount of such overestimate, upon a determination by the state budget director of the amount of such overestimate.

*** § 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

§ 29.20 Deficiency notes. a. Any municipality, school district or district corporation may issue deficiency notes during any fiscal year to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for such current fiscal year. Such notes may be issued in such amount as the finance board shall determine to be necessary, but not to exceed five per centum of the amount of the annual budget of such municipality, school district or district corporation.

b. Deficiency notes may be renewed from time to time, but such notes, including the renewals thereof, shall mature not later than the close of the fiscal year succeeding the fiscal year in which such notes are issued. However, such notes, including the renewals thereof, may mature not later than the close of the second fiscal year succeeding the fiscal year in which such notes are issued, when authorized and issued during a fiscal year at a time subsequent to the date of the adoption of the annual budget for the next succeeding fiscal year, by a municipality, school district or district corporation in which the total amount of taxes or assessments levied for a fiscal year is determined pursuant to an annual budget adopted during the fiscal year preceding such fiscal year.

c. Deficiency notes shall be redeemed out of the taxes or assessments levied or to be levied for the fiscal year in which they mature or out of other revenues of that fiscal year legally available for that purpose.

d. Notwithstanding the provisions of any general, special or local law, any municipality, school district or district corporation, which has the power to issue deficiency notes under this section, shall to the same extent have the power to appropriate and expend money received from the proceeds of the sale of deficiency notes for the purposes of the fund or funds for which such notes are issued.

e. The proceeds of such notes shall be used only to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for the current fiscal year or, in the event all or a portion of the proceeds are not expended for that purpose, the amount not so expended shall be used only for the payment of principal of and interest on such notes. In determining whether all or any portion of the proceeds of deficiency notes remained unexpended at the close of a fiscal year, the moneys in such fund or funds other than the proceeds of such notes shall be deemed to be expended prior to the proceeds of such notes.

f. Any municipality, school district or district corporation which shall renew deficiency notes pursuant to the provisions of paragraph b of this section, or which shall issue deficiency notes in two or more successive fiscal years, shall be subject to the requirements of paragraphs c, d, e and f of section 10.10 of this article for three years commencing with the fiscal year in which such notes were renewed or each second successive fiscal year in which such notes were issued.

TITLE 3. LOCAL OBLIGATIONS: AUTHORIZATION THEREOF

§ 30.00 Agency authorizing issuance of obligations. a. The finance board shall have the power to authorize the issuance of bonds and notes. However, the finance board may, by resolution, delegate such power in relation to bond anticipation notes, tax anticipation notes, revenue anticipation notes or urban renewal notes or the renewals thereof, to the chief fiscal officer, in which event the chief fiscal officer shall exercise such power until the finance board, by resolution, shall elect to reassume the same.

b. Whenever the power to authorize the issuance of any of such notes, or the renewals thereof, has been delegated to the chief fiscal officer, no such note, or such renewal note, authorized by such officer pursuant to such power shall be issued unless such officer shall have first filed with the finance board a certificate authorizing the issuance of such note, or such renewal note. Such certificate shall contain in substance at least the same statements and provisions as a finance board would be required to incorporate in a resolution adopted by it in compliance with section 38.10 or section 39.00 of this chapter and, in addition, a statement that the power delegated to such officer to issue such note, or such renewal note, is in full force and effect and has not been modified, amended or revoked. Such certificate shall be properly dated and signed by the chief fiscal officer and the same shall be a public record. The failure to have first filed such certificate with the finance board as hereinbefore provided shall not invalidate the issuance of any such note.

c. In such instances in which the chief fiscal officer exercises such power, the same shall be exercised subject to such terms and conditions, not inconsistent with the provisions of this chapter, as the finance board may prescribe.

§ 31.00 Bond resolution and capital note resolution. a. The issuance of bonds shall be authorized by a "bond resolution." The issuance of capital notes or renewals thereof shall be authorized by "a capital note resolution." However, if capital notes are to be issued for the same object or purpose for which bonds are to be issued, the issuance of such capital notes may be authorized by the bond resolution authorizing the issuance of such bonds.

b. Any municipality, school district or district corporation may adopt one or more bond resolutions or capital note resolutions authorizing the issuance of bonds or capital notes for a specific object or purpose, for which object or purpose serial bonds may be issued. In addition thereto any municipality or school district may adopt one or more bond resolutions or capital note resolutions authorizing the issuance of bonds or capital notes for any class of objects or purposes, for which objects or purposes serial bonds may be issued.

c. The issuance of obligations for a capital improvement and for the acquisition of land or permanent rights in land for such improvement may be authorized by the same bond resolution or capital note resolution, notwithstanding the fact that the subdivision of paragraph a of section 11.00 of this chapter which sets forth the period of probable usefulness for such capital improvement does not include therein the acquisition of land or permanent rights in land for such improvement.

d. The issuance of bonds or capital notes for two or more specific objects or purposes or two or more classes of objects or purposes may be authorized by the same bond resolution or capital note resolution, notwithstanding the fact that such specific objects or purposes or classes of objects or purposes are described in separate subdivisions of paragraph a of section 11.00 of this chapter, provided:

1. The maximum period of probable usefulness is five years or less, as determined by paragraph a of such section 11.00 or pursuant to paragraph b of such section, or

2. The bond resolution or the capital note resolution, as the case may be, is not subject to either mandatory or permissive referendum.

§ 32.00 Bond resolution and capital note resolution; form and contents. Every bond resolution or capital note resolution shall be properly dated and shall bear a title indicating the type or types of obligations to which it relates, and shall contain, in substance, at least the following provisions:

1. A statement of the specific object or purpose or the class of objects or purposes for which the obligations to be authorized by such

resolution are to be issued. Each item of such specific object or purpose shall be described in brief and general terms sufficient for a reasonable identification.

2. If the obligations to be authorized are for a specific object or purpose, a statement of the estimate of the maximum cost of each item of such specific object or purpose. If the obligations to be authorized by a single bond resolution or capital note resolution are for two or more specific objects or purposes as provided by paragraph d of section 31.00 of this chapter, there shall be a statement of the estimate of the maximum cost of each item of each specific object or purpose. If the obligations to be authorized are for a class of objects or purposes, there shall be a statement of the estimated maximum cost thereof. If the obligations to be authorized by a single bond resolution or capital note resolution are for two or more classes of objects or purposes as provided by paragraph d of section 31.00 of this chapter, there shall be a statement of the estimated maximum cost of each class of objects or purposes. Such statement shall also set forth the plan for the financing of the total cost of all of the items of such specific object or purpose or such specific objects or purposes or of the cost of such class or such classes of objects or purposes which shall indicate the sources of the amounts of money which have been previously authorized to be applied to the payment of the total cost of all of such items of such object or purpose or such objects or purposes or of the cost of such class or such classes of objects or purposes and the intended source or sources, other than the proceeds of such obligations, of the balance of the money to be so applied. Such financial plan, by virtue of its inclusion in such resolution, shall not be deemed binding upon such municipality, school district or district corporation.

In lieu of such a statement, the resolution may contain a recital that such information has been set forth in a capital budget or in an appropriation for such specific object or purpose or such objects or purposes or for the class or classes of such objects or purposes or in a previously adopted bond resolution or capital note resolution authorizing the issuance of obligations for such specific object or purpose or such specific objects or purposes, or for the class or classes of such objects or purposes. Such recital shall specifically refer to the most recent capital budget, appropriation, bond resolution or capital note resolution containing such information.

3. A statement of the amount of bonds or capital notes to be issued for such specific object or purpose or class of objects or purposes.

4. A determination of the period or periods of probable usefulness of the specific object or purpose or class of objects or purposes for which such bonds or capital notes are to be issued, if such determination is made by the finance board. However, if bonds are to be issued for a class of objects or purposes for which more than one period of probable usefulness is prescribed pursuant to section 11.00 of this chapter and if the determination of the period of probable usefulness therefor is to be made by the finance board, the bond resolution authorizing the issuance of such bonds shall

(a) Specify the kind of specific object or purpose within such class to which the proceeds of such bonds are to be applied and the appropriate period of probable usefulness therefor, or

(b) Specify as the period of probable usefulness of such class the lowest period of probable usefulness assigned thereto.

5. In the case of towns or villages, a determination whether the proposed maturity of the obligations to be authorized thereby will be in excess of five years.

6. If current funds are required to be provided prior to the issuance of such bonds or bond anticipation notes in anticipation of such bonds pursuant to section 107.00 of this chapter, a statement that there has been provided or that there will be provided prior to the issuance of such bonds or bond anticipation notes the appropriate amount of current funds.

§ 33.00 Bond resolution and capital note resolution; procedure for enactment thereof. a. Every bond resolution and capital note resolution shall be adopted by at least a two-thirds vote of the voting strength of the finance board, except that (1) where a bond resolution or a capital note resolution is subject to mandatory referendum before it shall become effective or (2) where a bond resolution provides that it shall be submitted to a referendum in the manner authorized by or pursuant to this chapter, a three-fifths vote shall be sufficient. A majority vote shall be sufficient for the adoption of a resolution authorizing the renewal of a capital note.

b. Any village having a population of five thousand or more, as determined pursuant to the last available federal census, and any city may hereafter adopt, in the manner provided by law, a local law requiring public hearings on all bond resolutions and capital note resolutions or on bond resolutions and capital note resolutions authorizing the issuance of obligations for such purposes or amounts as may be specified in such local law. Such a local law shall prescribe the procedure for such public hearings.

§ 33.10 Mandatory or permissive referenda in counties. a. Except as otherwise provided in paragraph b of this section neither the expenditure of money for an object or purpose for which it is proposed to issue obligations nor a bond resolution or capital note resolution shall be subject to a mandatory or a permissive referendum in any county.

b. * 2. If, prior to the effective date of this chapter in any county operating under an alternative or optional form of government, the board of supervisors of such county is empowered to submit to a referendum at any general or special election any act or resolution of the board providing for the expenditure of any sum greater than two hundred fifty thousand dollars for a permanent public improvement or improvements whether or not obligations are to be issued for such improvement or improvements, the finance board of such county may submit to a referendum at any general or special election, in the manner provided in such alternative or optional form of government, any act or resolution providing for the expenditure of any sum greater than two hundred fifty thousand dollars for a permanent public improvement or improvements for which it intends to issue obligations.

* NB There are 2 sb 2's

* 2. A resolution authorizing the issuance of bonds or capital notes by a county for the object or purpose described in subdivision forty-nine of paragraph a of section 11.00 of the local finance law shall be subject to a permissive referendum in the manner provided in article three-A of the county law as amended from time to time.

* NB There are 2 sb 2's

§ 34.00 Bond resolution may be subject to mandatory or permissive referendum; cities. a. Except as otherwise provided in paragraph b of this section, neither the expenditure of money for an object or purpose for which it is proposed to issue obligations nor a bond resolution or capital note resolution shall be subject to a mandatory or a permissive referendum in any city.

b. Any city may adopt, in the manner provided by law, a local law requiring that all bond resolutions, or bond resolutions authorizing the issuance of bonds for such purposes or amounts as may be specified in such local law, shall be subject to a mandatory or a permissive referendum after such resolutions have been adopted by the finance board. Such a local law shall prescribe the qualifications of the voters at and the procedure for such a mandatory or a permissive referendum and shall not itself be subject to a permissive or mandatory referendum. The provisions of this paragraph shall not apply to bond resolutions authorizing the issuance of bonds for the payment of judgments, or compromised or settled claims against such city, or awards or sums payable by such city pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity, or to provide sewage disposal or treatment facilities required by any order of the state commissioner of health or of the water resources commission directing compliance with standards, determinations or orders promulgated pursuant to article twelve of the public health law to prevent pollution of the waters of the state.

§ 35.00 Bond resolution subject to referendum; towns. a. A bond resolution adopted by the finance board of any town for the purpose of financing a town highway improvement shall be subject to a permissive referendum or such resolution may be submitted to a referendum by such finance board on its own motion, in the manner prescribed in article seven of the town law, as amended from time to time, if no part of the cost of any such improvement is be paid by the county, or by the state, as provided in the highway law or is to be levied against property situated within any incorporated village in such town. Notwithstanding the foregoing provisions of this paragraph, a bond resolution or resolutions adopted by the finance board of any town authorizing the issuance of bonds for any such town highway improvement or improvements to the extent of not to exceed fifteen thousand dollars in the aggregate in any fiscal year of the town shall not be subject to such permissive referendum if the bonds have a proposed maturity of not more than five years to be measured from the date of the bonds or from the date of the first bond anticipation note issued in anticipation of sale of such bonds, whichever date is the earlier. Furthermore, the foregoing provisions of this paragraph shall not apply to a bond resolution authorizing the issuance of bonds to finance improvements undertaken pursuant to either section two hundred or section two hundred-a of the town law, as amended from time to time.

b. Except as otherwise provided in paragraph a of this section,

1. A bond resolution adopted by the finance board of a town shall be subject to a permissive referendum or such resolution may be submitted to a referendum by such finance board on its own motion, in the manner prescribed in article seven of the town law, as amended from time to time.

The foregoing provisions of this paragraph b shall not apply to a bond resolution authorizing the issuance of bonds:

(1) With a proposed maturity of not more than five years to be measured from the date of the bonds or from the date of the first bond anticipation note issued in anticipation of the sale of such bonds, whichever date is the earlier.

(2) For any district or special improvement authorized by articles three-A, twelve, twelve-A and twelve-C of the town law, as amended from time to time, or for any such improvement authorized by any other general or special law where the cost thereof is to be assessed upon benefitted real property except for a bond resolution adopted by the finance board of the Town of Oyster Bay for the purpose of financing an original capital improvement for an existing park district in said town, where the estimated maximum cost of such improvement shall be two million or more.

(3) For the construction, pavement or other improvement of a street or highway through such town, the cost of which is to be paid in part by such town and in part by the county or state, as provided in the highway law, as amended from time to time.

(4) For the payment of judgments, or compromised or settled claims against such town, or awards or sums payable by such town pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity.

c. The expenditure of money for which it is proposed to issue obligations shall not be subject to a permissive or mandatory referendum in any town.

d. The provisions of paragraphs a and b of this section shall not apply to any bond resolution which authorizes the issuance of bonds for the reconstruction of a bridge, tunnel, viaduct or underpass or for the reconstruction or repair of a highway, road, street, parkway or parking area, whether or not including sidewalks, curbs, gutters, drainage, landscaping or grading, if (1) such reconstruction or repair is necessitated by a storm, flood, earthquake or other unforeseeable disaster and (2) the county superintendent of highways certifies that such work should be commenced within eight months after such disaster in order to prevent unusual peril to the lives and property of the citizens of the town and (3) such bond resolution has been adopted within eight months after such disaster.

§ 36.00 Bond resolution subject to permissive referendum; villages.

a. A bond resolution adopted by the finance board of a village shall be subject to a permissive referendum or such resolution may be submitted to a referendum by such finance board on its own motion, in the manner prescribed in article nine of the village law, as amended from time to time. The foregoing provisions of this paragraph shall not apply to a bond resolution authorizing the issuance of bonds:

1. With a proposed maturity of not more than five years to be measured from the date of the bonds or from the date of the first bond anticipation note issued in anticipation of the sale of such bonds, whichever date is the earlier.

2. For a capital improvement or equipment, of which any part of the cost is chargeable primarily to benefited real property.

3. For the construction, pavement or other improvement of a street or highway through such village, the cost of which is to be paid in part by such village and in part by the county or state, as provided in the highway law, as amended from time to time.

4. For the payment of judgments, or compromised or settled claims against such village, or awards or sums payable by such village pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity.

5. To provide for the construction or reconstruction of facilities for the conveyance, treatment and disposal of sewage required by any order of the state commissioner of health or of the water resources commission directing compliance with standards, determinations or orders promulgated pursuant to article twelve of the public health law to prevent pollution of the waters of the state.

6. To provide for construction or reconstruction of facilities for the incineration and disposal of refuse and garbage required by any order of the commissioner of health, the air pollution control board or county health commissioner directing compliance with standards, determinations or orders promulgated pursuant to article twelve-A of the public health

law or pursuant to a local law, ordinance or regulation of the governing body of a county, which complies with at least the minimum applicable requirements set forth in any code, rule or regulation promulgated pursuant to article twelve-A of the public health law to prevent, control or prohibit pollution of the air resources of the state.

b. The expenditure of money for which it is proposed to issue obligations shall not be subject to a permissive or mandatory referendum in any village.

§ 37.00 Referenda on bond resolutions or capital note resolutions; school districts. a. In a school district other than a city school district a bond resolution or a capital note resolution shall not be adopted by the finance board thereof unless a tax to be collected in installments shall have been voted in the manner provided in the education law, as amended from time to time, for the object or purpose for which such resolution authorizes the issuance of obligations. The foregoing provisions of this paragraph shall not apply to:

1. A bond resolution or capital note resolution adopted by the finance board of a school district authorizing the issuance of bonds or capital notes for the payment of all or part of a judgment, award or a compromised or settled claim against the school district for the acquisition of land or rights in land, to the extent that the amount of such judgment, award or claim exceeds the amount authorized to be expended for such acquisition of land or rights in land, provided such excess amount does not exceed fifteen per centum of the amount so authorized to be expended.

2. A bond resolution which authorizes the issuance of bonds pursuant to section 92.00 of this chapter where prior to the issuance by a school district of the bond anticipation note or notes to be refunded by such bonds a tax to be collected in installments has been voted in the manner provided in the education law for the object or purpose for which such note or notes were issued.

3. A bond resolution or capital note resolution which authorizes the issuance of bonds or capital notes for the payment of judgments, or compromised or settled claims against such a school district, or awards or sums payable by such a school district pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity.

b. In a city school district a bond resolution adopted by the finance board thereof shall not become effective unless a proposition approving such resolution shall have been adopted at a special or annual school district meeting held in accordance with article forty-one and fifty-three of the education law. The foregoing provisions of this paragraph shall not apply to a bond resolution authorizing the issuance of bonds:

1. For the payment of judgments, or compromised or settled claims against such city school district, or awards or sums payable by such city school district pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity; or

2. Where a tax to be collected in installments has been voted in the manner provided in the education law, prior to July first, nineteen hundred fifty-one, for the object or purpose for which such resolution authorizes the issuance of bonds; or

3. Where such resolution authorizes the issuance of bonds pursuant to section 92.00 of this chapter and prior to the issuance by a school district of the bond anticipation note or notes to be refunded by such bonds a tax to be collected in installments has been voted in the manner provided in the education law for the object or purpose for which such note or notes were issued.

Notwithstanding the foregoing provisions of this paragraph, the finance board of a city school district may provide in any bond resolution or capital note resolution that such resolution, shall not become effective unless a proposition approving such resolution is adopted at a special or annual district meeting held in accordance with article forty-one and fifty-three of the education law.

§ 38.00 Referenda on bond resolutions or capital note resolutions; fire districts and other district corporations. a. A bond resolution or a capital note resolution adopted by the finance board of a fire district shall not become effective unless it shall have been approved at a regular or special election of such district in the manner provided in section one hundred and seventy-nine of the town law, as amended from time to time.

b. 1. If, prior to the effective date of this chapter, in a district corporation other than a fire district, the voting of a special tax or a tax to be collected in installments for an object or purpose, at a regular or special election or meeting, is a condition precedent to the authorization of the issuance of obligations for such object or purpose, a bond resolution or a capital note resolution authorizing the issuance of bonds or capital notes for such object or purpose shall not be adopted by the finance board unless a special tax or a tax to be collected in installments for such object or purpose shall have been voted at such an election or meeting in the manner provided by law.

2. If, prior to the effective date of this chapter, in a district corporation other than a fire district, the approval of a proposition for the expenditure of money for an object or purpose, at a regular or special election or meeting, is a condition precedent to the authorization of the issuance of obligations for such object or purpose, a bond resolution or a capital note resolution authorizing the issuance of bonds or capital notes for such object or purpose shall not be adopted by the finance board unless a proposition for the expenditure of money for such object or purpose shall have been approved at such an election or meeting in the manner provided by law.

3. If, prior to the effective date of this chapter, in a district corporation other than a fire district, the authorization of the issuance of obligations for an object or purpose must be approved at a

regular or special election or meeting, a bond resolution or a capital note resolution adopted by the finance board authorizing the issuance of bonds or capital notes for such object or purpose shall not become effective unless it shall have been so approved at such an election or meeting in the manner provided by law.

§ 38.10 Bond anticipation note resolution; form and contents. Whenever the finance board shall authorize the issuance of bond anticipation notes or renewals thereof, it shall do so by a "bond anticipation note resolution." Each such resolution shall be properly dated and shall bear a title which will indicate that it relates to a bond anticipation note. Whenever a bond anticipation note has been duly authorized by a chief fiscal officer the certificate required to be filed by such officer pursuant to section 30.00 of this chapter shall bear a title which will indicate that it relates to a bond anticipation note. Every such resolution shall contain, in substance, at least the following provisions:

1. A statement of the specific object or purpose or the class of objects or purposes for which the obligations to be authorized by such resolution are to be issued. Such specific object or purpose shall be described in brief and general terms sufficient for a reasonable identification.

2. A specific reference to the bond resolution or resolutions authorizing the bonds in anticipation of the sale of which such notes are to be issued.

3. A statement of the amount of bonds to be issued for such specific object or purpose or class of objects or purposes and whether such bonds are to be serial or sinking fund bonds.

4. A statement of the amount of such bond anticipation notes to be issued.

5. A statement of the amount of bond anticipation notes which are

outstanding which had been previously issued in anticipation of the sale of such bonds.

6. A statement as to whether or not such notes are renewal notes and if they are, the date of issuance of the original notes issued in anticipation of the sale of such bonds.

7. A statement of the period of maturity of such notes.

8. A statement indicating whether or not such notes are issued in anticipation of bonds for an assessable improvement.

§ 39.00 Tax anticipation note resolution, revenue anticipation note resolution and urban renewal note resolution; form and contents. a. Whenever the finance board shall authorize the issuance of tax anticipation notes, revenue anticipation notes or urban renewal notes, or the renewal of such notes, it shall do so by a "tax anticipation note resolution", "a revenue anticipation note resolution" or an "urban renewal note resolution", as the case may be. Each such resolution shall be properly dated and shall bear a title which will indicate the type of note to which it relates. Whenever any such note has been duly authorized by a chief fiscal officer the certificate required to be filed by such officer pursuant to section 30.00 of this chapter shall bear a title which will indicate the type of note to which it relates.

b. A tax anticipation note resolution, revenue anticipation note resolution or an urban renewal note resolution shall contain, in substance, the following provisions:

1. A statement that such notes are issued in anticipation of:
(a) The collection of real estate taxes or assessments, in the case of tax anticipation notes;
(b) The collection of revenues other than real estate taxes or assessments, in the case of revenue anticipation notes; or
(c) The receipt of moneys from (1) the sale of real property, or any interest therein, acquired for or incidental to an urban renewal

project; or (2) from the United States government pursuant to title one of the federal housing act of nineteen hundred forty-nine, as amended; or (3) from the state of New York pursuant to the general municipal law; or from any or all such sources, in the case of urban renewal notes.

2. (a) In the case of tax anticipation notes:

(1) If such taxes or assessments were levied or are to be levied for a fiscal year, a statement of the fiscal year for which such taxes or assessments were levied or are to be levied, or

(2) If such notes are to be issued in anticipation of the collection of assessments levied for a capital improvement and to be collected in a single installment, and, if such assessments have been levied, a statement of the date of the levy of such assessments, or

(3) If such notes are to be issued in anticipation of the collection of an installment of assessments which are levied for a capital improvement and which are to be collected in several installments, and, if such installment of assessments has been levied, a statement of the date on which such installment is due and payable.

(b) In the case of revenue anticipation notes, a statement of the fiscal year in which such revenues are due and payable.

3. (a) In the case of tax anticipation notes, if such taxes or assessments have been levied, a statement of the amount of such taxes or assessments remaining uncollected against which such notes are authorized to be issued.

(b) In the case of revenue anticipation notes, a statement of the amount of uncollected revenues against which such notes are authorized to be issued.

(c) In the case of urban renewal notes, a statement of (1) the total estimated cost of the urban renewal project as stated in the certificate of the chief fiscal officer of the municipality filed and approved in the manner prescribed in paragraph d of section 25.10 of this chapter; (2) the total amount of any and all advances, loans and grants made by the United States government or by the state of New York in aid of such project to the municipality prior to and including the date of the issuance of any such note or notes; (3) the amount of any and all local grants-in-aid made or to be made for such project; and (4) the total amount of such notes outstanding for such project.

4. In the case of urban renewal notes, a statement identifying the particular urban renewal project with respect to which such notes are to be issued.

5. A statement of the amount of such notes to be issued.

6. A statement of the period of maturity on such notes.

7. (a) In the case of tax anticipation notes issued in anticipation of the collection of taxes or assessments which have been levied, or the renewals thereof, a statement that the date of maturity of such notes shall not extend beyond the close of the applicable period provided in section 24.00 of this chapter for the maturity of such notes.

(b) In the case of revenue anticipation notes, if such notes are to be issued in renewal of similar notes, a statement that the date of maturity of such notes shall not extend beyond the expiration of the second fiscal year succeeding the fiscal year in which such original notes were issued.

(c) In the case of urban renewal notes, a statement whether such notes are renewal notes and, if they are, the date of issuance of the original notes.

§ 40.00 Budget note resolution; form and contents; authorization thereof. a. The issuance of budget notes or renewals thereof shall be authorized by a "budget note resolution." Each such resolution shall be properly dated and shall bear a title which will indicate that it relates to a budget note.

b. Any municipality, school district or district corporation may adopt one or more budget note resolutions authorizing the issuance of budget notes for a specific object or purpose, for which object or purpose budget notes may be issued. In addition, any municipality may adopt one or more budget note resolutions authorizing the issuance of budget notes for a class of objects or purposes set forth in paragraph b, c, d or e of section 29.00 of this chapter.

c. A budget note resolution shall contain, in substance, at least the following provisions:

1. A statement setting forth the facts and circumstances necessitating the issuance of such budget notes and the specific object or purpose or the class of objects or purposes for which the budget notes to be authorized by such resolution are to be issued and stating that there are no other funds available with which to pay or provide for such object or purpose or class of objects or purposes. Such circumstances necessitating the issuance of budget notes and such specific object or purpose shall be described in brief and general terms sufficient for a reasonable identification.

2. A statement of the amount of budget notes to be issued for such specific object or purpose or class of objects or purposes.

3. A statement of the period of maturity of such notes.

4. If such notes are to be issued in renewal of other notes a statement that the date of maturity of such notes shall not extend beyond the applicable period provided in section 29.00 of this chapter for the maturity of such notes.

d. Every budget note resolution shall be adopted by at least a majority vote of the voting strength of the finance board. A majority vote shall be sufficient for the adoption of a resolution authorizing the renewal of any budget note.

§ 40.10 Deficiency note resolution; form and contents; authorization thereof. a. The issuance of deficiency notes or renewals thereof shall be authorized by a "deficiency note resolution". Each such resolution shall be properly dated and shall bear a title which will indicate that it relates to a deficiency note.

b. Any municipality, school district or district corporation may adopt one or more deficiency note resolutions authorizing the issuance of deficiency notes for the specific object or purpose of covering a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for the current fiscal year of the municipality, school district or district corporation.

c. A deficiency note resolution shall contain, in substance, at least the following provisions:

1. a statement of the specific object or purpose for which the deficiency notes to be authorized by such resolution are to be issued;

2. a statement of the amount of deficiency notes to be issued, the amount and the cause of the deficiency in revenues, and that no other source of financing is available;

3. a statement of the period of maturity of such notes; and

4. if such notes are to be issued in renewal of other notes, a statement that the date of maturity of such notes shall not extend beyond the applicable period provided in section 29.20 of this article for the maturity of such notes.

d. Every deficiency note resolution shall be adopted by at least a majority vote of the voting strength of the finance board. A two-thirds vote of the voting strength of the finance board shall be required to adopt a deficiency note resolution authorizing the issuance of renewal notes or authorizing the issuance of deficiency notes in a year next succeeding a year in which deficiency notes were issued.

§ 41.00 Repeal of unexpended authorizations. a. The finance board of:

1. Any municipality may at any time, by resolution, repeal or revoke in whole or in part (a) any resolution heretofore or hereafter adopted authorizing the issuance of obligations, and (b) any certificate of a

chief fiscal officer authorizing the issuance of obligations, dated on or after the effective date of this chapter, or

2. Any school district may, by resolution, repeal or revoke in whole or in part (a) any resolution heretofore or hereafter adopted authorizing the issuance of obligations, at any time after four years have elapsed from the date of the adoption of any such resolution, and (b) any certificate of a chief fiscal officer authorizing the issuance of obligations, dated on or after the effective date of this chapter, at any time after four years have elapsed from the date of any such certificate, or

3. Any district corporation may at any time, by resolution, repeal or revoke in whole or in part (a) any resolution heretofore or hereafter adopted authorizing the issuance of obligations, and (b) any certificate of a chief fiscal officer authorizing the issuance of obligations, dated on or after the effective date of this chapter,
except to the extent that any indebtedness shall already have been contracted or encumbrances made thereunder for the object or purpose for which such resolution or certificate authorizes the issuance of obligations, whether or not the voting of a special tax or a tax to be collected in installments or the approval of a proposition for the expenditure of money, at a regular or special election or meeting, was a condition precedent to the adoption of such resolution or such resolution subsequent to the adoption thereof was submitted and approved at a regular or special election or meeting.

b. Any resolution heretofore or hereafter adopted authorizing the issuance of obligations, or any certificate of a chief fiscal officer authorizing the issuance of obligations, dated on or after the effective date of this chapter, unless repealed or revoked at a prior date in the manner provided in paragraph a of this section, shall be deemed to be repealed ten years after the date it becomes effective, except to the extent that any indebtedness shall already have been contracted or encumbrances made thereunder for the object or purpose for which such resolution or certificate authorizes the issuance of obligations.

§ 41.10 Contents of notice of meeting or election where special tax or tax to be collected in installments is to be voted. Where the voting of a special tax or a tax to be collected in installments is a condition precedent to the adoption of a bond resolution or capital note resolution and the bonds or capital notes are to be issued to finance a specific object or purpose, the notice of the meeting or the election at which such tax is voted must state the estimated maximum cost of each item of such specific object or purpose and the estimated total cost of all of the items.

TITLE 4. LOCAL OBLIGATIONS: TERMS, FORM AND CONTENTS THEREOF; SALE AND ISSUANCE THEREOF

§ 50.00 Agency prescribing terms, form and contents of obligations. The finance board shall prescribe the terms, form and contents of bonds and notes. However, the finance board may, by resolution, delegate to the chief fiscal officer all or part of such power in relation to every or any type of bond or note, in which event the chief fiscal officer shall exercise such power until the finance board, by resolution, shall elect to reassume the same.

§ 51.00 Terms, form and contents of obligations. Every bond and note shall contain a statement of at least the following:

1. The type of obligation.

2. The amount of the obligation and the total amount of the issue of which the obligation is a part.

3. The date and maturity of the obligation.

4. If the obligation is a tax anticipation note or a revenue anticipation note, the fiscal year for which the taxes were levied or are to be levied or in which the revenues are to become due and payable, as the case may be; if the obligation is a tax anticipation note to be

issued in anticipation of the levy or collection of assessments for a fiscal year or in anticipation of the collection of an installment of an assessment for a capital improvement, the fiscal year for which such assessments were levied or are to be levied or in which such installment becomes due, as the case may be.

* 5. The rate of interest or, in the case of obligations bearing a variable rate of interest, the procedure for calculating such variable rate of interest and the maximum rate of interest which such variable rate notes may bear, together with the date or dates of payment thereof.

* NB Effective until July 15, 2027

* 5. The rate of interest and the date or dates of payment thereof.

* NB Effective July 15, 2027

6. The place or places of payment of principal and interest.

7. The medium of payment.

8. An irrevocable pledge of the faith and credit of the municipality, school district or district corporation issuing the obligation for the payment thereof.

9. If the obligation is payable to bearer, whether it may be converted into a registered obligation; if the obligation is in registered form, whether it may be converted into a bearer obligation.

10. If the obligation may be called for redemption prior to its date of maturity, the terms and conditions under which such obligation may be redeemed.

§ 52.00 Recital of validity in obligations. Any obligation issued by a municipality, school district or district corporation may contain on its face a recital in substantially the following form:

"It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State of New York to exist, to have happened and to have been performed precedent to and in the issuance of this (Here insert type of obligation), exist, have happened and have been performed, and that the issue of (Here insert type of obligations) of which this is one, together with all other indebtedness of such (Here insert name of municipality, school district or district corporation) is within every debt and other limit prescribed by the Constitution and laws of such State."

§ 53.00 Obligations redeemable prior to maturity. a. The agency prescribing the terms, form and contents of bonds may reserve to itself the power to call in and redeem such bonds prior to the date of their maturity. Such power may be exercised upon the giving of notice of such call for redemption by publication at least three times in a financial newspaper published and circulated in the city of New York and in the official newspaper or newspapers of the municipality, school district or district corporation, or, if there be no official newspaper, then in any newspaper having general circulation therein which the agency shall designate for such purpose, the first publication to be at least thirty days prior to the date set for such redemption or, in the case of registered bonds, by mailing or transmitting such notice to the registered holder at least thirty days prior to such date. The agency prescribing the terms, form and contents of notes may reserve to itself the power to call in and redeem such notes prior to the date of their maturity upon the giving of such notices as it shall prescribe.

b. If such bonds or notes are payable in installments, the installments remaining unpaid may be called for redemption only (i) in the inverse order of their maturity or, (ii) in equal proportionate amounts; provided, however, that for bonds issued during the one-year period commencing July first, nineteen hundred eighty-eight, and for bonds issued during the one-year period commencing July first, nineteen hundred eighty-nine, and for bonds issued during the one-year period commencing July first, nineteen hundred ninety, and for bonds issued during the three-year period commencing July first, nineteen hundred ninety-one, and for bonds issued during the period from July first, nineteen hundred ninety-four up until and including July fifteenth, nineteen hundred ninety-seven and for bonds issued during the period from July fifteenth, nineteen hundred ninety-seven up until and including July fifteenth, two thousand, and for bonds issued during the period from July fifteenth, two thousand up until and including July fifteenth, two thousand three, and for bonds issued during the period from July fifteenth, two thousand three up until and including July fifteenth, two thousand six, and for bonds issued during the period from July fifteenth, two thousand six up until and including July fifteenth, two thousand nine, and for bonds issued during the period from July fifteenth, two thousand six up until and including July fifteenth, two thousand twelve, and for bonds issued during the period from July fifteenth, two thousand nine up until and including July fifteenth, two thousand fifteen, and for bonds issued during the period from July fifteenth, two thousand fifteen up until and including July fifteenth, two thousand eighteen, and for bonds issued during the period from July fifteenth, two thousand eighteen up until and including July fifteenth, two thousand twenty-one, and for bonds issued during the period from July fifteenth, two thousand twenty-one up until and including July fifteenth, two thousand twenty-four, and for bonds issued during the period from July fifteenth, two thousand twenty-four up until and including July fifteenth, two thousand twenty-seven, installments remaining unpaid on such bonds may be called for redemption prior to their date of maturity in such amounts, at such times in such manner and pursuant to such terms as may be determined by the finance board of a municipality, school district or district corporation at the time of the issuance thereof. Whenever any bonds or notes are called for redemption prior to the date of their maturity, interest shall cease to be paid thereon after the date for redemption set forth in such call for redemption. The sum to be paid to redeem any unpaid installment prior to its maturity, exclusive of the interest accruing on such installment to the date of redemption, shall in no event be in excess of the lesser amount of either (i) the par value of such installment plus one-half of one per centum of such par value for each calendar year or part thereof elapsing between the date for redemption set forth in such call for redemption and the date of maturity of such installment, provided, however, that such amount shall not exceed one hundred five per centum of such par value, or (ii) the par value of such installment plus the total of all unpaid interest on such installment which would have accrued from the date of redemption to the date of maturity thereof had such installment not been redeemed prior to maturity, except that bonds sold to the state of New York municipal bond bank agency, which are subject to call as hereinbefore authorized, may provide for the payment of a redemption premium not to exceed five per centum of the par value of the bonds to be called, payable on the date of the redemption thereof; provided, however, that for bonds issued during the one-year period commencing July first, nineteen hundred eighty-eight, and for bonds issued during the one-year period commencing July first, nineteen hundred eighty-nine, and for bonds issued during the one-year period commencing July first, nineteen hundred ninety, and for bonds issued during the three-year period commencing July first, nineteen hundred ninety-one, and for bonds issued during the period from July first, nineteen hundred ninety-four up until and including July fifteenth, nineteen hundred ninety-seven, and for bonds issued during the period from July fifteenth, nineteen hundred ninety-seven up until and including July fifteenth, two thousand, and for bonds issued during the period from July fifteenth, two thousand up until and including July fifteenth, two thousand three, and for bonds issued during the period from July fifteenth, two thousand three up until and including July fifteenth, two thousand six, and for bonds issued during the period from July fifteenth, two thousand six up until and including July fifteenth, two thousand nine, and for bonds issued during the period from July fifteenth, two thousand nine up until and including July fifteenth, two thousand twelve, and for bonds issued during the period from July fifteenth, two thousand twelve up until and including July fifteenth, two thousand fifteen, and for bonds issued during the period from July fifteenth, two thousand fifteen up until and including July fifteenth, two thousand eighteen, and for bonds issued during the period from July fifteenth, two thousand eighteen up until and including July fifteenth, two thousand twenty-one, and for bonds issued during the period from July fifteenth, two thousand twenty-one up until and including July fifteenth, two thousand twenty-four, and for bonds issued during the period from July fifteenth, two thousand twenty-four up until and including July fifteenth, two thousand twenty-seven, a municipality, school district, or district corporation may provide for redemption of such bonds prior to the date of their maturity at a price or prices as may be as determined by the issuer of such bonds or notes at the time of the issuance thereof.

§ 54.10 Bonds and notes of the city of New York; certain provisions. Subject to the provisions of the financial emergency act for the city of New York but notwithstanding any other law to the contrary:

(a) To facilitate the marketing of any issue of bonds or notes of the city of New York issued on or before June thirtieth, two thousand twenty-seven, the mayor and comptroller of such city may, subject to the approval of the state comptroller and the limitations on private sales of bonds and notes, respectively, provided by law:

(i) arrange for the underwriting of its bonds or notes through negotiated agreement or public letting, and provide for compensation for services rendered in connection with such underwriting by negotiated fee or by sale of such bonds or notes to an underwriter at a price of less than the sum of par value of, and the accrued interest on, such obligations;

(ii) arrange for the private sale of its bonds or notes through negotiated agreement, and provide for compensation for services rendered in connection with such sales by negotiated fee or by sale of such bonds or notes at a price of less than the sum of par value of, and the accrued interest on, such obligations;

(iii) provide for redemption of its bonds or notes on such date or dates prior to the date of their maturity at a price or prices and pursuant to such terms as may be determined by the city at the time of the issuance thereof, notwithstanding any limitation set forth in section 53.00 of this chapter. The cost of such underwriting or private placement together with other costs of the issuance of obligations, shall be deemed a part of the cost of the objects or purposes financed by an issue of obligations.

(b) Without further approval the mayor and comptroller of the city of New York may provide for or enter into agreements which provide for the payment of a guarantee fee or any other amounts required by the United States of America or any agency or instrumentality thereof in connection with any guarantee of the payment of the principal of or interest on bonds or notes issued by such city or the municipal assistance corporation for the city of New York.

(c) Without further approval the mayor and comptroller of the city of New York may provide for or enter into agreements which provide for the payment of compensation by negotiated fee or otherwise to a financial advisor to such city engaged pursuant to any agreement with the secretary of the Treasury in connection with the guarantee by the United States of America or any agency or instrumentality thereof of the principal of or interest on bonds or notes issued by such city or the municipal assistance corporation for the city of New York or to enhance the city's ability to market its obligations to the public.

(d) Without further approval the mayor and the comptroller of the city of New York may provide for or enter into agreements which provide for the compensation by negotiated fee or otherwise of a trust company or bank having the powers of a trust company in the state of New York to hold, maintain and administer funds in accordance with the provisions of section nine-a of the New York state financial emergency act for the city of New York.

(e) Without further approval the mayor and the comptroller of the city of New York may provide for or enter into agreements which provide for the payment of any amount required in exchange for a commitment to purchase bonds or notes of the city, and in addition may enter into agreements upon such terms, including but not limited to terms governing payment, redemption and refunding, as they deem reasonable and appropriate to facilitate the issuance and sale of notes with an interest rate which may vary pursuant to section 60.00 of this chapter.

§ 54.20 Funding of capital expenditures duly appropriated in the capital budget for the city of New York. Subject to the provisions of the New York State Financial Emergency Act for The City of New York but notwithstanding any other law to the contrary, to facilitate the funding of capital expenditures duly appropriated in the capital budget for the city of New York, the finance board of such city shall establish an account or accounts to receive amounts duly appropriated for capital purposes in the expense budget of such city. Any payment pursuant to such an expense budget appropriation shall be made prior to completion of the annual audit of the fiscal year in which such appropriation was made. At its discretion, the finance board of such city shall apply amounts from any such account to capital expenditures duly appropriated in the capital budget of such city.

The moneys in any such account shall be deposited and secured in the manner provided by section ten of the general municipal law. The finance board or the chief fiscal officer of such municipality, if the finance board shall delegate such duty to him, may invest the moneys in each such fund in the manner provided in section eleven of the general municipal law. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of such account. The separate identity of such account shall be maintained, whether its assets consist of cash or investments or both.

§ 54.30 Costs of sales; bonds and notes of the city of Buffalo. Subject to the provisions of chapter one hundred twenty-two of the laws of two thousand three creating the Buffalo fiscal stability authority, to facilitate the marketing of any issue of serial bonds or notes of the city of Buffalo issued on or before June thirtieth, two thousand twenty-seven, such city may, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sale: (a) arrange for the underwriting of its bonds or notes at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds or notes to an underwriter at a price of less than the sum of par value of, and the accrued interest on, such obligations; or (b) arrange for the private sale of its bonds or notes through negotiated agreement, compensation for such sales to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this article.

§ 54.40 Bonds and notes of the city of Yonkers. Subject to the provisions of the New York state financial emergency act of nineteen hundred eighty-four for the city of Yonkers, to facilitate the marketing of any issue of serial bonds or notes of the city of Yonkers issued on or before June thirtieth, two thousand twenty-seven, such city may, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sale: (a) arrange for the underwriting of its bonds or notes at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds or notes to an underwriter at a price of less than the sum of par value of, and the accrued interest on, such obligations; or (b) arrange for the private sale of its bonds or notes through negotiated agreement, compensation for such sales to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this article.

§ 54.50 Costs of sales; county of Erie. To facilitate the marketing of any issue of serial bonds or notes of the county of Erie issued on or before June thirtieth, two thousand twenty-seven such county may, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sale:

a. arrange for the underwriting of its bonds or notes at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds or notes to an underwriter at a price less than the sum of par value of, and the accrued interest on, such obligations; or

b. arrange for the private sale of its bonds or notes through negotiated agreement, compensation for such sales to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this article.

§ 54.60 Cost of sales; city of Utica. To facilitate the marketing of any issue of serial bonds of the city of Utica issued on or before March thirty-first, nineteen hundred eighty-eight, such city may, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sale:

a. arrange for the underwriting of its bonds at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds to an underwriter at a price of par value or at a discount not to exceed two percent, and the accrued interest on such obligations; or

b. arrange for the private sale of its bonds through negotiated agreement, compensation for such sales to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this chapter.

§ 54.70 Cost of sales; city of Niagara Falls, Niagara county. To facilitate the marketing of any issue of bonds of the city of Niagara Falls, Niagara county, issued on or before June thirtieth, nineteen hundred ninety-nine, such city may, notwithstanding any limitations on private sales of bonds provided by law and subject to approval by the state comptroller of the terms and conditions of such sale:

a. arrange for the underwriting of its bonds at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds to an underwriter at a price less than the sum of par value of, and the accrued interest on, such bonds; or

b. arrange for the private sale of its bonds through negotiated agreement, compensation for such sale to be provided by negotiated fee, if required.

The cost of any such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this article.

§ 54.80 Cost of sales; city of Lackawanna. To facilitate the marketing of any issue of serial bonds of the city of Lackawanna authorized to be issued pursuant to section two of the chapter of the laws of nineteen hundred ninety which enacted this section, issued for the purposes of complying with a court ordered assessment reduction, such city may, on or before March first, nineteen hundred ninety-one, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sales:

a. arrange for the underwriting of its bonds at private sale through negotiated agreement, compensation for services rendered in connection with such underwriting to be provided by negotiated fee or by sale of such bonds to an underwriter at a price of less than the sum of par value of, and the accrued interest on, such obligations; or

b. arrange for the private sale of its bonds through negotiated agreement, compensation for services rendered in connection with such sales to be provided by negotiated fee or by sale of such bonds at a price of less than the sum of par value of, and accrued interest on, such obligations. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this chapter.

§ 54.85. Bonds and notes of the city of Troy. To facilitate the marketing of any issue of serial bonds or notes of the city of Troy issued on or before December thirty-first, nineteen hundred ninety-nine such city may, notwithstanding any limitations on private sales of bonds provided by law, and subject to approval by the state comptroller of the terms and conditions of such sale (a) arrange for the underwriting of its bonds or notes at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds or notes to an underwriter at a price of less than the sum of par value of, and accrued interest on, such obligation; or (b) arrange for the private sale of its bonds or notes through negotiated agreement, compensation for such sales to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this chapter. Bonds or notes of the city of Troy may also be sold at private sale to the municipal assistance corporation for the city of Troy.

§ 54.90 Issuance of bonds or notes with variable rates of interest. a. Whenever in the judgment of the finance board the interest of a municipality would be served thereby, the municipality may issue bonds or notes, on or before July fifteenth, two thousand twenty-seven, with interest rates that vary in accordance with a formula or procedure and are subject to a maximum rate of interest set forth or referred to in the bonds or notes and may provide the holders thereof with such rights to require the municipality or other persons to purchase such bonds or notes or renewals thereof from the proceeds of the resale thereof or otherwise from time to time prior to the final maturity of such bonds or notes as the finance board may determine and the municipality may resell, at any time prior to final maturity, any such bonds or notes acquired as a result of the exercise of such rights; provided, however, that at no time shall the total principal amount of bonds and notes issued pursuant to this paragraph (other than bonds and notes bearing interest at rates and for periods of time that are specified at issuance) exceed ten percent of the limit prescribed by section 104.00 of this article.

Notwithstanding the foregoing, the holders of bonds or notes sold pursuant to this paragraph shall not be provided with the right to require the municipality or other persons to repurchase the bonds or notes prior to the final maturity thereof unless the municipality has entered into one or more letter of credit agreements or liquidity facility agreements for the express purpose of such sale, which agreements the municipality is hereby authorized to enter into, and which shall require a financially responsible party or parties to the agreement or agreements, as defined by section 2.00 of this chapter, other than the municipality to purchase all or any portion of such bonds or notes tendered by the holders thereof for repurchase prior to the final maturity of such bonds or notes until such time as the right of the holders of such bonds or notes to require repurchase of such bonds or notes prior to the final maturity thereof shall cease.

Notwithstanding the foregoing, whenever in the judgment of the finance board of the city of New York the interest of such city would be served thereby, the city of New York may without further approval issue bonds or notes, on or before July fifteenth, two thousand twenty-seven, with interest rates that vary in accordance with a formula or procedure and are subject to a maximum rate of interest set forth or referred to in the bonds or notes and may provide the holders thereof with such rights to require the city or other persons to purchase such bonds or notes or renewals thereof from the proceeds of the resale thereof or otherwise from time to time prior to the final maturity of such bonds or notes as the finance board of the city of New York may determine and the city may resell, at any time prior to final maturity, any such bonds or notes acquired as a result of the exercise of such rights; provided, however, that at no time shall the total principal amount of bonds and notes issued by the city of New York pursuant to this paragraph (other than bonds and notes (1) bearing interest at rates and for periods of time that are specified without reference to future events or contingencies, or (2) described in section 136.00 of this article) exceed twenty-five percent of the limit prescribed by section 104.00 of this article.

b. To facilitate the marketing of any issue of bonds and notes issued pursuant to this section, such municipality may, notwithstanding any limitation on private sale of bonds and notes provided by law, and subject to rules promulgated by the state comptroller governing such sales: (i) arrange for the underwriting of such bonds and notes at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds and notes to an underwriter at a price of less than the sum of par value of, and accrued interest on, such obligations; or (ii) arrange for the private sale of such bonds and notes through negotiated agreement, compensation for such sale to be provided by negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for the purposes of section 11.00 of this chapter.

c. The finance board of such municipality is hereby authorized and empowered, in conformance with paragraphs c through g of section 168.00 of this chapter, to enter into such agreements as it deems reasonable and appropriate to facilitate the issuance, sale, resale and repurchase of such bonds and notes, including but not limited to agreements with financially responsible third parties for the remarketing or repurchase of such bonds and notes in accordance with terms and conditions determined by such finance board, provided, however, that no such agreement shall cause or have the effect of causing any annual principal installment of an issue of serial bonds to be more than fifty per centum in excess of the smallest prior installment unless the finance board has determined to provide for substantially level or declining annual debt service payments in accordance with paragraph d of section 21.00 of this chapter, in which case no such agreement shall cause or have the effect of causing any annual principal installment of an issue to vary from the amounts determined by the finance board to be required to comply with such paragraph at the time of issuance of the bonds or notes. The finance board may, by resolution, delegate its power to contract pursuant to this section to the chief fiscal officer, as defined in section 2.00 of this chapter, of such public body in which event the chief fiscal officer shall exercise such power until the finance board, by resolution, shall elect to reassume the same. For purposes of this section, the finance board of the city of New York shall mean the mayor and the city comptroller.

d. 1. On or before July fifteenth, two thousand twenty-seven the mayor and comptroller of the city of New York may:

(i) enter into interest rate exchange or similar agreements with any person under such terms and conditions as the mayor and comptroller may determine, including provisions as to default or early termination and indemnification by the city or any other party thereto for loss of benefits as a result thereof;

(ii) procure insurance, letters of credit or other credit enhancement with respect to such agreements;

(iii) provide security for the payment or performance of its obligations with respect to agreements described in item (i) of this subdivision from such sources and with the same effect as is authorized by applicable law with respect to security for its bonds, notes or other obligations, provided, however, that any payment or performance of obligations with respect to agreements described in item (i) of this subdivision in connection with debt obligations which carry the full faith and credit of the city shall be subject to appropriation; and

(iv) modify, amend, or replace such agreements.

2. For the purposes of this paragraph:

(i) "Interest rate exchange or similar agreement" shall mean a written contract entered into in connection with the issuance of city debt, or in connection with such city debt already outstanding, with a counterparty to provide for an exchange of payments based upon fixed and/or variable interest rates, and shall be for exchanges in currency of the United States of America only.

(ii) "Excluded agreements" shall mean the total notional amount of interest rate exchange or similar agreements entered into for the purpose of reducing or eliminating a situation of risk or exposure under an existing interest rate exchange or similar agreement, including, but not limited to a counterparty downgrade, default, or other actual or potential economic loss.

(iii) Interest rate exchange; limitations. Any interest rate exchange or similar agreements entered into pursuant to item (i) of subdivision one of this paragraph shall be subject to the following limitations:

(A) the counterparty thereto shall have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories and ratings which are obtained from any other nationally recognized statistical rating agencies shall also be within the three highest investment grade categories, or the payment obligations of the counterparty shall be unconditionally guaranteed by an entity with such credit ratings;

(B) the written contract shall require that should the rating: (I) of the counterparty, if its payment obligations are not unconditionally guaranteed by another entity, or (II) of the entity unconditionally guaranteeing its payment obligations, if so secured, fall below the rating required by clause (A) of this item, that the obligations of such counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, or any agency thereof with a net market value of at least one hundred two percent of the net market value of the contract to the authorized issuer and such collateral shall be deposited with the authorized issuer or an agent thereof;

(C) the total notional amount of all interest rate exchange or similar agreements shall not exceed an amount equal to twenty-five percent of the limit prescribed by section 104.00 of this chapter; provided, however, that such total notional amount shall not include any excluded agreements;

(D) no interest rate exchange or similar agreement shall have a maturity exceeding the maturity of related city debt; and

(E) each interest rate exchange or similar agreement shall be subject to an independent finding that its terms and conditions reflect a fair market value of such agreement as of the date of its execution, regardless of whether such agreement was solicited on a competitive or negotiated basis.

3. (i) Prior to authorizing the approval of any contract for interest rate exchange or similar agreement pursuant to subdivision one of this paragraph, the finance board of the city shall adopt guidelines for the use of interest rate exchange or similar agreements which shall include, but not be limited to the following:

(A) the conditions under which such contracts can be entered into;

(B) the methods by which such contracts are to be solicited and procured;

(C) the form and content such contracts shall take;

(D) the aspects of risk exposure associated with such contracts;

(E) standards and procedures for counterparty selection;

(F) standards for the procurement of credit enhancement, liquidity facilities, or the setting aside of reserves in connection with such contracts consistent with the limitations of section 168.00 of this chapter;

(G) provisions for collateralization or other requirements for securing the financial interest in such contracts;

(H) the long-term implications associated with entering into such agreements, such as costs of borrowing, historical trends, use of capacity for variable rate bonds and related credit enhancements, and any potential impact on the future ability to call bonds, including opportunities to refund related debt obligations, and similar considerations;

(I) the methods to be used to reflect such contracts in the city's financial statements;

(J) financial monitoring and periodic assessment of such contracts by the city; and

(K) such other matters relating thereto as the finance board shall deem necessary and proper.

(ii) The city shall issue a quarterly report to the director of the budget, the chairs of the senate finance committee and the assembly ways and means committee, and the state comptroller, on or before the fifteenth day of each month following the end of each such quarter in which it enters into or continues to be a party to a contract for interest rate exchange or similar agreement, which shall list all such contracts entered into pursuant to this section and shall include, but not be limited to, the following information for each such contract, as applicable:

(A) a description of the contract, including a summary of the terms and conditions, rates, maturity, the estimated market value of each agreement, and other provisions thereof and the method of procurement;

(B) any amounts which were required to be paid and received, and any amounts which actually were paid and received thereunder;

(C) any credit enhancement, liquidity facility or reserves associated therewith including an accounting of all costs and expenses incurred, whether or not in conjunction with the procurement of credit enhancement or liquidity facilities;

(D) a description of each counterparty;

(E) an assessment of the counterparty risk, termination risk, and other risks associated therewith; and

(F) such report shall include a copy of the guidelines required by item (i) of this subdivision in the quarter after they are adopted or subsequently modified.

§ 55.00 Bearer and registered obligations. a. The agency prescribing the terms, form and contents of bonds shall provide for the issuance of bonds in either or both of the following forms:

1. Bonds payable to bearer with coupons attached for the payment of interest to bearer, and such bonds may provide for their conversion into bonds registered as to both principal and interest and not otherwise.

2. Bonds in registered form, and such bonds may provide for their conversion into coupon bonds.

b. The agency prescribing the terms, form and contents of notes shall provide for the issuance of notes in either or both of the following forms:

1. Notes payable to bearer, with interest payable to bearer upon presentation for notation of such payment thereon if periodic payment of such interest is authorized, and such notes may provide for their conversion into notes registered as to both principal and interest and not otherwise.

2. Notes in registered form, and such notes may provide for their conversion into notes payable to bearer.

§ 55.10. Endorsements of principal payments on bonds and notes. A bond or note shall not provide for the notation of payments of principal thereon. Only one bond or note shall be set forth in a single instrument and such bond or note, when paid, shall be surrendered for cancellation or destruction in the manner provided in this chapter.

§ 56.00 Agency selling and issuing obligations. a. The finance board shall be vested with the powers and duties prescribed in sections 21.00, 57.00, 58.00, 59.00, 60.00, 62.00 and 63.00 of this chapter, and any other powers or duties pertaining or incidental to the sale and issuance of obligations. However, the finance board of any municipality, school district or district corporation may, by resolution, delegate all or part of such powers and duties to the chief fiscal officer or, in the case of school districts, to the clerk of the school board, in which event such chief fiscal officer or clerk of the school board, as the case may be, shall exercise such powers and perform such duties until the finance board shall, by resolution, elect to reassume the same.

b. In such instances in which the chief fiscal officer or clerk of the school board, as the case may be, exercises such powers and performs such duties, the same shall be exercised or performed subject to such terms and conditions, not inconsistent with the provisions of this chapter, as the finance board may prescribe.

c. In the case of river improvement or drainage districts established by or under the supervision of the conservation department, the provisions of this chapter shall be followed, but the obligations authorized and prescribed by the finance board shall be sold and issued by the state comptroller.

§ 57.00 Sale of bonds. a. Bonds shall be sold only at public sale and in accordance with the procedure set forth in this section and sections 58.00 and 59.00 of this title, except as otherwise provided in this paragraph. Bonds may be sold at private sale to the United States government or any agency or instrumentality thereof, the state of New York municipal bond bank agency, to any sinking fund or pension fund of the municipality, school district or district corporation selling such bonds, or, in the case of sales by the city of New York prior to July first, two thousand twenty-seven, also to the municipal assistance corporation for the city of New York or to any other purchaser with the consent of the mayor and the comptroller of such city and approval of the state comptroller, or, in the case of sales by the county of Nassau prior to December thirty-first, two thousand seven, also to the Nassau county interim finance authority with the approval of the state comptroller, or, in the case of sales by the city of Buffalo prior to June thirtieth, two thousand thirty-seven, also to the Buffalo fiscal stability authority with the approval of the state comptroller, or, in the case of bonds or other obligations of a municipality issued for the construction of any sewage treatment works, sewage collecting system, storm water collecting system, water management facility, air pollution control facility or solid waste disposal facility, also to the New York state environmental facilities corporation, or, in the case of bonds or other obligations of a school district or a city acting on behalf of a city school district in a city having a population in excess of one hundred twenty-five thousand but less than one million inhabitants according to the latest federal census, issued to finance or refinance the cost of school district capital facilities or school district capital equipment, as defined in section sixteen hundred seventy-six of the public authorities law, also to the dormitory authority of the state of New York. Bonds of a river improvement or drainage district established by or under the supervision of the department of environmental conservation may be sold at private sale to the state of New York as investments for any funds of the state which by law may be invested, provided, however, that the rate of interest on any such bonds so sold shall be approved by the water power and control commission and the state comptroller. Bonds may also be sold at private sale as provided in section 63.00 of this title. No bonds shall be sold on option or on a deferred payment plan, except that options to purchase, effective for a period not exceeding one year, may be given:

1. in any case to the state of New York municipal bond bank agency with respect to any bonds or bond anticipation notes; and

2. in the case of a municipality to the New York state environmental facilities corporation with respect to bonds or other obligations issued for the construction of any sewage treatment works, sewage collecting system, storm water collecting system, water management facility, air pollution control facility or solid waste disposal facility, or, in the case of bonds or other obligations of a school district or a city acting on behalf of a city school district in a city having a population in excess of one hundred twenty-five thousand but less than one million inhabitants according to the latest federal census, issued to finance or refinance the cost of school district capital facilities or school district capital equipment, as defined in section sixteen hundred

seventy-six of the public authorities law, also to the dormitory authority of the state of New York. A loan commitment may also be entered into by and between a municipality, and the state of New York municipal bond bank agency, by and between a school district or a city acting on behalf of a city school district in a city having a population in excess of one hundred twenty-five thousand but less than one million inhabitants according to the latest federal census and the dormitory authority of the state of New York, and by and between a municipality and the New York state environmental facilities corporation, such commitment to be fulfilled by the purchase of the bonds or other obligations referred to therein by such agency or such corporation, as the case may be. As used in this paragraph, the term "sinking fund" means a fund required by law to be established and maintained for the purpose of amortizing indebtedness evidenced by sinking fund bonds issued pursuant to the provisions of this chapter or issued by any municipality, school district or district corporation under any other law.

b. Bonds shall be sold without limitation as to rate of interest and for a sum not less than the par value of, and the accrued interest on, such obligations except as authorized by this chapter, and may also be sold by municipalities at private sale to the state of New York municipal bond bank agency and to the New York state environmental facilities corporation, and in addition by the city of New York to the municipal assistance corporation for the city of New York, and by the county of Nassau to the Nassau county interim finance authority, and by the city of Buffalo to the Buffalo fiscal stability authority, at such rate or rates of interest as may be agreed upon by and between the issuing municipality and either of such agency or corporation, as the case may be. When sold at public sale, the rate of interest shall be determined in the manner provided in section 59.00 of this title. However, the agency or corporation prescribing the terms, form and contents of such bonds, subject to the foregoing provisions of this paragraph, may fix a maximum rate of interest at which such bonds shall be sold.

c. Bonds for one or more specific objects or purposes or classes of objects or purposes, or a combination thereof, may be sold as a single bond issue.

d. The state comptroller shall adopt a rule or order which he may amend from time to time:

1. Designating a financial newspaper or newspaper published and circulated in the city of New York in which notices for the sale of bonds may be published;

2. Prescribing the procedure for the circularization of notices for the sale of bonds;

3. Prescribing such other requirements as he may deem necessary relating to the publication or circularization of notices for the sale of bonds, in addition to but not inconsistent with the provisions of this chapter;

4. Prescribing such data and information as he may deem advisable to be contained in notices for the sale of bonds, in addition to but not inconsistent with the provisions of this chapter; and

5. Prescribing the requirements for the alternative and permissive publication or circularization of notices for the sale of bonds of an issue not exceeding five million dollars, as permitted in section 63.00 of this chapter.

Such rule or order and the amendments thereof shall be filed in his office and in such other offices as he may designate.

e. Notwithstanding the limitations set forth in paragraph b of this section, a municipality, school district, or district corporation may provide for the public sale of its bonds at a price of less than the face value of such bonds at maturity; provided that no issue of bonds shall be sold at a price such that the difference between the sale price of such bonds, not including accrued interest, and the face value of such bonds at maturity, shall exceed five percent of the face value of such issue of bonds at maturity unless the municipality, school district or district corporation issuing such bonds has determined to issue them pursuant to a substantially level or declining annual debt service schedule or unless interest is contributed at least annually to a sinking fund in accordance with section two of article VIII of the constitution and the procedures of section 22.10 of this article. The cost of such original issue discount, together with other costs of the issuance of obligations, shall be deemed a part of the cost of the object or purpose for which such obligations are issued.

* f. To facilitate the marketing of any issue of bonds issued pursuant to paragraph e of this section, such municipality, school district or district corporation may, notwithstanding any limitations on private sales of bonds provided by law, and subject to rules promulgated by the state comptroller governing such sales: (A) arrange for the underwriting of such bonds at private sale through negotiated agreement, compensation for such underwriting to be provided by negotiated fee or by sale of such bonds to an underwriter at a price of less than the sum of face value at maturity of, and the accrued interest on, such obligations; or (B) arrange for private sale of such bonds through negotiated agreement, compensation for such sale to be provided by negotiated arrangement, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of section 11.00 of this chapter.

* NB Repealed July 15, 2027

*** § 57.10 Guidelines for sale of bonds and notes on a negotiated basis.** The state comptroller shall promulgate rules in conformance with the state administrative procedure act governing the sale of bonds and notes on a negotiated basis as authorized by sections 54.90 and 57.00 of this chapter. No bond or note sale on a negotiated basis shall be conducted by a municipality, school district or district corporation without prior approval of the state comptroller except as provided in such rules, which shall set forth the circumstances under which such approval shall not be required. The state comptroller shall annually deliver to the senate finance committee and the assembly ways and means committee a report listing all such sales conducted in the previous year, including the name of the issuer and the amount of the issue for each such sale. Such rules shall be reviewed at least annually and updated as may be necessary.

* NB Repealed July 15, 2027

§ 58.00 Notice of sale of bonds. * a. There shall be published, at least once, not less than five nor more than thirty days before the date fixed for the public sale of bonds, a notice of such public sale or a summary thereof in accordance with one of the following methods: (1) the notice of sale shall be published in any financial newspaper published and circulated in the city of New York which the state comptroller, in the rule or order referred to in paragraph d of section 57.00 of this chapter, shall designate for such publication; (2) the notice of sale shall be circularized in such manner as the state comptroller shall prescribe in such rule or order and shall be published in any newspaper or newspapers which the finance board of the municipality, school district or district corporation may designate for such purpose; or (3) (i) a summary of the notice of sale shall be published in both the financial newspaper published and circulated in the city of New York which the state comptroller has designated in the rule or order referred to in paragraph d of section 57.00 of this chapter, and (ii) any newspaper or newspapers which the finance board of the municipality, school district or district corporation may designate for such purpose. A summary of the notice of sale shall at a minimum contain the name of the issuer, the amount, date, and maturities of the bonds, the frequency of interest payments, the place where bids will be received, the designation of the receiving device if the finance board of the issuing municipality, school district or district corporation has authorized or required the receipt of bids in an electronic format, the time and date for the opening of the bids, including circumstances under which such time and date may be changed in accordance with law, the method of award and a procedure for promptly obtaining the complete notice of sale and any preliminary official statement prepared in connection with the sale, and such other information as the state comptroller may prescribe by rule or order.

* NB Effective until June 1, 2028

* a. There shall be published, at least once, not less than five nor

more than thirty days before the date fixed for the public sale of bonds, a notice of such public sale or a summary thereof in accordance with one of the following methods: (1) the notice of sale shall be published in any financial newspaper published and circulated in the city of New York which the state comptroller, in the rule or order referred to in paragraph d of section 57.00 of this chapter, shall designate for such publication; (2) the notice of sale shall be circularized in such manner as the state comptroller shall prescribe in such rule or order and shall be published in any newspaper or newspapers which the finance board of the municipality, school district or district corporation may designate for such purpose; or (3) (i) a summary of the notice of sale shall be published in both the financial newspaper published and circulated in the city of New York which the state comptroller has designated in the rule or order referred to in paragraph d of section 57.00 of this chapter, and (ii) any newspaper or newspapers which the finance board of the municipality, school district or district or district corporation may designate for such purpose. A summary of the notice of sale shall at a minimum contain the name of the issuer, the amount, date, and maturities of the bonds, the frequency of interest payments, the place where bids will be received, the time and date for the opening of the bids, including circumstances under which such time and date may be changed in accordance with law, the method of award and a procedure for promptly obtaining the complete notice of sale and any preliminary official statement prepared in connection with the sale, and such other information as the state comptroller may prescribe by rule or order.

* NB Effective June 1, 2028

b. Such notice shall call for sealed bids for the purchase of such bonds, and shall state:

* 1. The place where bids will be received and considered, and the designation of the receiving device if the finance board of the issuing municipality, school district or district corporation has authorized or required the receipt of bids in an electronic format.

* NB Effective until June 1, 2028

* 1. The place where bids will be received and considered.

* NB Effective June 1, 2028

2. (a) The time and date for the opening of bids, which shall be only on weekdays, Saturdays and holidays excluded, between the hours of ten o'clock ante meridian and four o'clock post meridian, eastern standard time.

(b) In lieu of the statement of the time and date for the opening of bids required by subparagraph (a) of this subdivision, a statement (i) that the time and date for the opening of bids will be provided on not less than twenty-four hours prior notice by means of a supplemental notice of sale and indicating the manner in which such supplemental notice will be provided, or (ii) setting a time and date for the opening of bids, stating that notice of a change in the time or date for the opening of bids may be provided not less than one hour prior to the time originally scheduled for the opening of bids by means of a supplemental notice of sale and indicating the manner in which such supplemental notice will be provided. Where notice is given that the time or date of a sale will be changed without specifying the new time or date, notice of the new time or date of sale must be provided by means of a second supplemental notice of sale at least one hour prior to the new time for the opening of bids.

(c) A supplemental notice of sale shall refer to and be deemed a part of the notice of sale required by this section and shall not establish or change the terms of the sale other than the time or date for the opening of bids, the amount of principal scheduled to be repaid in each year, the right of redemption prior to maturity, and the face value at maturity of the issue or any installment thereof. The time set for the opening of bids in the supplemental notice of sale shall not be less than five nor more than thirty days after publication of the notice of sale required pursuant to paragraph a of this section.

(d) The supplemental notice of sale shall be provided by transmittal over a definitive trade wire service of the municipal bond industry which, in general, makes available information regarding activity and sales of municipal bonds and is generally available to participants in the municipal bond industry, or by publication in the financial newspaper published and circulated in the city of New York which the state comptroller, in the rule or order referred to in paragraph d of section 57.00 of this article, shall designate for such publication. In addition, when the time and date for the opening of bids is delayed by more than twenty-four hours, public notice of the time and date set for the opening of bids in the supplemental notice of sale shall be given to the news media and shall be posted in one or more designated public locations within the issuing municipality, school district or district corporation at least twenty-four hours prior to the time and date set for the opening of bids; provided however, that such public notice shall not be construed to require publication as a legal notice.

3. The maximum rate of interest, if any, fixed by or pursuant to paragraph b of section 57.00 of this chapter.

c. Such notice shall also include:

1. A statement that the rate or rates of interest to be bid shall be a multiple of one-hundredth of one per centum per annum or a multiple of one-eighth of one per centum per annum, as the agency in charge of the sale may determine and may require or permit in such notice.

2. A statement of the conditions of sale and the methods of bidding which shall include the following:

a. A statement that one or more than one rate of interest may be bid; provided, however, that only one rate of interest may be bid for bonds of the same maturity. Where more than one rate of interest may be bid, such notice shall specify the maximum number of rates which may be bid. Where the net interest cost method of calculating interest cost is used, or where the notice so provides, the interest rate for each maturity shall not be less than the interest rate for any prior maturity. Such notice shall also state that such rate or any of such rates may not be higher than the maximum rate prescribed in such notice, if a maximum rate has been prescribed. Notwithstanding the above, in inviting proposals for the sale of bonds in an amount of twenty million dollars or more, a municipality may advertise in such notice to sell, in series, at a single bid price per bond. b. Where two or more issues are offered in the same notice of sale, a statement specifying whether each of the issues so offered shall be sold separately as a single bond issue, whether some of the issues shall be combined and sold separately as one or more single bond issues, or whether the aggregate amount of bonds of all of the issues shall be combined and sold as a single bond issue. c. Where the finance board of a municipality, school district or district corporation has determined to provide for substantially level or declining annual debt service pursuant to paragraph d of section 21.00 of this article, a statement specifying the dates of maturity for such bonds and the dates for payment of interest on such bonds, and setting forth the annual principal installments expected to provide for, together with the interest thereon, substantially level or declining annual debt service on such bonds. Such notice shall state that the municipality, school district or district corporation may, after selecting the low bidder, adjust such installments to the extent necessary to meet the requirements of substantially level or declining debt service.

3. A requirement that as a condition precedent to the consideration of his or her bid, each bidder shall deposit with such official as the agency in charge of the sale may designate, a certified or cashier's check drawn upon an incorporated bank or trust company to the order of the municipality, school district or district corporation or such official, for the amount specified in the notice, but in no event less than one-half of one per centum of the amount of bonds to be bid for. Such notice may also provide that, in lieu of a certified or cashier's check, bidders may furnish as security cash in such amount remitted by wire transfer to an account specified in the notice or an eligible surety bond or an eligible letter of credit, approved by such official as to form, sufficiency, and manner of execution. For purposes of this section, "eligible surety bond" shall mean a bond executed by an insurance company authorized to do business in this state, the claims-paying ability of which is rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization; and "eligible letter of credit" shall mean an irrevocable letter of credit issued in favor of the municipality, school district or district corporation, for a term not to exceed ninety days by a bank, as that term is defined in section two of the banking law, whose commercial paper and other unsecured short-term debt obligations

(or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories (based on the credit of such bank or holding company) by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

4. A statement that there is reserved to the municipality, school district or district corporation the right to reject all bids, and that any bid not complying with the terms of the notice will be rejected.

5. A statement that the agency prescribing the terms, form and contents of such bonds has reserved to itself the power to call in and redeem a portion of such bonds prior to their date of maturity pursuant to section 53.00 of this chapter, if such agency has reserved to itself such power. Such statement shall identify the portion of the bonds which may be so redeemed and shall describe the terms and conditions under which such bonds may be redeemed.

6. A statement indicating which of the methods set forth in paragraph a of section 59.00 of this chapter will be used in awarding such bonds.

7. Such further data and information as shall be prescribed by the state comptroller in the rule or order referred to in paragraph d of section 57.00 of this chapter.

d. It may be a condition of the sale of bonds that every bidder may be required to accept a portion of the whole amount of the bonds for which he or she has bid, at the same rate for such portion as may be specified in his or her bid for the full amount. If such condition is imposed, the notice of sale shall so state and such notice also shall state that, in addition, any bidder may offer to purchase all or none of such bonds on different terms.

e. The notice of sale may provide that the bidder to whom the bonds are to be awarded, at his or her option, may refuse to accept the bonds if prior to the delivery of the bonds any income tax law of the United States of America shall provide that the interest on such bonds is taxable, or shall be taxable at a future date, for federal income tax purposes.

* f. For purposes of this section and section 59.00 of this chapter, "sealed bids" shall include bids submitted in an electronic format, provided that the finance board of the issuing municipality, school district or district corporation, by resolution, has authorized the receipt of bids in such format. Submission in electronic format may be required as the sole method for the submission of bids. Bids submitted in an electronic format shall be transmitted by bidders to the receiving device designated by the issuing municipality, school district or district corporation. Any method used to receive electronic bids shall comply with article three of the state technology law and any rules and regulations promulgated and guidelines developed thereunder and, at a minimum, must: (a) document the time and date of receipt of each bid received electronically; (b) authenticate the identity of the sender; (c) ensure the security of the information transmitted; and (d) ensure the confidentiality of the bid until the time and date established for the opening of bids. The timely submission of an electronic bid in compliance with instructions provided for such submission in the notice of sale and any supplemental notice of sale shall be the responsibility solely of each bidder or prospective bidder. No issuing municipality, school district or district corporation shall incur any liability from delays of or interruptions in the receiving device designated for the submission and receipt of electronic bids.

* NB Repealed June 1, 2028

*** § 58.10 Electronic open auction public bond sale pilot program.** a. As used in this section:

1. "Municipality" means a county, or a city or town with a population of one hundred thousand or more that has issued at least twenty-five million dollars in bonds within at least one of the preceding five years.

2. "Nationally recognized electronic securities bidding service" means a bidding service that is approved by the superintendent pursuant to subdivision b of this section.

3. "Open auction" means a bond sale procedure that allows a bidder to receive information with respect to the ranking of its bids prior to the conclusion of the bidding period in accordance with the municipality's notice of such bond sale circulated in accordance with applicable requirements of this chapter.

4. "Program" means the electronic open auction public bond sale pilot program established pursuant to this section.

5. "Superintendent" means the superintendent of financial services.

b. 1. There is hereby established an electronic open auction bond sale pilot program authorizing municipalities to conduct open auction public bond sales through any nationally recognized electronic securities bidding service approved by the superintendent. Nationally recognized electronic securities bidding services desiring to operate an electronic open auction shall apply to the superintendent for authorization to do so by filing an application with the superintendent. The superintendent shall make available an application form that provides the superintendent with information regarding the technology and security practices maintained by the nationally recognized electronic securities bidding service, the requirements to be established for bidding by bidders, the methods by which auction sales are conducted, the experience of the nationally recognized electronic securities bidding service in conducting electronic open auctions of bonds, and other information the superintendent may deem relevant.

2. If the superintendent determines that the requirements and conditions of the open auction are in accordance with the provisions of this chapter and the bidding service provides a secure, open and competitive opportunity for qualified bidders to submit proposals, the application shall be deemed approved.

3. The superintendent shall post information regarding the nationally recognized electronic securities bidding services that have been approved for use by municipalities on the department of financial services website.

c. If the chief fiscal officer of the municipality has authorized the receipt of bids in an electronic open auction format, such electronic bids may be submitted in the form of open auctions conducted through a nationally recognized electronic securities bidding service which entity shall be deemed to be the designated receiving device pursuant to section 58.00 of this title. Notice of any bond sale shall provide for the manner in which the bidding period may be extended and the basis for determination of the winning bidder.

d. Notwithstanding the provisions of subdivision one of section three hundred five of the state technology law, if the notice of sale for the open auction public bond contains a provision that bids will only be accepted electronically in the manner provided in such notice of sale, the municipality shall not be required to accept non-electronic bids in any form.

e. The municipality's chief fiscal officer shall administer the program and shall publish its policies and procedures for the procurement of nationally recognized electronic securities bidding services on the municipality's internet website. Such policies and procedures shall include policies to prevent fraud. Except as modified by this section, the municipal program shall comply with this chapter and all other applicable laws, rules and regulations related to the sale of bonds.

f. The municipality's chief fiscal officer shall review the electronic open auction bidding process to ensure that the bond sale was completed in a timely fashion; the sale was completed without errors; and the process was favorable as compared to the method currently used by the municipality.

g. The municipality shall conduct evaluations of the program annually with a summary evaluation at the end of the two year program. The municipality shall submit the evaluations to the superintendent, the temporary president of the senate and the speaker of the assembly. Such report shall include, but not be limited to, any demonstrated evidence that sale of public bonds using electronic open auctions is comparable to the cost of issuing public bonds through the current sealed bid process, the fees associated with nationally recognized electronic securities bidding services, whether the use of electronic open auctions resulted in an increased number of bidders and whether the process was favorable as compared to the method currently used by the municipality.

* NB Repealed January 1, 2028

§ 59.00 Bids opened publicly; amendments; awards. * a. All bids shall be opened publicly at the time and place stated in the notice of sale, and not before, and shall be publicly announced. Prior to the time fixed for such public opening of bids, a sealed bid may be amended by a bidder by delivery to the official to whom the sealed bid was delivered of a sealed amendment to such bid. No bid shall be amended by a telegraphic or telephonic communication, except that an electronic bid may be amended in the same manner in which it was originally submitted. The bonds shall be awarded to the bidder offering the lowest interest cost to the municipality, school district or district corporation, without taking into consideration any adjustment to be made in accordance with subdivision two of paragraph c of section 58.00 of this article, as computed in accordance with the net interest cost method or the actuarial or true interest cost method.

* NB Effective until June 1, 2028

* a. All bids shall be opened publicly at the time and place stated in the notice of sale, and not before, and shall be publicly announced. Prior to the time fixed for such public opening of bids, a sealed bid may be amended by a bidder by delivery to the official to whom the sealed bid was delivered of a sealed amendment to such bid. No bid shall be amended by a telegraphic or telephonic communication. The bonds shall be awarded to the bidder offering the lowest interest cost to the municipality, school district or district corporation, without taking into consideration any adjustment to be made in accordance with

subdivision two of paragraph c of section 58.00 of this article, as computed in accordance with the net interest cost method or the actuarial or true interest cost method.

* NB Effective June 1, 2028

b. If it is a condition of the sale of bonds that every bidder may be required to accept a portion of the whole amount of such bonds for which he has bid, at the same rate for such portion as may be specified in his bid for the full amount then any bidder may, in addition, offer to purchase all or none of such bonds on different terms.

c. When the bidder to whom the bonds are to be awarded has been ascertained, the municipality, school district or district corporation shall promptly return all security to the persons furnishing the same, except the security furnished by such bidder. Such bidder shall be promptly notified of the award to him or her, and if he or she refuses or neglects to pay either the agreed price for the bonds less the amount of any certified check, cashier's check or cash furnished as security, or the agreed price in full for the bonds if an eligible surety bond or eligible letter of credit was furnished as security as provided in subdivision three of paragraph c of section 58.00 of this title, the security furnished by him or her, in whatever form, shall be forfeited to and retained by or claimed against or drawn upon by, the municipality, school district or district corporation as liquidated damages for such neglect or refusal. However, if the notice of sale shall contain the statement set forth in paragraph e of section 58.00 of this title and if prior to the delivery of the bonds any income tax law of the United States of America shall provide that the interest on such bonds is taxable, or shall be taxable at a future date, for federal income tax purposes, then, at the request of such bidder the security accompanying his or her bid shall be returned to him or her and he or she shall be relieved of his or her contractual obligations arising from the acceptance of his or her bid.

§ 60.00 Sale of notes. a. Notes may be sold at either public or private sale, but they shall not be sold on option or on a deferred payment plan, except as authorized by paragraph a of section 57.00 of this chapter.

b. Notes may be sold without limitation as to rate of interest, and for a sum not less than the par value of, and the accrued interest on, such obligations except as authorized by section 54.10 of this chapter, and bond anticipation notes of municipalities may be sold to the state of New York municipal bond bank agency, and in addition by the city of New York to the municipal assistance corporation for the city of New York, at such rate or rates of interest as may be agreed upon by and between the issuer and either of such agencies.

c. Capital notes for one or more specific objects or purposes or classes of objects or purposes, or a combination thereof, may be sold as a single capital note issue. Bond anticipation notes for one or more specific objects or purposes or classes of objects or purposes, or a combination thereof, may be sold as a single bond anticipation note issue.

d. If notes are sold at public sale the agency in charge of the sale may specify the procedure therefor or such agency may adopt as much of the procedure prescribed for the sale of bonds in sections 57.00 to 59.00, inclusive, of this chapter, as such agency may desire. In all such sales, however, the agency shall comply with the provisions of paragraph e of this section. Nothing herein contained shall be construed to prevent the sale of notes at public auction.

e. The state comptroller shall adopt a rule or order, which he may amend from time to time, prescribing a procedure for the circularization of notices for the public sale of notes and which shall also prescribe such data and information as he may deem advisable to be contained in such notices. Such rule or order and the amendments thereto shall be filed in his office and in such other offices as he may designate.

§ 60.10. Sale of obligations to certain banks and trust companies authorized. a. The agency selling notes of a municipality, school district or district corporation may sell such notes at private sale to a bank or trust company of which an officer or employee of the municipality, school district or district corporation has an interest which is otherwise prohibited by the provisions of article eighteen of the general municipal law, without limitation as to rate of interest, provided that at least two other banks are unwilling or unable to purchase the notes at a rate of interest equal to or less than that at which the bank in which the officer or employee has an interest proposes to purchase such notes. Disclosure of any such actual or prospective sale shall be made as provided in section eight hundred three of the general municipal law. Where any such relationship exists, however, no such sales shall be authorized in the event that:

1. During the current fiscal year of the municipality, school district or district corporation the bank or trust company has purchased, or by virtue of the sale would purchase, at private sales from the municipality, school district or district corporation, notes of such issuer, the aggregate principal amount of which is or would exceed, one hundred thousand dollars; or

2. The bank or trust company then is, or by virtue of the sale would become, the holder of notes of the municipality, school district or district corporation, purchased at private sale from such issuer, the aggregate principal amount of which is, or would exceed, one hundred thousand dollars.

The foregoing limitations of this paragraph a shall not be applicable to notes renewed at private sale where such notes were originally sold at public sale, pursuant to the requirements of former section 60.20 of this chapter, and are renewed by the original buyer thereof at the same or lower rate of interest.

b. The agency selling bonds of a municipality, school district, or district corporation may, subject to the limitations of section 63.00 of this chapter, sell such bonds at private sale to a bank or trust company of which an officer or employee of the municipality, school district or district corporation has an interest which is otherwise prohibited by the provisions of article eighteen of the general municipal law. Disclosure of any such actual or prospective sale shall be made as provided in section eight hundred three of the general municipal law. Where any such relationship exists, however, no such sales shall be authorized in the event that the bank or trust company then is, or by virtue of the sale would become, the holder of bonds of the municipality, school district or district corporation, purchased at private sale from such issuer, the aggregate principal amount of which is, or would exceed one hundred thousand dollars.

c. Any officer of a municipality, school district or district corporation who wilfully participates in authorizing the sale of, or in selling, obligations of the municipality, school district or district corporation in violation of the foregoing provisions of this section shall be guilty of a misdemeanor.

§ 61.00 Execution of obligations. a. All obligations, including interim bonds, shall be executed in the name of the municipality, school district or district corporation by the chief fiscal officer unless the finance board shall, by resolution, designate a different officer or officers to execute such obligations. Such execution may be by facsimile signature, in which event the finance board shall provide for authentication of such obligation by the manual countersignature of a fiscal agent or of a designated official of the municipality, school district or district corporation. Such obligations shall have the seal or a facsimile seal of the municipality, school district or district corporation impressed or imprinted thereon. Such obligations may be attested by the facsimile or manual signature of the clerk of such municipality, school district or district corporation or such other official thereof as may be designated by the finance board. Coupons attached to a bond shall be authenticated by the facsimile or manual signature of the chief fiscal officer unless the finance board shall, by resolution, provide that such coupons shall be authenticated by the facsimile or manual signature of a different officer.

b. Obligations executed in the manner set forth above by the officials designated and referred to above shall be valid and binding obligations when duly delivered, notwithstanding the fact that before the delivery thereof the persons executing the same shall have ceased to be officials or other officials may have been designated to perform such functions.

§ 62.00 Interim bonds. The agency selling and issuing the bonds of a municipality, school district or district corporation may issue interim bonds pending the printing or engraving and delivery of bonds in definitive form. Such interim bonds shall be of substantially the same form and tenor as the definitive bonds, except that they shall also provide that they are exchangeable for the definitive bonds when such bonds are ready for delivery, and if such definitive bonds are coupon bonds, the interim bonds need not have coupons attached but may provide for the payment of interest upon their presentation for notation of such payment thereon. Such interim bonds may be issued in such denominations as the purchaser may request, which may be one denomination equal to the principal amount of the bond issue.

§ 62.10 Statutory installment bonds. a. Notwithstanding any other provisions of this chapter, if the principal amount for an object or purpose, or objects or purposes, or class or classes thereof, to be financed by the issuance of bonds does not exceed five million dollars in the aggregate, a single bond, to be known as a statutory installment bond, may be issued for the full principal amount, if the issue is to be sold at private sale. Any such bond shall provide for the payment of both the principal and interest upon presentation of the bond for notation of such payments thereon, except that such a statutory installment bond may be issued and sold to the United States of America or any agency thereof in any amount and that such principal and interest shall be payable without such presentation.

b. A statutory installment bond, in bearer, if authorized by federal law, or registered form, shall be in terms, form and contents, substantially as follows:

Statutory   United States of America $ (Here insert full

Installment Bond — State of New York, County of (Here insert name of the issuer) — amount of bond issue)

(Here insert type of bond and year, such as "Highway Machinery Serial Bond--1976")

The (Here insert name of the issuer), in the County of ___________, a (Here insert whether a municipality, school district, fire district or other district corporation) of the State of New York, hereby acknowledges itself indebted and for value received promises to pay to (Here insert "bearer" or the name of registered owner if the bond is issued in registered form) the principal sum of __________________ Dollars ($________) (in (_____) equal annual installments of __________ Dollars ($________) on the ________ day of ____ in the years 20__ __, to 20 __, inclusive)

or

(in________(___) annual installments (Here state the amounts, the annual principal payment date, and the years in which the principal payments will be made. No annual installment shall be more than fifty per centum in excess of the smallest prior installment unless the finance board has determined to provide for substantially level or declining annual debt service, in which case the aggregate amount of debt service payable in any year shall not exceed the lowest aggregate amount of debt service payable in any prior year by more than five percent))
and to pay interest on the unpaid balance of such principal sum at the rate of ______ per centum (______%) per annum, semi-annually on the _________ days of ________ and ______ in each year from the date of this bond until it matures. Interest will not be paid on any installment of principal, or of interest, after the due date thereof. Both the installments of principal of and the interest on this bond will be paid to the (Here insert "bearer" or "registered owner" if the bond is issued in registered form) of this bond in lawful money of the United States* only upon presentation of this bond for notation of any such payment thereon* (omit language enclosed within asterisks when the bond is sold to the United States of America or an agency thereof) at the office of ________

(Here insert place or places of payment)

This bond is a statutory installment bond, the principal sum of which cannot exceed Five Million Dollars ($5,000,000) unless it is issued and sold to the United States of America or any agency thereof, and is issued pursuant to section 62.10 of the Local Finance Law and pursuant to a bond resolution entitled "(Here insert title)", duly adopted by the (Here insert name of the finance board) of such (Here insert name of the issuer) on the ________ day of ___, 20 __. This bond may not be converted into a coupon bond.

The faith and credit of such (Here insert name of the issuer) are hereby irrevocably pledged for the punctual payment of the installments of principal of and the interest on this bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State of New York to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that this bond, together with all other indebtedness of such (Here insert name of the issuer) is within every debt and other limit prescribed by the Constitution and laws of such State.

In Witness Whereof, the (Here insert name of the issuer) has caused this bond to be signed by its (Here insert title of officer) and its (Here insert title of officer), and its corporate seal to be hereunto affixed and attested by its (Here insert title of attesting officer) and to be dated as of the ________ day of _______, 20 __.

(Name of municipality, school district, fire district or other district corporation)

(Corporate Seal)

By: (Signature and title of officer)

and (Signature and title of officer)

Attest:

(Signature and title of attesting officer)

*PRINCIPAL PAYMENTS

Amount	Date Received	Received by
$________	___________, 20 __	_______________________

(Signature of person
receiving payment)

$________ ___________, 20 __ _______________________

(continue as necessary)

INTEREST PAYMENTS

Amount	Interest to	Received by
$_______	____________, 20 __	_______________________ (Signature of person receiving payment)
$_______	____________, 20 __	_______________________

(continue as necessary)

The notations of principal and interest payments may be made on the face of the bond, on the reverse side, or on a sheet attached thereto* (omit language enclosed within asterisks when the bond is sold to the United States of America or an agency thereof).

* c. Notwithstanding any provision of law contained in this chapter to the contrary, statutory installment bonds, in substantially the form provided in this section, may be issued and sold to the New York state environmental facilities corporation in a principal amount not to exceed twenty million dollars and such bonds shall provide for either a fixed rate or, if such bonds provide for serial maturities, at a set rate, for each maturity, which rate is fixed on the date of issuance of such bonds.

* NB Repealed September 30, 2029

§ 63.00 Bond issues of certain amounts. a. When sold at public sale, bonds of an issue not exceeding five million dollars, whether of a single issue or sold as a single issue pursuant to paragraph c of section 57.00 of this chapter, having a maximum maturity of not more than five years measured from the date of the bonds, need not be sold in accordance with the requirements of section 58.00 of this chapter for publication of the notice of sale but may be sold upon such publication or circularization of such notice as shall be prescribed by the state comptroller in the rule or order referred to in paragraph d of section 57.00 of this chapter.

b. Bonds of an issue not exceeding five million dollars, whether of a single issue or sold as a single issue pursuant to paragraph c of section 57.00 of this chapter, may be sold at private sale without limitation as to rate of interest, provided, however, that the total amount of bonds which may be sold at private sale in any fiscal year of the municipality, school district or district corporation shall not exceed five million dollars, and provided further that if such bonds have a maximum maturity of more than ten years measured from the date of the bonds, the issuer shall furnish the purchaser a written opinion, signed by any person regularly admitted to practice as an attorney and counselor in the courts of record of this state, that such bonds have been duly authorized and issued in accordance with the constitution and laws of this state and are valid and legally binding obligations of the issuer. Such legal opinion shall be furnished at the expense of the issuer and a duplicate original thereof shall be filed with the officer of the issuer who is required to keep a record of such bonds pursuant to section 163.00 of this chapter.

c. The bonds of any issue which may be sold pursuant to the provisions of this section need not have coupons attached in accordance with the requirements of paragraph a of section 55.00 of this chapter but may provide for the payment of interest upon their presentation for notation of such payment thereon. Such bonds, if issued without coupons, shall, nevertheless, be considered and treated as coupon bonds for the purposes of sections 71.00, 72.00 and 75.00 of this chapter, except that upon the reconversion of such a bond which has been converted into a registered bond, a new bond may be issued in substantially the same form and tenor as originally issued, or with coupons, as the holder may request.

§ 63.10. Cancellation of obligations. When obligations are paid, notwithstanding the provisions of any other general, special or local law or of article forty-six of the education law relating to public records, they shall be cancelled or destroyed in such manner as the state comptroller shall prescribe by a rule or order to be filed in his office and in such other offices as he may designate.

TITLE 5. LOCAL OBLIGATIONS: REGISTRATION, CONVERSION AND RECONVERSION THEREOF

§ 70.00 Fiscal agent. a. The term "fiscal agent" as used in this title shall mean:

1. In counties, the chief fiscal officer thereof, unless the finance board shall designate a different officer.

2. In cities, the chief fiscal officer thereof.

3. In towns and villages, the clerk thereof.

4. In school districts and district corporations, the clerk or secretary or such other officer thereof as the finance board shall designate, except that in a river improvement or drainage district established by or under the supervision of the department of conservation the state comptroller shall act as fiscal agent. However, a finance board on behalf of any municipality, school district or district corporation, or in the case of the city of New York the chief fiscal officer thereof, may contract from time to time, with any bank or banks or trust company or trust companies located and authorized to do business in this state for the purpose of having such bank or trust company act, in connection with all its obligations, or any specific issue or issues of its obligations, or any specific type or types of its obligations, as the fiscal agent for such municipality, school district or district corporation, including the maintenance of an office for the

registration, conversion, reconversion and transfer of bonds and notes, the preparation and substitution of new bonds and notes, and for the payment of the principal thereof, redemption premium, if any, interest thereon, and for related services, and for the payment by such municipality, school district or district corporation of a reasonable compensation to any such bank or trust company for the services to be performed by it pursuant to such contract. Any such bank or trust company shall be responsible to the municipality, school district or district corporation for the faithful and safe conduct of the services to be performed by it as such fiscal agent, or services related thereto; for the fidelity and integrity of the officers and agents of such bank or trust company performing the duties of a fiscal agent, or services related thereto; and for all loss or damage which may result from any failure of such officers or agents to discharge their duties and for any improper or incorrect discharge of those duties; and shall save the municipality, school district or district corporation free and harmless from any and all loss or damage occasioned by or incurred in the performance of such services. Such contracts may be terminated by the finance board of the municipality, school district or district corporation, or in the case of the city of New York the chief fiscal officer thereof, at any time.

b. The fiscal agent, if not already under bond, shall execute a bond in such form, in such sum and with such sureties as the finance board, or in the case of the city of New York the chief fiscal officer thereof, shall direct and approve, and such approval shall be indicated upon the bond. Such bond shall then be filed in the office of the clerk of the county in which the municipality, school district or district corporation is located. If the municipality, school district or district corporation is located in more than one county, a duplicate original of such bond, approved by the finance board, or in the case of the city of New York the chief fiscal officer thereof, shall be filed in the office of the clerk of each county in which the municipality, school district or district corporation is located, except that in a city containing more than one county such bond shall be filed only in the office of the city clerk. The expense of such bond shall be a charge upon the municipality, school district or district corporation. The provisions of this paragraph shall not apply to a bank or trust company which has been designated as fiscal agent of a municipality, school district or district corporation pursuant to the provisions of paragraph a of this section, unless the finance board of such municipality, school district or district corporation, or in the case of the city of New York the chief fiscal officer thereof, shall by resolution determine that such bank or trust company shall be required to furnish a bond for the faithful performance of its duties as fiscal agent.

c. No municipality, school district or district corporation, or any fiscal agent thereof, shall charge, impose, collect, or receive from the holder of any obligation issued pursuant to this chapter, or issued pursuant to laws in effect prior to the effective date of this chapter, any fee or consideration for any services required to be performed by a fiscal agent pursuant to the provisions of this chapter. However, the holder of an obligation shall bear the expense of preparing new bonds or coupons which he shall request to be issued pursuant to the provisions of title five of this article, also the actual and necessary expenses for the mailing, shipping or the insuring of obligations incurred in connection with the rendition of services performed by a fiscal agent at his request. At least annually every fiscal agent shall render to and file with the finance board of the municipality, school district or district corporation, or in the case of the city of New York the chief fiscal officer thereof, for which he or it acts a statement of all moneys received and disbursed by such agent for the expenses mentioned in this paragraph. Notwithstanding the foregoing provisions of this paragraph, if the finance board of a municipality, school district or district corporation, or in the case of the city of New York the chief fiscal officer thereof, shall determine that it would be to the financial advantage of the municipality, school district or district corporation not to impose and collect such mailing, shipping or insurance charges, it may adopt a resolution directing its fiscal agent not to impose and collect any or all of such charges.

d. Notwithstanding any other provisions of law, the comptroller of the city of New York may prescribe rules and regulations for the registration, conversion, reconversion and transfer of the bonds and notes of the city of New York, including the preparation and substitution of new bonds, for the payment of the principal thereof, redemption premium, if any, and interest thereon, and for other authorized services to be performed by such fiscal agent.

e. Any bank or trust company acting as the fiscal agent of a municipality, school district or district corporation may bid for, purchase, acquire, hold, sell or dispose of obligations of the municipality, school district or district corporation for which it acts as such agent, and may enter into other service contracts with the municipality, school district or district corporation. No bank or trust company acting as such fiscal agent shall print, engrave, or otherwise prepare, new bonds or coupons required in connection with the conversion and reconversion of bonds as provided in title five of this article, if such bank or trust company acts as fiscal agent in such conversion or reconversion.

§ 71.00 Conversion of coupon bonds into registered bonds. a. If a coupon bond so provides, the holder thereof may present such bond to the registration agent with a written request for its conversion into a registered bond. The registration agent shall thereupon cut off and destroy the coupons and endorse a certificate of such conversion upon the bond.

b. The certificate of conversion shall contain a statement, properly dated, of the amount and value of such coupons, and that the interest, at the rate and on the dates stated in the bond and as was provided by the coupons, as well as the principal, is to be paid to the registered holder, his legal representatives, successors or transferees, at the place or places stated in the bond and as was stated in the coupons, unless such place or places shall be changed with the written consent of the holder.

c. When the coupons have been cut off and destroyed, and a certificate of conversion has been properly endorsed upon the bond, such bond shall then be registered as provided in section 75.00 of this chapter.

§ 72.00 Reconversion of coupon bonds which have been converted into registered bonds. a. If a coupon bond issued prior or subsequent to the effective date of this chapter has been converted into a registered bond, the registered holder, or his legal representatives, successors, or transferees, may request the registration agent to notify him of the charge for reconverting such bond into a coupon bond. The request shall describe the bond and state whether coupons for the unmatured interest or a new bond with coupons for the unmatured interest is desired. The registration agent shall thereupon ascertain and notify the person making such request of the expense of preparing such new bond or coupons, and other actual and necessary expenses which will be incurred for mailing, shipping or the insuring of such obligations. The holder, or his legal representatives, successors, or transferees, may then present such bond with a written request for its reconversion, which request shall be duly acknowledged or proved, or in the alternative, the signature of the person making such request shall be certified as to its genuineness by an officer of a bank or trust company located and authorized to do business in this state, and shall at the same time pay the said expenses for such reconversion, to the registration agent. Notwithstanding the foregoing provisions of this paragraph, coupon bonds of an issue originally sold to the state of New York municipal bond bank agency may provide that such bonds may be reconverted from time to time without charge or subject to such limited charge as may be provided therein.

b. The registration agent shall thereupon cause the coupons, or the new bond with coupons, as the case may be, to be prepared. They shall be of substantially the same form and tenor as those originally issued, except that the new bond if issued shall be signed by the appropriate persons in office at the time of such reconversion and shall bear the date of the original bond and the coupons shall bear the facsimile signature of the appropriate person in office at the time of such reconversion. There shall be endorsed on such new bond the following statement, "This bond has been reconverted and reissued on the   day of   ,19 . " If a new bond is issued, the original bond shall be destroyed, and the registration agent shall make an appropriate entry in his books of such destruction and reconversion. If a new bond is not issued, the registration agent shall attach the coupons to the original bond and shall register the bond in his books as payable to bearer, and shall endorse a certificate of such registration upon the bond.

c. Any bond so reconverted may again and from time to time be converted into a registered bond and reconverted into a coupon bond in the manner provided in this section and section 71.00 of this chapter.

§ 73.00 Conversion and reconversion of registered bonds. a. A bond issue in registered form, if it so provides, shall be converted into a coupon bond at the request of the registered holder, or his legal representatives, successors or transferees, in the same manner as is provided in section 72.00 of this chapter for the reconversion of a coupon bond which has been converted into a registered bond, except that only a new bond with coupons shall be issued. Such new coupon bond shall be payable according to the terms of the original bond. A bond heretofore or hereafter issued in registered form, which does not provide that it may be converted into a coupon bond, shall be converted into a coupon bond at the request of the registered holder or his legal representatives, successors or transferees, provided the issue of which such bond is a part was sold at public sale and the notice of such sale provided for the issuance of bonds in bearer form with coupons with the right of conversion into registered form, and provided the finance board of the issuer shall adopt a resolution authorizing such conversion and prescribing the form of the bond and the coupons for unmatured interest. Such bond, in such event, shall be converted in the same manner as is provided in section 72.00 of this chapter for the reconversion of a coupon bond which has been converted into a registered bond, except that only a new bond with coupons shall be issued and such new coupon bond shall be payable according to the terms of the original bond.

b. A registered bond which has been so converted may be reconverted into a registered bond in the same manner as is provided in section 71.00 of this chapter for the conversion of a coupon bond into a registered bond.

c. Such bond may again and from time to time be converted into a coupon bond and reconverted into a registered bond in the manner provided in this section.

§ 74.00 Conversion and reconversion of notes. a. A note payable to bearer, if it so provides, shall be converted into a registered note at the request of the holder. The registration agent shall register such note in his books in the name of the holder and endorse a certificate of such registration upon the note. In like manner, at the written request of the registered holder of the note so converted, or his legal representatives, successors, or transferees, the registration agent shall reconvert such note into a note payable to bearer by registering such note in his books as payable to bearer and endorsing a certificate of such registration upon the note. Such request shall be duly acknowledged or proved, or in the alternative the signature thereto shall be certified as to its genuineness by an officer of a bank or trust company located and authorized to do business in this state. Such note may again and from time to time be converted into a registered note and reconverted into a note payable to bearer in the manner provided in this paragraph.

b. A note issued in registered form, if it so provides, shall be converted into a note payable to bearer at the written request of the registered holder, or his legal representatives, successors, or transferees. Such request shall be duly acknowledged or proved, or in the alternative the signature thereto shall be certified as to its genuineness by an officer of a bank or trust company located and authorized to do business in this state. The registration agent shall register such note in his books as payable to bearer, and shall endorse a certificate of such registration upon the note. In like manner, at the request of the holder of a note so converted, the registration agent shall reconvert such note into a registered note by registering such note in his books in the name of the holder and endorsing a certificate of such registration upon the note. Such note may again and from time to time be converted into a note payable to bearer and reconverted into a registered note in the manner provided in this paragraph.

§ 75.00 Registration of obligations. a. A coupon bond which has been converted into registered form in the manner provided in section 71.00 of this chapter and, at the request of the owner, a bond issued in registered form or a note issued in registered form or which provides that it may be registered, shall be registered in the name of the owner, or a nominee, as to both principal and interest and not otherwise, in suitable books kept for such purpose in the office of the fiscal agent, and a certificate of such registration shall be endorsed upon the bond or note by such fiscal agent.

b. A bond or note which has been so registered shall be transferable upon presentation to the fiscal agent with a written transfer of title of the registered owner. Such transfer shall be dated, and signed by such registered owner, or his legal representatives. Such transfer shall be duly acknowledged or proved, or in the alternative the signature thereto shall be certified as to its genuineness by an officer of a bank or trust company located and authorized to do business in this state. The name of the transferee shall be entered in the books kept by the fiscal agent and a certificate of such registration shall be endorsed upon the bond or note so transferred, in the same manner as the original registration. However, instead of transferring obligations as provided above in this paragraph, a municipality, school district or district corporation may issue new registered obligations in place of the old in accordance with regulations prescribed by the state comptroller by a rule or order to be filed in his office and such other office as he may designate.

c. No interest shall be paid on a bond or note issued in registered form until the name of the payee has been inserted therein and such bond or note has been registered as provided in paragraph a of this section.

d. The principal of, redemption premium, if any, and interest on a bond or note which has been registered shall be payable only to the registered owner, his legal representatives, successors or transferees.

e. As an alternative to the procedures for transfer of registration otherwise set forth in this section, the finance board of a municipality, school district or district corporation, or, in the case of the city of New York, the chief fiscal officer thereof, may provide for the transfer of registration of obligations by book entry on the records of the fiscal agent or other entity designated for such purpose and may enter into such contractual arrangements as may be necessary to accomplish such purposes. In the event a book entry method of transfer is used, principal of, redemption premium, if any, and interest on the obligations shall be payable to the registered owner shown in book entry, his legal representatives, successors or transferees.

TITLE 6. LOCAL OBLIGATIONS: ESTOPPEL FROM CONTESTING VALIDITY THEREOF

§ 80.00 Bond resolution, or note resolution or certificate, may contain estoppel clause. The resolution of a finance board authorizing the issuance of bonds or notes, or the certificate of a chief fiscal officer authorizing the issuance of notes, may, in the discretion of the finance board or such chief fiscal officer, as the case may be, contain a statement that the validity of such bonds or notes or any bond anticipation notes issued in anticipation of the sale of such bonds may be contested only if:

1. Such obligations are authorized for an object or purpose for which

the municipality, school district or district corporation is not authorized to expend money, or

2. The provisions of law which should be complied with at the date of the publication of such resolution or summary thereof, or certificate, as the case may be, are not substantially complied with, and an action, suit or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or

3. Such obligations are authorized in violation of the provisions of the constitution.

§ 81.00 Bond resolution, or note resolution or certificate, containing estoppel clause; publication and notice. a. If a resolution of a finance board authorizing the issuance of bonds or notes or the certificate of a chief fiscal officer authorizing the issuance of notes contains the statement referred to in section 80.00 of this chapter, such resolution after adoption, or a summary of such resolution, or such certificate after its execution and filing, shall be published in full by the clerk of the municipality, school district or district corporation or such other official or person as the finance board or such fiscal officer may designate, together with a notice in substantially the following form:

"The resolution (or the resolution a summary of which is) (or certificate) published herewith has been adopted (or authorized) on the   day of   , 19 , and the validity of the obligations authorized by such resolution (or certificate) may be hereafter contested only if such obligations were authorized for an object or purpose for which the (Here insert name of municipality, school district or district corporation) is not authorized to expend money or if the provisions of law which should have been complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of publication of this notice, or such obligations were authorized in violation of the provisions of the constitution.

....

(Clerk or other official or person designated by the finance board or chief fiscal officer)"

If a summary of such resolution is published as provided in this section, such summary shall list the class or classes of objects or purposes for which the obligations to be authorized by such resolution are to be issued together with the period or periods of probable usefulness and the amount of obligations to be issued for each such class of objects or purposes, and in addition, such summary shall state an office of the municipality, school district or district corporation where the resolution summarized thereby shall be available for public inspection. Such resolution shall be kept available for public inspection at such office during normal business hours for twenty days following the publication of such summary as provided in this title.

b. However, if such resolution is subject to a mandatory or permissive referendum, or is submitted to a referendum by the finance board on its own motion, such resolution or summary thereof shall not be published together with such notice until it shall have been approved at such a referendum or, in the case of a resolution subject to a permissive referendum, until the period of time shall have elapsed for the submission and filing of a petition for a permissive referendum and a valid petition shall not have been submitted and filed, and such notice shall state that such resolution has been approved at such a referendum or, in the case of a resolution subject to a permissive referendum, that the period of time has elapsed for the submission and filing of a petition for a permissive referendum and a valid petition has not been submitted and filed, as the case may be.

c. If any bond resolution or capital note resolution does not contain a determination of the period of probable usefulness of the specific object or purpose or class of objects or purposes for which such resolution authorizes the issuance of obligations, there shall be published, together with such resolution or summary thereof and notice, the certificate of the appropriate body or official containing such determination.

d. Such publication as shall be required by this section shall be in the official newspaper or newspapers of the municipality, school district or district corporation or if there be no such newspaper or newspapers, then in such newspaper or newspapers having a general circulation in the municipality, school district or district corporation as the finance board shall designate.

§ 82.00 Twenty day period of limitation. After the publication of a resolution, summary of such resolution or certificate together with such a notice, the validity of the obligations authorized thereby may be contested only if:

1. Such obligations were authorized for an object or purpose for which the municipality, school district or district corporation is not authorized to expend money, or

2. The provisions of law which should have been complied with at the date of the publication of such resolution, summary of such resolution or certificate were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after such publication, or

3. Such obligations were authorized in violation of the provisions of the constitution.

§ 83.00 Contesting of validity of obligations; substantial compliance. a. If an action, suit or proceeding contesting the validity of the obligations authorized by such resolution or certificate is commenced within twenty days from the date of publication of such resolution, summary of such resolution or certificate together with such notice, the court in which such action, suit or proceeding is commenced shall determine whether or not such obligations were authorized for an object or purpose for which the municipality, school district or district corporation is authorized to expend money or the provisions of law which should have been complied with were substantially complied with.

b. The court may determine that the provisions of law which should have been complied with were substantially complied with if:

1. They authorized the aggregate amount of obligations authorized by such resolution or certificate.

2. Such resolution was adopted by the required vote of the finance board or such certificate was duly made by such chief fiscal officer.

3. Such resolution or the proposition for the expenditure of money for the object or purpose for which such resolution authorizes the issuance of obligations, as the case may be, was adopted at the election or meeting, if any, to which it was submitted.

c. Such determination may be arrived at notwithstanding any irregularity or failure to observe a technicality in:

1. The form of such proposition, resolution or certificate.

2. The notice of the election or meeting to which such proposition or resolution was submitted or of the meeting at which the finance board adopted such resolution.

3. The time or manner of the service or publication of such notice.

4. The conduct of the election, meeting or meetings at which such proposition or resolution was adopted.

5. The submission of such proposition more than once within one year or other shorter period than authorized by law.

6. Like matters in such proceedings.

§ 84.00 Effect of recital of validity in obligations. If the obligations issued pursuant to a resolution or certificate published in the manner provided in this title contain a recital in substantially the form prescribed in section 52.00 of this chapter, such recital shall bind the municipality, school district or district corporation issuing such obligations, and twenty days after such resolution or certificate shall have been published and after such obligations have been purchased in good faith and for fair value by any person, the validity of such obligations shall not be questioned by such municipality, school district or district corporation or any taxpayer thereof in any court.

TITLE 6-A
LOCAL OBLIGATIONS: FINANCIAL EMERGENCY; CONDITION PRECEDENT TO CLAIMS; STAY OF CLAIMS; REPAYMENT PLAN FOR MUNICIPALITY; TERMINATION OF STAY

§ 85.00 Limitation of provisions; emergency period. No provisions of this title, other than section 85.80, shall be applicable to the city of New York. The provisions of this title shall be applicable (a) only to a municipality , other than the city of New York, with respect to which the legislature has declared that a state of financial emergency exists, and (b) only during such emergency period as may be specified by the legislature for any municipality, other than the city of New York,; provided, however, that the provisions of section 85.80 of this title shall apply to any municipality, including the city of New York, at any time. As used in this title, the term "emergency financial control board" shall mean any such board established by state law for the municipality, and the term "covered organization" shall mean any such organization as defined in the act declaring that a state of financial emergency exists for such municipality. Nothing contained in this title shall be construed to limit or stay any emergency financial control board from doing any act or commencing or continuing any action or special proceeding against or involving the municipality or any covered organization.

§ 85.10 Notice of claim. No act shall be done or action or special proceeding shall be prosecuted or maintained seeking to apply or enforce against the municipality or any covered organization, or their funds, property, receivables or revenues, any order, judgment, lien, set-off or counterclaim relating to any contract, debt or obligation, direct or indirect, of the municipality, including but not limited to any bond, note or other evidence of indebtedness, or seeking the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality or any covered organization, unless: (a) payment by the municipality or covered organization in connection with such contract, debt or obligation is due or overdue; and (b) a demand for payment shall have been made and served upon the municipality, in compliance with section 85.20 of this title, and thirty days shall have elapsed since the service of such demand; and (c) any complaint, petition or other moving paper seeking any relief as aforesaid shall contain an allegation that at least thirty days have elapsed since the service of such demand and that adjustment or payment has been neglected or refused.

§ 85.20 Demand for payment. a. In any case where a demand for payment is required as a condition precedent to the doing of any act or the commencement of any action or special proceeding pursuant to section 85.10 of this title, the demand shall comply with the provisions of this section.

b. The demand shall be in writing, sworn to by or on behalf of the claimant, and shall set forth:(1) the name and post-office address of each claimant, and of his attorney, if any; (2) the contract, debt or obligation involved; (3) the nature and basis of the claim; (4) the time when the claim arose; (5) the items of damage claimed to have been sustained so far as then practicable; and (6) the nature of the act proposed to be done or of the action or special proceeding proposed to be commenced by the claimant.

c. The demand shall be served on the municipality against whom the claim is made by delivering a copy thereof, in duplicate, personally, or by registered mail, to the person, officer, agent, clerk or employee, designated by law as a person to whom a summons in an action in the supreme court issued against such municipality may be delivered.

d. Anytime after the date of service of the demand for payment and at or before the trial of an action or the hearing upon a special proceeding to which the provisions of this section are applicable, a mistake, omission, irregularity or defect made in good faith in the demand required to be served by this section, not pertaining to the manner or time of service thereof, may be corrected, supplied or disregarded, as the case may be, in the discretion of the court, provided it shall appear that the other party was not prejudiced thereby. Application for such relief, if made before trial or hearing, shall be by motion, on affidavits; if made before the action or special proceeding is commenced, shall be by motion, on the petition of the claimant, or someone on his behalf. Failure to serve more than one copy may be corrected by such motion.

§ 85.30 Petition of municipality; temporary stay of claims. A voluntary petition may be filed pursuant to this section by any municipality or, in the event a municipality refuses to file such petition after request by its emergency financial control board, or fails to do so within five days thereafter, the board may file a petition pursuant to this section on behalf of the municipality. The petition shall be filed in the supreme court in a county in which the municipality is located. The petition shall state: (a) that the municipality is unable to pay its debts or obligations as they mature; (b) that the municipality or its emergency financial control board intends to file with the court a repayment plan in compliance with the requirements of section 85.40 of this title; (c) the nature of the debts and obligations of the municipality which may be affected by the plan and the approximate amount thereof; and (d) the identities and addresses of creditors who may be affected by the plan or, in lieu thereof, the reason such identification is impracticable and a listing of creditors in a manner that is practicable in the circumstances. A petition filed pursuant to this section shall operate to prohibit the doing of any act, and to stay the commencement or continuation of any action or special proceeding in any court in any jurisdiction, seeking to apply or enforce against the municipality or any covered organization, or their funds, property, receivables or revenues, any order, judgment, lien, set-off or counterclaim relating to any contract, debt or obligation, direct or indirect, of the municipality, including but not limited to any bond, note or other evidence of indebtedness, or seeking the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality or any covered organization, for a period of ninety days; provided, however, that: (i) the stay may be vacated prior thereto if, upon motion of any creditor affected thereby, the court finds, after a hearing, that the petition was not filed in good faith; (ii) if a repayment plan for the municipality is filed within ninety days from the filing of the petition, or within such additional period of time as the court may find after a hearing is required to permit the preparation and filing of such a plan, the court shall extend the stay for such additional period of time as is required to permit the court to enter an order pursuant to section 85.40 of this title; (iii) any applicable statute of limitations shall be tolled during the period of any stay or extension thereof pursuant to this title; and (iv) during the period of any stay or extension thereof pursuant to this title, the municipality may expend moneys to maintain and provide such services and for such purposes as are determined to be necessary by its emergency financial control board.

§ 85.40 Repayment plan for municipality; court approval; continuation of stay. Upon the filing of a petition pursuant to section 85.30 of this title, a repayment plan may be filed by the municipality or, in the event the municipality refuses to file such a plan after request by its emergency financial control board or, after such request, fails to file a plan within forty-five days from the filing of a petition pursuant to section 85.30 of this title, the board may file a repayment plan pursuant to this section on behalf of the municipality. Upon the filing of such a plan, the court shall enter an order approving the plan and extending any stay then in effect pursuant to section 85.30 of this title as against all creditors of the municipality for such additional period of time as is required to carry out fully all of the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder, if the court finds, after a hearing, that: (a) the repayment plan provides for the eventual satisfaction of all debts and obligations of the municipality affected thereby; (b) that, giving due regard to the financial condition of the municipality and to the necessity for the municipality to expend moneys for services and purposes determined to be necessary as provided in section 85.30 of thit title, the repayment plan provides as prompt payment to all creditors affected thereby, on a fair and equitable basis, as is practicable in the circumstances; (c) that the repayment plan preserves any applicable priorities among creditors or classes of creditors; and (d) that the repayment plan was approved by the municipality's emergency financial control board. In the event that the court is unable to make the aforesaid findings as to the repayment plan, it shall enter an order disapproving the plan and vacating the stay then in effect, which order shall become effective within ten days from the entry thereof unless, prior thereto, an amended repayment plan is filed with the court. Upon the filing of the first such amended plan, the court shall extend and, in its discretion, upon the filing of any further amended plans it may extend the stay then in effect for such additional period of time as is required to permit the court to enter an order containing findings pursuant to this section with respect to the amended plan.

§ 85.50 Termination of stay. Any order extending a stay pursuant to section 85.40 of this title may be vacated or modified if, upon motion of any creditor affected thereby, the court finds, after a hearing: (a) that the municipality has failed to comply with a material provision of the repayment plan; or (b) that, due to a material change in circumstances, the repayment plan no longer complies with the requirements of section 85.40 of this title. Upon the occurrence of the final act necessary to carry out fully all of the terms and provisions of the repayment plan with respect to those creditors who accept the plan or any benefits thereunder, the court, after a hearing, upon motion of any creditor or of the municipality or its emergency financial control board, shall enter an order vacating any stay then in effect and permanently enjoining any creditors who accepted the plan or any benefits thereunder from commencing or continuing any action or special proceeding or doing any other act within the scope of section 85.30 of this title relating to any contract, debt or obligation included in the plan.

§ 85.60 Modification of plan. At any time prior to the entry of an order approving or disapproving a repayment plan pursuant to section 85.40 of this title, the municipality, with the approval of its financial emergency control board, or any such board with or without the approval of the municipality, may file modifications thereof, subject to the power of the court to enter an order prohibiting the filing of a further modification if it finds, after a hearing, that such modification or any prior modification or the repayment plan was not filed in good faith. At any time subsequent to the entry of an order approving a repayment plan, any such modifications may only be filed by leave of the court, after a hearing. Upon the filing at any time of any modification of a repayment plan, the court shall hold a hearing pursuant to section 85.40 of this title and shall enter an order continuing or extending such stay as may then be in effect pursuant to section 85.30 or 85.40 of this title for such additional period of time as may be required to permit the court to enter an order pursuant to section 85.40 of this title with respect to the modified plan.

§ 85.70 Notice to creditors. Upon the filing of a petition pursuant to section 85.30 of this title, or of a repayment plan or amendment or modification thereof pursuant to section 85.40 or 85.60 of this title, or upon the application for, or the entry of, any order extending, vacating or modifying a stay pursuant to this title, prompt and appropriate notice thereof and of any hearing in connection therewith shall be given, at the expense of the municipality, to all creditors of the municipality affected thereby in such form and manner, including by mail or publication or both, as the court may find to be practicable and appropriate in the circumstances. Notice of any other event or proceeding shall be given as the court may direct, to such persons, in such form and manner and with such provision for the payment of the expenses thereof as the court may find to be practicable and appropriate in the circumstances.

§ 85.80 Authority for municipality or emergency financial control board to file petition under federal statute. A municipality or its emergency financial control board in addition to, or in lieu of, filing a petition under this title, or the city of New York or the New York state financial control board, may file any petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Nothing contained in this title shall be construed to limit the authorization granted by this section. However, no municipality shall file any petition authorized by this section for so long as its local ARRA bonds, as defined in section twenty-four hundred thirty-two of the public authorities law, purchased by the state of New York municipal bond bank agency and secured by its pledge of tax revenues pursuant to the authority of section twenty-four hundred thirty-six-b of the public authorities law remain outstanding.

§ 85.90 Judicial review. If any repayment plan or amendment or modification thereof proposed pursuant to this title is disapproved, or if any stay is vacated or modified or an extension thereof is denied, or if any other order pursuant to this title is entered by the court which is adverse to the municipality or its financial emergency control board, the municipality or its financial emergency control board shall have a direct appeal as of right to the appellate division in the judicial department in which the court is located and, thereafter, if necessary, to the court of appeals of this state, and such appeal shall have preference over all causes in all courts. Service upon the adverse party of a notice of appeal shall stay the effect of the judgment or order appealed from, and shall stay all actions, special proceedings or other acts within the scope of section 85.30 of this title, pending the hearing and determination of the appeals.

TITLE 7
REFUNDING OF BONDS AND CAPITAL NOTES

§ 90.00 Refunding of bonds. a. 1. A municipality, school district or district corporation may issue serial bonds to refund bonds issued on or after January first, nineteen hundred thirty-nine, other than bonds issued to redeem notes, certificates or other evidences of indebtedness issued prior to January first, nineteen hundred thirty-nine, in anticipation of such bonds. The last installment of such refunding bonds issued to refund bonds issued pursuant to the social services law, or the former social welfare law, or the former public welfare law, for the purpose of safety net assistance, as defined in such laws, shall mature within ten years after the date of issue of the bonds to be refunded. In all other cases the last installment of such refunding bonds shall mature not later than the expiration of the maximum period of probable usefulness permitted by law at the time of the issuance of the bonds to be refunded or the refunding bonds for the object or purpose for which the bonds to be refunded were issued. Such period shall be computed from the date of issuance of the bonds to be refunded or from the date of issuance of the first bond anticipation note issued in anticipation of such bonds, whichever date is the earlier.

2. Notwithstanding the provisions of subdivision one of this paragraph, bonds issued by a school district prior to December first two thousand one, or prior to thirty days after the effective date of this subdivision, whichever is later, for the purpose of financing facilities which were eligible for building aid pursuant to section thirty-six hundred two of the education law, and for which the aid apportionments payable in two thousand two--two thousand three and/or two thousand three--two thousand four school years for approved expenditures for debt service are subsequently reduced as a result of the application of assumed amortization to unpaid principal outstanding as of July first, two thousand two, may be refunded and the refunding bonds may be sold at either public or private sale in accordance with the provisions of section 90.10 of this title; provided, however, the school district need not comply with: (i) subparagraph (a) of subdivision two of paragraph b of section 90.10 of this title; and (ii) if the bonds to be refunded are to be redeemed or paid on the same date as the refunding bonds are issued, the school district need not comply with the provisions of section 90.10 of this title relating to the escrow of the proceeds of the sale of the refunding bonds.

3. Refunding bonds shall not be issued to refund bonds issued to finance an object or purpose which, at the time of the issuance of such bonds, had a period of probable usefulness of five years or less.

4. If a budgetary appropriation has been made for the payment of the principal on bonds, such maturity shall not be included in a refunding bond issue.

b. The maturities and amount of such refunding bonds shall be so arranged that the combined amount of:

1. The bonds of the original issue, and

2. Refunding bonds previously issued to refund bonds of the original issue, if any,

to be redeemed by an appropriation other than from the proceeds of refunding bonds during the year of refunding and the combined amount of:

1. The bonds of the original issue,

2. Such refunding bonds, and

3. Refunding bonds previously issued to refund bonds of the original issue, if any,

to be redeemed by an appropriation other than from the proceeds of refunding bonds in each succeeding year thereafter is not more than fifty per centum in excess of the combined amount of:

1. The bonds of the original issue,

2. Such refunding bonds, and

3. Refunding bonds previously issued to refund bonds of the original issue, if any,

redeemed or to be redeemed during any preceding year by an appropriation other than from the proceeds of refunding bonds.

b-1. Refunding bonds need not comply with paragraph b of this section provided that no annual installment of each separate series of refunding bonds shall be more than fifty per centum in excess of the smallest prior installment or the finance board of the municipality, school district or district corporation issuing the bonds shall have determined to use a substantially level or declining annual debt service schedule for the refunding bonds. The amount of annual installments of the refunding bonds may be determined without reference to the stated maturities of the bonds to be refunded.

c. 1. Bonds issued on or after January first, nineteen hundred thirty-nine, shall not be refunded within five years after the date of original issue. This restriction shall not apply to bonds issued by the city of New York, bonds issued by the county of Nassau for the objects or purposes described in subdivision thirty-three-a of paragraph a of section 11.00 of this chapter or to bonds issued to refund:

(i) Bonds issued, or

(ii) Bonds issued to redeem notes, certificates or other evidences of temporary indebtedness issued prior to January first, nineteen hundred thirty-nine.

* 2. Notwithstanding the provisions of subdivision one of this paragraph and subdivision three of paragraph a of this section, bonds may be refunded and the refunding bonds may be sold at either public or private sale where the present value of the refunding bonds is less than the present value of the bonds to be refunded computed in accordance with subparagraph (a) of subdivision two of paragraph b of section 90.10 of this title and where the issuer complies with all other requirements of such section; provided, however, that if such bonds are being sold to the New York state environmental facilities corporation in connection with a hardship state revolving fund financing at a rate equal to zero percent, compliance with subparagraph (a) of subdivision two of paragraph b of section 90.10 of this title shall not be required; provided further, however, that if the bonds to be refunded are to be redeemed or paid on the same date as the refunding bonds are issued, the issuer need not comply with the provisions of section 90.10 of this title relating to the escrow of the proceeds of the sale of the refunding bonds.

* NB Effective until September 30, 2029

* 2. Notwithstanding the provisions of subdivision one of this paragraph and subdivision three of paragraph a of this section, bonds may be refunded and the refunding bonds may be sold at either public or private sale where the present value of the refunding bonds is less than the present value of the bonds to be refunded computed in accordance with subparagraph (a) of subdivision two of paragraph b of section 90.10 of this title and where the issuer complies with all other requirements of such section; provided, however, that if the bonds to be refunded are to be redeemed or paid on the same date as the refunding bonds are issued, the issuer need not comply with the provisions of section 90.10 of this title relating to the escrow of the proceeds of the sale of the

refunding bonds.
* NB Effective September 30, 2029

d. With the approval of and on terms and conditions prescribed by the state comptroller, a municipality, school district or district corporation may issue bonds to refund:

1. Bonds issued,

2. Bonds issued to redeem notes, certificates or other evidences of temporary indebtedness issued, or

3. Bonds issued to refund bonds issued
prior to January first, nineteen hundred thirty-nine, but in no event shall such refunding bonds mature later than twenty years after the date thereof. The provisions of section 21.00 of this chapter shall not apply to this paragraph.

e. The issuance of refunding bonds shall be authorized by a "refunding bond resolution". The title of such resolution shall state that the bonds to be authorized thereby are "refunding bonds".

f. Such a resolution shall contain, in substance, the following provisions:

1. The amount of refunding bonds to be issued.

2. A description and the date of the bonds to be refunded.

3. If the bonds to be refunded are bonds which were issued on or after January first, nineteen hundred thirty-nine, other than bonds issued to redeem notes, certificates or other evidences of temporary indebtedness issued prior to January first, nineteen hundred thirty-nine, in anticipation of such bonds, a statement of the maximum period of probable usefulness, at the time of the issuance of the bonds to be refunded, of the object or purpose for which such bonds were issued.

4. A statement of the proposed maturities of such refunding bonds.

g. The provisions of this chapter relating to the authorization, form and contents, sale, execution and issuance of bonds other than refunding bonds, shall apply to the authorization, form and contents, sale, execution and issuance of refunding bonds, except that:

1. The provisions of section 107.00 of this chapter shall not apply to the issuance of refunding bonds.

2. The authorization of the issuance of refunding bonds shall not be subject to a mandatory or permissive referendum.

3. Outstanding bonds may, pursuant to a power to recall and redeem or with the consent of the holders thereof, be exchanged for refunding bonds (i) if the refunding bonds are to bear interest at a rate equal to or lower than that borne by the bonds to be refunded or (ii) if, in the case of the city of New York prior to July first, two thousand twenty-seven, the annual payment required for principal and interest on the refunding bond is less than the annual payment required for principal and interest on the bond to be refunded, in each case such annual payments to be determined by dividing the total principal and interest payments due over the remaining life of the bond by the number of years to maturity of the bond or (iii) if the bonds to be refunded were issued by the city of New York after June thirtieth, nineteen hundred seventy-eight and prior to July first, two thousand twenty-seven and contain covenants referring to the existence of the New York state financial control board for the city of New York or any other covenants relating to matters other than the prompt payment of principal and interest on the obligations when due and the refunding bond omits or modifies any such covenant.

4. All refunding bonds shall contain a recital that they are issued pursuant to this chapter, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

h. The authority herein granted to authorize the issuance of refunding bonds shall in no way be affected by the invalidity of or any irregularity in any proceedings authorizing the issuance of the bonds to be refunded, except that refunding bonds shall not be issued to refund bonds adjudged invalid by the final judgment of a court of competent jurisdiction.

i. 1. Refunding bonds issued subsequent to January first, nineteen hundred thirty-nine to refund:

(a) Bonds issued, or

(b) Bonds issued to redeem notes, certificates or other evidences of temporary indebtedness issued
prior to January first, nineteen hundred thirty-nine, may be refunded by the issuance of refunding bonds, but such refunding bonds shall mature not later than twenty years from the date of the original refunding bonds. Such refunding bonds shall be issued only with the approval of and on terms and conditions prescribed by the state comptroller.

2. All other refunding bonds issued on or after January first, nineteen hundred thirty-nine, shall not be refunded.

j. Bond anticipation notes shall not be issued in anticipation of the sale of refunding bonds.

k. The premium, if any, resulting from the public sale of refunding bonds may be expended for (1) the payment of the costs of the issuance of such refunding bonds, including, but not limited to, legal fees, printing or engraving and publication of notices, and (2) the payment of the principal of and interest on such refunding bonds.

§ 90.10 Advance refunding of certain bonds. a. As used in this section:

1. The term "escrow contract" shall mean a contract entered into by and between a municipality, school district or district corporation and a bank or trust company pursuant to paragraph i of this section.

2. The term "escrow holder" shall mean the bank or trust company designated as such pursuant to an escrow contract.

3. The term "refunding financial plan" shall mean the financial plan for a refunding as set forth in the refunding bond resolution relating thereto.

4. The term "refunding bonds" shall mean refunding bonds authorized pursuant to this section.

5. The term "refunding bond resolution" shall mean a resolution authorizing the issuance of refunding bonds adopted pursuant to paragraph e of this section.

b. 1. A municipality, school district or district corporation may issue serial bonds to refund all or any portion of an issue of outstanding serial bonds issued on or after January first, nineteen hundred seventy, and, in addition, a municipality or school district may issue serial bonds or serial bonds to refund all or any portion of an issue of outstanding sinking fund bonds or sinking fund bonds issued on or after December fifteenth, nineteen hundred eighty-one and may issue sinking fund bonds to refund all or any portion of an issue of outstanding serial bonds or sinking fund bonds, in the manner and subject to the limitations and conditions set forth in this section. The principal amount of refunding bonds shall not exceed an amount sufficient to pay the sum of (a) the principal amount of the bonds to be refunded, which is outstanding as of the date of issue of the refunding bonds, (b) the aggregate amount of unmatured interest payable on the bonds to be refunded to and including either the date or dates such bonds mature or, if such bonds are to be called for redemption prior to their maturities, the date or dates set for such redemption in accordance with the refunding financial plan, (c) redemption premiums, if any, payable on the bonds to be refunded as of such redemption date or dates, and (d) costs and expenses incidental to the issuance of the refunding bonds, including the development of the refunding financial plan, and of executing and performing the terms and conditions of the escrow contract and all fees and charges of the escrow holder. In the event a municipality or school district issues bonds to refund sinking fund bonds, and such refunding has the effect of permitting the municipality or school district to withdraw assets from a sinking fund established for such refunded bonds, then such assets shall be used to pay principal and interest on either such refunded bonds or other bonds of such municipality or school district.

2. * (a) Refunding bonds shall be issued only in the event that the present value of the total payments of both principal and interest to become due on the refunding bonds, and deducting any accrued interest or premium received by the issuer and not used to pay the principal of or interest on the bonds to be refunded or costs of issuance of the refunding bonds, excluding all such principal and interest payments to be made from income received as a result of the investment of the proceeds from the sale of the refunding bonds, shall be less than the present value of the principal and interest payments to become due at their stated maturities on the principal amount of bonds to be refunded which are outstanding as of the date of the issue of the refunding bonds after deducting therefrom all costs and expenses incidental to the issuance of the refunding bonds, including the development of the refunding financial plan, and of executing and performing the terms and conditions of the escrow contract and all fees and charges of the escrow holder, but only to the extent such costs and expenses are not paid from the proceeds of the refunding bonds. The present value of debt service payments pursuant to the foregoing provisions of this subdivision shall be computed by discounting the principal and interest payments on both the refunding bonds and the bonds to be refunded from the respective maturities thereof to the date of issue of the refunding bonds at a rate equal to the effective interest cost of the refunding bonds. The effective interest cost of the refunding bonds shall be that rate which is arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding bonds from the maturity dates thereof to the date of issue of the refunding bonds and to the bona fide initial public offering price including estimated accrued interest, or, if there is no public offering, to the price bid including estimated accrued interest. In the case of the city of New York, notwithstanding any other provision of law

to the contrary, for purposes of calculating the present value of debt service and calculating savings in connection with the issuance of refunding bonds, (i) the effective interest rate and debt service payable on variable rate bonds in connection with which, and to the extent that, the city of New York has entered into an interest rate exchange or similar agreement pursuant to which such city makes payments based on a fixed rate and receives payments based on a variable rate that shall be found by the finance board of such city to be equivalent over time to the variable rate paid on the related variable rate bonds, shall be calculated assuming that the rate of interest on such variable rate bonds is the fixed rate payable by such city on such interest rate exchange or similar agreement for the scheduled term of such agreement; (ii) the effective interest rate and debt service on variable rate bonds in connection with which, and to the extent that, the city of New York has not entered into such an interest rate exchange or similar agreement shall be calculated assuming that interest on such variable interest rate bonds is payable at a rate or rates as shall be found by the finance board of such city; (iii) the effective interest rate and debt service on any bonds subject to optional or mandatory tender shall be calculated assuming that such bonds are remarketed following any such tender at a rate or rates as shall be found by the finance board of the city of New York; and (iv) otherwise, the effective interest rate and debt service on any bonds shall be calculated at a rate or rates determined by the finance board of the city of New York. Notwithstanding any other provision of law to the contrary, in the case of the city of New York, for calculating the present value of debt service and calculating savings in connection with the issuance of refunding bonds, the refunding of variable rate debt instruments with new variable rate debt instruments shall be excluded from any such requirements, if so determined by the finance board of such city.

* NB Effective until July 15, 2027

* (a) Refunding bonds shall be issued only in the event that the present value of the total payments of both principal and interest to become due on the refunding bonds, and deducting any accrued interest or premium received by the issuer and not used to pay the principal of or interest on the bonds to be refunded or costs of issuance of the refunding bonds, excluding all such principal and interest payments to

be made from income received as a result of the investment of the proceeds from the sale of the refunding bonds, shall be less than the present value of the principal and interest payments to become due at their stated maturities on the principal amount of bonds to be refunded which are outstanding as of the date of the issue of the refunding bonds after deducting therefrom all costs and expenses incidental to the issuance of the refunding bonds, including the development of the refunding financial plan, and of executing and performing the terms and conditions of the escrow contract and all fees and charges of the escrow holder, but only to the extent such costs and expenses are not paid from the proceeds of the refunding bonds. The present value of debt service payments pursuant to the foregoing provisions of this subdivision shall be computed by discounting the principal and interest payments on both the refunding bonds and the bonds to be refunded from the respective maturities thereof to the date of issue of the refunding bonds at a rate equal to the effective interest cost of the refunding bonds. The effective interest cost of the refunding bonds shall be that rate which is arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding bonds from the maturity dates thereof to the date of issue of the refunding bonds and to the bona fide initial public offering price including estimated accrued interest, or, if there is no public offering, to the price bid including estimated accrued interest.

* NB Effective July 15, 2027

(b) Notwithstanding the provisions of subparagraph (a) of this subdivision, the city of New York may also issue refunding bonds (i) if the bond to be refunded contains a covenant referring to the existence of the New York state emergency financial control board for the city of New York or any other covenant relating to matters other than the prompt payment of principal and interest on the obligation when due, and the refunding bond omits or modifies any such covenant or (ii) if the bond to be refunded is guaranteed by the federal government.

(c) Notwithstanding the provisions of subparagraph (a) of this subdivision, in the case of refunding bonds sold to the New York state environmental facilities corporation and purchased for deposit in the water pollution control revolving fund established pursuant to section twelve hundred eighty-five-j of the public authorities law and for which an allocation has been established pursuant to section 17-1909 of the environmental conservation law, the present value of the projected total allocation payable to the issuer of the refunding bonds or available to make principal and interest payments on the refunding bonds shall be subtracted from the present value of the total payments of the principal and interest to become due on the refunding bonds in determining the present value savings attributable to the issuance of such refunding bonds pursuant to subparagraph (a) of this subdivision.

(d) Notwithstanding the provisions of subparagraph (a) of this subdivision, in the case of refunding bonds sold to the New York state environmental facilities corporation and purchased for deposit in the drinking water revolving fund established pursuant to section twelve hundred eighty-five-m of the public authorities law and for which an allocation has been established pursuant to section eleven hundred sixty-two of the public health law, the present value of the projected total allocation payable to the issuer of the refunding bonds or available to make principal and interest payments on the refunding bonds shall be subtracted from the present value of the total payments of the principal and interest to become due on the refunding bonds in determining the present value savings attributable to the issuance of such refunding bonds pursuant to subparagraph (a) of this subdivision.

(e) Notwithstanding the provisions of subparagraph (a) of this subdivision, a school district may also issue refunding bonds to refund bonds if the bonds were issued by a school district prior to December first two thousand one, or prior to thirty days after the effective date of this subdivision, whichever is later, for the purpose of financing facilities that were eligible for building aid pursuant to subdivision six of section thirty-six hundred two of the education law, and for which the aid apportionment payable in the two thousand two--two thousand three and two thousand three--two thousand four school years for approved expenditures for debt service are subsequently reduced as a result of the application of assumed amortization to unpaid principal outstanding as of July first, two thousand two.

3. Refunding bonds may be issued at any time subsequent to the issuance of the bonds to be refunded.

c. 1. The last installment of each separate series of refunding serial bonds, and the maturity date of any refunding sinking fund bonds, shall occur not later than the expiration of the maximum period of probable usefulness permitted by law at the time of the issuance of the refunding bonds or the bonds to be refunded for the object or purpose for which such bonds to be refunded were issued, or in the alternative, the weighted average remaining period of probable usefulness of the objects or purposes (or classes of objects or purposes) financed with each series of bonds to be refunded or the weighted average remaining period of probable usefulness of all objects or purposes (or classes of objects or purposes) financed with all of the bonds to be refunded. Such period shall be computed from the date of issuance of such bonds to be refunded or from the date of the first bond anticipation note issued in anticipation thereof, whichever date is the earlier.

2. The first installment of each separate series of refunding bonds shall mature not later than the date of the first stated maturity of the bonds to be refunded next following the date of issue of the refunding bonds. When the finance board has determined to provide for a substantially level or declining annual debt service schedule for the refunding bonds, as provided in subdivision three of this paragraph, the determination of whether annual debt service is substantially level or declining shall not take into account the year which includes the first principal installment of the refunding bonds, provided that the first principal installment, when added to the amount of interest payable within one year of its accrual that would accrue on the entire refunding debt or series of refunding bonds in one calendar year, shall be no more than five percent less than the greatest aggregate amount of debt service due in any other year.

3. No annual installment of each separate series of refunding bonds shall be more than fifty per centum in excess of the smallest prior installment unless the finance board of the municipality, school district or district corporation issuing the bonds has determined to use a substantially level or declining annual debt service schedule for the refunding bonds. The amounts of annual installments of the refunding bonds may be determined without reference to the stated maturities of

the bonds to be refunded.

4. In the event the bonds to be refunded were separately authorized for different objects or purposes, which separately authorized bonds were consolidated for purposes of sale and sold as a single issue pursuant to paragraph c of section 57.00 of this chapter, each component issue included in such consolidated issue shall be considered as a separate issue for the purposes of the provisions of subdivisions one, two and four of this paragraph, notwithstanding that the refunding bonds are sold as a single issue.

5. Refunding bonds may be issued as two or more separate series.

d. Bond anticipation notes shall not be issued in anticipation of the sale of refunding bonds.

e. The issuance of refunding bonds shall be authorized by a "refunding bond resolution". Such a resolution shall contain, in substance, at least the following:

1. The maximum amount of refunding bonds authorized to be issued pursuant thereto.

2. A determination that such maximum amount of refunding bonds authorized to be issued does not exceed the limitation imposed by subdivision one of paragraph b of this section.

3. The amount and a description of the outstanding bonds to be refunded.

4. A statement of the maximum period or periods of probable usefulness permitted by law at the time of the issuance of the bonds to be refunded for the object or purpose or objects or purposes for which such bonds to be refunded were issued.

5. The financial plan for the refunding proposed, showing the sources and amounts of all moneys required to accomplish such refunding, and

except where such refunding bonds are issued by the city of New York pursuant to subparagraph (b) of subdivision two of paragraph b of this section an estimate of the present value of the total debt service savings anticipated, computed in accordance with subparagraph (a) of subdivision two of paragraph b of this section.

f. 1. Any refunding bonds issued to refund bonds which are additionally secured by a pledge of any specific moneys pursuant to any general or special law, at the option of the finance board, may be additionally secured to the same extent and in the same manner as the bonds to be refunded effective upon the date of issue of such refunding bonds, subject only to any rights of the holders of such bonds to be refunded.

2. Refunding bonds may be sold at either public or private sale, but they shall not be sold on option or on a deferred payment plan, provided, however, that if such bonds are sold at private sale, the terms and conditions of such sale shall be approved by the state comptroller. Refunding bonds sold at private sale shall bear interest at such rate or rates, not exceeding the maximum rate, if any, fixed by paragraph b of section 57.00 of this chapter, as may be determined by the finance board. Refunding bonds may be sold at private sale at a discount in the same manner as authorized by paragraph e of section 57.00 of this chapter. The cost of such discount, together with other costs of the issuance of obligations, shall be deemed a part of the cost of the objects or purposes for which such obligations are issued.

g. Except where such refunding bonds are issued by the city of New York pursuant to subparagraph (b) of subdivision two of paragraph b of this section, no refunding bonds shall be issued pursuant to this section unless the chief fiscal officer of the issuer shall have first filed with the finance board a certificate, approved by the state comptroller, which shall be final and conclusive upon all parties, setting forth the present value of the total debt service savings to the issuer resulting from the issuance of the refunding bonds computed in accordance with the provisions of subparagraph (a) of subdivision two of paragraph b of this section, except that the actual amount, rather than an estimate, of the amount of accrued interest to be paid on such bonds shall be used in determining the effective interest cost thereof. The certificate shall be in the form and shall contain such information as shall be prescribed by the state comptroller. The certificate shall not be approved until ten days after the filing of such certificate in the office of the state comptroller.

h. 1. Prior to the issuance of refunding bonds, the finance board shall adopt a resolution electing to call in and redeem such portion of the bonds to be refunded as is to be called for payment prior to the date of their maturity in accordance with the refunding financial plan. The resolution adopted pursuant to this paragraph shall authorize and direct the escrow holder to cause notice of such call for redemption to be given in the name of the issuer of such refunding bonds in the manner and within the times provided by paragraph a of section 53.00 of this chapter. If the issuer has no official newspaper, such resolution shall designate a newspaper having general circulation within the municipality, school district or district corporation for the purpose of giving such notice.

2. Upon the issuance of the refunding bonds, the election to call in and redeem the bonds to be refunded and the direction to the escrow holder to cause notice thereof to be given contained in the resolution adopted pursuant to subdivision one of this paragraph, shall become irrevocable, and the provisions of such resolution shall constitute a covenant with the holders of such refunding bonds, provided that such resolution may be amended from time to time as may be necessary in order to comply with the publication requirements of paragraph a of section 53.00 of this chapter.

i. 1. The finance board, or the chief fiscal officer if the finance board shall delegate such duty to him, prior to the issuance of refunding bonds, shall contract on behalf of the issuer with a bank or trust company located and authorized to do business in this state for the purpose of having such bank or trust company act as the escrow holder of the proceeds, inclusive of any premium, from the sale of such refunding bonds, together with all income derived from the investment of such proceeds, and any other moneys to be provided by such issuer to effectuate the refunding financial plan. Each escrow contract shall contain such terms and conditions as shall be necessary in order to accomplish the refunding financial plan, including, without limiting the generality of the foregoing, provisions for the escrow holder without further authorization or direction from the issuer of the refunding bonds, except as otherwise provided therein, (a) to make all required payments of principal, interest and redemption premiums to the appropriate paying agent with respect to either the bonds to be refunded or the refunding bonds, (b) to pay costs and expenses incidental to the issuance of the refunding bonds, including the development of the refunding financial plan, and of executing and performing the terms and conditions of the escrow contract and all of its fees and charges as the escrow holder, (c) at the appropriate time or times to cause to be given on behalf of such issuer the notice of redemption authorized to be given pursuant to paragraph h of this section, and (d) to invest the moneys held by it consistent with the provisions of the refunding financial plan. Each escrow contract shall be irrevocable and shall constitute a covenant with the holders of the refunding bonds to which it relates.

2. The proceeds, inclusive of any premium, from the sale of refunding bonds, immediately upon receipt, shall be placed in escrow by the issuer with the escrow holder in accordance with the escrow contract. All moneys held by the escrow holder shall be invested only in direct obligations of the United States of America or in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which obligations shall mature or be subject to redemption at the option of the holder thereof not later than the respective dates when such moneys will be required to make payments in accordance with the refunding financial plan. Any such moneys remaining in the custody of the escrow holder after the full execution of the escrow contract shall be returned to the issuer of the refunding bonds and shall be applied by such issuer to the payment of the principal of or interest on the refunding bonds then outstanding, to the payment of any amounts required to be paid to the United States of America in connection with the refunding or to the payment of or reimbursement for the costs of issuance or other administrative costs incurred in

connection with the issuance of the refunding bonds.

3. That portion of such proceeds from the sale of refunding bonds, together with interest earned thereon and any moneys on deposit in a sinking fund established for the refunded bonds which is applied to the payment of the principal and interest on the refunded bonds pursuant to subdivision one of paragraph b of this section, which shall be required for the payment of the principal of and interest on the bonds to be refunded, including any redemption premiums, in accordance with the refunding financial plan, shall be irrevocably committed and pledged to such purpose and the holders of such bonds to be refunded shall have a lien upon such moneys and the investments thereof held by the escrow holder. All interest earned from the investment of such moneys not required for such payments on the bonds to be refunded, shall be irrevocably committed and pledged to the payment of the principal of and interest on the refunding bonds, or such portion or series thereof as shall be required by the refunding financial plan, and the holders of such refunding bonds shall have a lien upon such moneys held by the escrow holder. The pledges and liens provided for in this subdivision shall become valid and binding upon the issuance of the refunding bonds and the moneys and investments held by the escrow holder shall immediately be subject thereto without any further act. Such pledges and liens shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the issuer of the refunding bonds irrespective of whether such parties have notice thereof. Neither the refunding bond resolution, the escrow contract, nor any other instrument relating to such pledges and liens, need be filed or recorded.

j. The powers granted by this section to issue refunding bonds shall be deemed to be in addition to the provisions of section 90.00 of this chapter, but none of the provisions of section 90.00 shall apply to any refunding bonds issued pursuant to this section. All other provisions of this chapter, not inconsistent with this section, relating to the authorization, estoppel from contesting validity, form and contents, execution and issuance of bonds, other than refunding bonds, shall apply to refunding bonds, except that:

1. The provisions of section 107.00 of this chapter shall not apply to the issuance of refunding bonds.

2. The authorization of the issuance of refunding bonds shall not be subject to a mandatory or permissive referendum.

3. Outstanding bonds may, with the consent of the holders thereof, be exchanged for refunding bonds (i) if the refunding bonds are to bear interest at a rate equal to or lower than that borne by the bonds to be refunded, or (ii) if, in the case of the city of New York, the annual payment required for principal and interest on the refunding bond is less than the annual payment required for principal and interest on the bond to be refunded, in each case such annual payments to be determined by dividing the total principal and interest payments due over the remaining life of the bond by the number of years to maturity of the bond, or (iii) if, in the case of the city of New York, the bond to be refunded contains a covenant referring to the existence of the New York state emergency financial control board for the city of New York or any other covenant relating to matters other than the prompt payment of principal and interest on the obligation when due, and the refunding bond omits or modifies any such covenant, or (iv) if, in the case of the city of New York, the bond to be refunded is guaranteed by the federal government.

4. All refunding bonds shall contain a recital that they are issued pursuant to this chapter, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

k. The authority herein granted to authorize the issuance of refunding bonds shall in no way be affected by the invalidity of or any irregularity in any proceedings authorizing the issuance of the bonds to be refunded, except that refunding bonds shall not be issued to refund bonds adjudged invalid by the final judgment of a court of competent jurisdiction.

§ 91.00 Refunding of capital notes. a. Where serial bonds have not been issued to finance any part of an object or purpose and such object or purpose has been financed by the issuance of a capital note, such capital note may be refunded by the issuance of serial bonds pursuant to this section.

b. The last installment of bonds issued pursuant to this section shall mature not later than the expiration of the maximum period of probable usefulness of the object or purpose for which the capital note was issued. Such period shall be that which was in effect at the time the capital note was originally issued unless such period has been subsequently shortened, in which event the shorter period in effect at the time of the issuance of the bonds shall apply.

c. The first installment of bonds issued pursuant to this section shall mature not later than eighteen months after the date of issuance of such bonds or two years after the date of original issuance of such notes, whichever is the earlier. However, if bond anticipation notes are issued in anticipation of bonds authorized to be issued pursuant to this section, the provisions of section 23.00 of this chapter shall apply with respect to the issuance, maturity and renewal thereof provided that the date of original issuance of the capital note which is being refunded shall be deemed to be the original date of issue of such bond anticipation notes and provided further that such bond anticipation notes or the renewal thereof shall not extend beyond five years from such original date of issue, and in such case, the first installment of such bonds may, in the alternative, be made to mature not later than five years from the date of the original issuance of such capital note. No annual installment of such bonds shall be more than fifty per centum in excess of the smallest prior installment.

d. Bonds issued pursuant to this section shall not be designated as refunding bonds but shall contain a recital that they are issued pursuant to this section. The provisions of this chapter, including but not limited to sections 33.10, 34.00, 35.00, 36.00, 37.00, 38.00 and 107.00, relating to the authorization, form and contents, sale, execution and issuance of serial bonds, other than refunding bonds issued pursuant to section 90.00 of this chapter, shall apply to the authorization, form and contents, sale, execution and issuance of such bonds issued pursuant to this section. The bond resolution shall contain a description of the capital note to be refunded and a statement of the maximum period of probable usefulness of the object or purpose for which the capital note was issued and which was in effect on the date of issuance of the note and that which will be in effect on the date of issuance of the bonds.

e. Capital notes issued by a municipality to provide current funds for a down payment in connection with the financing of capital improvements or equipment, required pursuant to the provisions of paragraph b, or subdivision one of paragraph c, of section 107.00 of this chapter, shall not be refunded.

§ 92.00 Refunding of bond anticipation notes issued by a school district prior to annexation or consolidation. a. Where serial bonds have been authorized by a school district to finance an object or purpose and in anticipation of the issuance of such bonds the school district has issued a bond anticipation note or notes and subsequent to the issuance and prior to the maturity of such note or notes such school district has been annexed to an adjoining district or adjoining districts as provided in section fifteen hundred five of the education law or consolidated as provided in section fifteen hundred twelve or section fifteen hundred twenty-two or section fifteen hundred twenty-six of the education law, the enlarged school district formed by such annexation or consolidation may issue its serial bonds pursuant to this section for the object or purpose of refunding such bond anticipation note or notes.

b. It is hereby determined that the period of probable usefulness of the object or purpose for which bonds may be issued pursuant to this section is the same as the period of probable usefulness specified in paragraph a of section 11.00 of this chapter for the object or purpose for which the serial bonds were authorized by such school district prior to its annexation or consolidation. The last installment of bonds issued pursuant to this section shall mature not later than the expiration of the maximum period of probable usefulness of such object or purpose. Such period shall be that which was in effect at the time the first bond anticipation note was issued unless such period has been subsequently shortened, in which event the shorter period in effect at the time of the issuance of the bonds shall apply.

c. Bonds issued pursuant to this section shall be issued within five years after the date of issuance of the first such bond anticipation note and the first installment thereof shall mature not later than eighteen months after the date of issuance of such bonds or five years after the date of issuance of the first such note, whichever is the earlier. No annual installment of such bonds shall be more than fifty per centum in excess of the smallest prior installment.

d. Bonds issued pursuant to this section shall not be designated as refunding bonds but shall contain a recital that they are issued pursuant to this section. The provisions of this chapter, including but not limited to section 37.00, relating to the authorization, form and content, sale, execution and issuance of serial bonds, other than bonds issued pursuant to sections 90.00 and 91.00 of this chapter, shall apply to the authorization, form and content, sale, execution and issuance of such bonds issued pursuant to this section. The bond resolution shall contain a description of the bond anticipation note or notes to be refunded and a statement of the maximum period of probable usefulness of the object or purpose for which the bond anticipation note or notes were issued and which was in effect on the date of issuance of the first bond anticipation note and that which will be in effect on the date of issuance of the bonds.

e. The object or purpose for which bonds may be issued pursuant to this section shall constitute a specific object or purpose within the meaning of said term as used in this chapter.

§ 93.00 Refunding of urban renewal notes. a. To the extent that the moneys in anticipation of the receipt of which an urban renewal note or notes have been issued pursuant to section 25.10 of this chapter are not received by a municipality or are not received in an amount sufficient to redeem such notes in full, such notes may be refunded by the issuance of serial bonds pursuant to this section.

b. It is hereby determined that the period of probable usefulness of the object or purpose for which bonds may be issued pursuant to this section is the same as the period of probable usefulness specified in subdivision forty-one-a of paragraph a of section 11.00 of this chapter. The last installment of bonds issued pursuant to this section shall mature not later than the expiration of the maximum period of probable usefulness of such object or purpose as computed from the date of the first urban renewal note or notes so issued. Such period shall be that which was in effect at the time the first urban renewal note was issued unless such period has been subsequently shortened, in which event the shorter period in effect at the time of the issuance of the bonds shall apply.

c. Bonds issued pursuant to this section shall not be designated as refunding bonds but shall contain a recital that they are issued pursuant to this section. The provisions of this chapter, including but not limited to sections 33.10, 34.00, 35.00 and 36.00, relating to the authorization, form and content, sale, execution and issuance of serial bonds, other than bonds issued pursuant to sections 90.00 and 91.00 of this chapter, shall apply to the authorization, form and content, sale, execution and issuance of such bonds issued pursuant to this section. The bond resolution shall contain a description of the urban renewal note or notes to be refunded in whole or in part.

d. In the event that a municipality, after the issuance pursuant to this section of any bonds to refund any outstanding urban renewal note or notes, shall receive or collect any moneys in anticipation of the receipt of which such urban renewal note or notes were issued, such moneys shall be set aside in a special bank account to be used only for the payment of the principal of and interest on such bonds.

TITLE 8

LIMITATIONS ON THE POWER TO CONTRACT INDEBTEDNESS

§ 100.00 Requirement of pledge of faith and credit. Every municipality, school district and district corporation shall pledge its faith and credit for the payment of all indebtedness contracted by it.

§ 101.00 Giving or loaning of municipal credit and contracting indebtedness other than for municipal purposes prohibited. a. No municipality, school district or district corporation shall:

1. Give or loan its credit to or in aid of any individual, or public or private corporation or association, or private undertaking, or

2. Contract indebtedness except for the purposes of such municipality,

school district or district corporation.
Notwithstanding the foregoing provisions of this paragraph:

1. If any municipality or any county or town on behalf of an improvement district is authorized by a general law or by a special law (a) to provide a supply of water, in excess of its own needs, for sale to any other public corporation or improvement district, (b) to provide facilities, in excess of its own needs, for the conveyance, treatment and disposal of sewage, from any other public corporation or improvement district, or (c) to provide facilities, in excess of its own needs, for drainage purposes from any other public corporation or improvement district, the indebtedness contracted by the municipality for such an object or purpose shall be deemed to be for a county, city, town or village purpose, as the case may be.

2. If any two or more municipalities and county and town improvement districts are authorized by a general law or by a special law (a) to provide for a common supply of water, (b) to provide for the common conveyance, treatment and disposal of sewage or (c) to provide for a common drainage system, the joint indebtedness, or the several indebtedness for a specific proportion of the cost, contracted by the municipality for such an object or purpose shall be deemed to be for a county, city, town or village purpose, as the case may be.

3. If any two or more municipalities and school districts and county and town improvement districts are authorized by a general law or by a special law to join together to provide any municipal facility, service, activity or undertaking which each of such units has the power to provide separately, the joint indebtedness, or the several indebtedness for a specific proportion of the cost, contracted by the municipality or school district for such an object or purpose shall be deemed to be for county, city, town, village or school district purpose, as the case may be.

b. This section shall not be deemed to prevent:

1. A county from contracting indebtedness for the following purposes:

(a) Advancing to a city, town or school district, pursuant to law, the amount of unpaid taxes.

(b) Financing tax refunds required to be made by section seven hundred twenty-six of the real property tax law.

(c) Paying to the state the state tax levied against such county.

2. A town from contracting indebtedness for the following purposes:

(a) Advancing to a county or school district, pursuant to law, the amount of unpaid taxes.

(b) Paying to a county such town's share of the state tax levied against such county if such town is required by law to levy and collect such tax.

3. A city from contracting indebtedness for the following purposes:

(a) Advancing to a county or school district, pursuant to law, the amount of unpaid taxes.

(b) Paying to a county such city's share of the state tax levied against such county if such city is required by law to levy and collect such tax.

4. A municipality from making such provision for the aid, care and support of the needy, including the aid, care and support of neglected and dependent children and of the needy sick, as may be authorized by law.

5. A county, city or town from providing, pursuant to law, for the care, support, maintenance and secular education of inmates of orphan asylums, homes for dependent children or incarcerated individuals in correctional institutions and of children placed in family homes by authorized agencies, whether under public or private control.

6. A municipality or school district, when authorized by law, from using its credit for

(a) The examination or inspection of any school or institution of learning wholly or in part under the control or direction of any religious denomination, or in which any denominational tenet or doctrine is taught, or

(b) The transportation of children to and from any school or institution of learning.

7. A city, town or village from giving or loaning its credit when authorized to do so by the legislature pursuant to the provisions of article eighteen of the state constitution.

8. A county, city or town from increasing, pursuant to law, pension benefits payable to retired members of a police department or fire department or to widows, dependent children or dependent parents of members or retired members of a police department or fire department.

9. A municipality, school district or district corporation from increasing, pursuant to law, the amount of pension of any member of a retirement system of the state, or of a subdivision of the state.

10. A municipality, school district or district corporation from providing, pursuant to law, for the protection by insurance or otherwise against the hazards of unemployment, sickness and old age.

11. A municipality or school district from providing, pursuant to law, for the education and support of the blind, the deaf, the mute, the physically handicapped and juvenile delinquents or for health and welfare services for all children.

12. A city, town or village from expending or loaning its money, property or credit as consideration for the effectuation of all or part of the public purpose provided for in sections eleven-a and thirty-six-a of the private housing finance law.

13. A municipality from making loans of money or credit to or in aid of any eligible corporation or association for the purpose of providing hospital or other facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or appurtenant thereto, as may be authorized by law pursuant to section seven of article seventeen of the state constitution.

§ 102.00 Consent by cities, towns and villages to the contracting of indebtedness by certain district corporations. a. As used in this section, the term "district corporations" shall mean any district corporation other than a fire district, or a river improvement, river regulating, or drainage district, established by or under the supervision of the department of conservation.

b. A district corporation, as defined in paragraph a of this section, shall not contract any indebtedness unless it shall first secure the consent of the city or village within which, or of the town within any unincorporated area of which, it is situated in whole or in part.

c. Whenever any district corporation, as defined in paragraph a of this section, shall desire to contract indebtedness, it shall file a petition in the office of the chief fiscal officer of each city, town or village affected, for the consent of such municipality to the contracting of such indebtedness. Such petition shall be executed by the finance board of such district corporation and shall contain the following items:

1. The amount of outstanding indebtedness of such district corporation, the purposes for which it was contracted and the manner in which such indebtedness will be paid.

2. The amount of outstanding indebtedness of such district corporation contracted on or after January first, nineteen hundred thirty-nine, less the total of those amounts included therein which, if contracted by such city, town or village, would be listed as deductions by such municipality, pursuant to section 136.00 of this chapter, in the debt statement of total net indebtedness prepared pursuant to title ten of article two of this chapter. The amounts so deducted shall be itemized.

3. The amount of the indebtedness proposed to be contracted by such district corporation, the purpose for which and the manner in which it will be contracted. If only part of such a district corporation is

situated within such city, village or the unincorporated area of such town, the petition shall state the proportionate amount of such indebtedness which would be allocated to such city, village or town, pursuant to the procedure set forth in section 120.00 of this chapter, regardless of whether such indebtedness would or would not be included in ascertaining the power of such municipality to contract indebtedness if contracted by such municipality.

4. The manner in which funds will be provided for the payment of the proposed indebtedness.

5. A description of the real property within such city, town or village subject to the levy of taxes or benefit assessments by or on behalf of such petitioning corporate district.

6. The receipts and expenditures of such district corporation for the latest completed fiscal year thereof.

d. Immediately after receipt of the petition, the chief fiscal officer of such city, town or village shall prepare a certificate which shall contain:

1. The average full valuation and the most recent assessed valuation of such city, town or village and the average full valuation and the most recent assessed valuation of the real property therein subject to the levy of taxes or benefit assessments by or on behalf of such petitioning district corporation.

2. A statement of the debt of such city, town or village, prepared in the manner set forth in title ten of article two of this chapter, as of a date not more than thirty days previous to the date of such certificate, except that in a city containing more than one county such statement shall be prepared as of a date not more than sixty days previous to the date of such certificate.

3. The amount of indebtedness proposed to be contracted by the petitioning district corporation or if such district corporation is not

wholly contained within such city, village, or the unincorporated area of such town, the proportionate amount of such indebtedness which would be allocated to such city, village or town pursuant to the procedure set forth in section 120.00 of this chapter, regardless of whether such indebtedness would or would not be included in ascertaining the power of such municipality to contract indebtedness, and the percentage which such proposed indebtedness or proportionate amount thereof, as the case may be, bears to

(a) The average full valuation of such city, town or village and

(b) The average full valuation of the real property within such city, town or village subject to the levy of taxes or benefit assessments by or on behalf of the petitioning district corporation.

e. The finance board of each such city, town or village may require any officer, board or agency of such municipality or of the district corporation to furnish such additional data and information in his or its possession as such finance board deems necessary to enable it to make its decision as to whether or not to grant the consent petitioned for.

f. The chief fiscal officer shall present the petition of the district corporation to the finance board of such city, town or village together with his certificate at the next regular meeting of such board to be held after the preparation of his certificate or at a special meeting thereof called for the purpose of fixing a time and place for a public hearing on such petition. Upon presentation of the petition and certificate, the finance board of such city, town or village shall adopt a resolution fixing a time and place for a public hearing upon such petition and shall cause a notice thereof to be published at least once in the official newspaper or newspapers of such municipality, or if there be no such newspaper or newspapers, then in a newspaper having a general circulation in such city, town or village. The first publication thereof shall be not less than ten days nor more than twenty days before the day designated therein for the hearing. Such notice shall specify the purpose of the hearing and the time when and place where such finance board will meet to consider such petition. It shall also set forth in full the certificate of the chief fiscal officer of such city, town or village. Such publication shall be at the expense of the petitioning district corporation.

g. After a public hearing held upon notice as hereinbefore provided, the consent of such city, town or village may be granted by at least a two-thirds vote of the voting strength of such finance board. If such finance board shall consent to the contracting of indebtedness in an amount which would increase the indebtedness of such city, town or village by three per centum of the average full valuation thereof, such action shall:

1. In the case of a city, be subject to a permissive referendum if a procedure for a permissive referendum shall have been adopted by local law pursuant to section 34.00 of this chapter.

2. (a) In the case of a town of the first class, be subject to a permissive referendum in the manner provided in section 35.00 of this chapter.

(b) In the case of a town of the second class, be subject to a mandatory referendum in the manner provided in article six of the town law.

3. In the case of a village, be subject to a permissive referendum in the manner provided in section 36.00 of this chapter.

h. If all the cities, towns or villages affected do not give their consent to the petitioning district corporation in the manner provided in this section, such corporate district shall not contract such indebtedness.

§ 103.00 Limitation on the power of cities and villages to authorize certain obligations. a. If in any city or village, prior to the effective date of this chapter, a water board, public utility board or other agency, (other than the council, common council, board of aldermen, board of estimate, board of estimate and apportionment, board of estimate and contract, board of trustees of a village, board of education or board of trustees of a school district, or governing board of a public authority or district) had the power to authorize the issuance of obligations or to request the finance board or similar appropriate agency of the city or village to issue obligations for an object or purpose, the finance board of such city or village may thereafter authorize the issuance of obligations for such an object or purpose only upon the recommendation of such agency.

§ 104.00 Limitation on amount of local indebtedness which may be contracted. a. The term "indebtedness", as used in this section, shall mean in relation to a county, city, town, village, school district or fire district, any indebtedness other than an indebtedness which would be excluded, pursuant to law, in ascertaining the power of such county, city, town, village, school district or fire district to contract indebtedness. For purposes of any debt limitation contained in this title and title nine of this article, when obligations are sold by a county, city, town, village, school district or fire district at a discount, the term indebtedness shall only include the original amount of money actually received by such county, city, town, village, school district or fire district, irrespective of the face amount of the obligations at maturity.

* b. No county, city, town, village or school district in a city shall contract indebtedness for any purpose or in any manner which, including existing indebtedness, shall exceed an amount equal to the following percentages of the average full valuation of such county, city, town, village or school district:

1. The county of Nassau, for county purposes, ten per centum;

2. Any county, other than the county of Nassau, for county purposes, seven per centum;

3. The city of New York, for city purposes, ten per centum;

4. Any city, other than the city of New York, having one hundred twenty-five thousand or more inhabitants according to the latest federal

census, for city purposes; nine per centum;

5. Any city having less than one hundred twenty-five thousand inhabitants according to the latest federal census, for city purposes, excluding education purposes, seven per centum;

6. Any town, for town purposes, seven per centum;

7. Any village, for village purposes, seven per centum; and

8. Any school district in a city, for education purposes, five per centum.

* NB Effective until approval of a concurrent resolution proposing an amendment to section 4 of article 8 of the constitution at the 2023 general election

* b. No county, city, town or village shall contract indebtedness for any purpose or in any manner which, including existing indebtedness, shall exceed an amount equal to the following percentages of the average full valuation of such county, city, town or village:

1. The county of Nassau, for county purposes, ten per centum;

2. Any county, other than the county of Nassau, for county purposes, seven per centum;

3. The city of New York, for city purposes, ten per centum;

4. Any city, other than the city of New York, having one hundred twenty-five thousand or more inhabitants according to the latest federal census, for city purposes, nine per centum;

5. Any city having less than one hundred twenty-five thousand inhabitants according to the latest federal census, for city purposes, seven per centum;

6. Any town, for town purposes, seven per centum; and

7. Any village, for village purposes, seven per centum.

* NB Effective upon approval of a concurrent resolution proposing an amendment to section 4 of article 8 of the constitution at the 2023 general election

* c. Notwithstanding the provisions of paragraph b of this section any school district in a city may issue bonds, bond anticipation notes or capital notes for a specific object or purpose, and, where authorized by this chapter, for a class of objects or purposes, in an amount which, including existing indebtedness, shall exceed an amount equal to five per centum of the average full valuation of such school district, provided:

1. The tax voted to be collected in installments in relation thereto, or the proposition for the approval of a bond resolution or capital note resolution in relation thereto, shall have been voted or approved, as the case may be, by at least a sixty per centum vote of the qualified voters voting thereon in person at the meeting or election called for such purpose;

2. The proposition to authorize the tax to be collected in installments in relation thereto, or the proposition for the approval of a bond resolution or capital note resolution in relation thereto, contained a statement to the effect that the obligations to be issued may be issued in excess of the constitutional debt limitation of the school district; and

3. The board of regents and the state comptroller severally shall consent thereto.

* NB Effective until approval of a concurrent resolution proposing an amendment to section 4 of article 8 of the constitution at the 2023 general election

* c. A school district, except for the payment of judgments, or compromised or settled claims against the school district, or awards or sums payable by the school district pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity, shall not issue bonds or bond anticipation notes, if the indebtedness of the school district determined pursuant to

section 137.00 of this article will exceed ten per centum of the full valuation of the real property subject to taxation by the school district, unless:

1. The tax voted to be collected in installments in relation thereto, or the proposition for the approval of a bond resolution in relation thereto, shall have been voted or approved, as the case may be, before July first, nineteen hundred sixty-three, by at least a two thirds vote, or on and after July first, nineteen hundred sixty-three, by at least a sixty per centum vote, of the qualified voters voting thereon in person at the meeting or election called for such purpose;

2. The board of regents shall consent thereto; and

3. In a school district located wholly or partly in the Adirondack park which has within its boundaries state lands subject to taxation, the full valuation of which is more than thirty per centum of the full valuation of the real property subject to taxation by the school district, the state comptroller, on behalf of the state, also shall consent thereto.

* NB Effective upon approval of a concurrent resolution proposing an amendment to section 4 of article 8 of the constitution at the 2023 general election

* d. A school district, other than a school district in a city, having an aggregate assessed valuation of taxable real property of one hundred thousand dollars or over, except for the payment of judgments, or compromised or settled claims against the school district, or awards or sums payable by the school district pursuant to a determination by a court, or an officer, body or agency acting in an administrative or quasi-judicial capacity, shall not issue bonds or bond anticipation notes, if the indebtedness of the school district determined pursuant to section 137.00 of this chapter will exceed ten per centum of the full valuation of the real property subject to taxation by the school district, unless:

1. The tax voted to be collected in installments in relation thereto, or the proposition for the approval of a bond resolution in relation

thereto, shall have been voted or approved, as the case may be, before July first, nineteen hundred sixty-three, by at least a two thirds vote, or on and after July first, nineteen hundred sixty-three, by at least a sixty per centum vote, of the qualified voters voting thereon in person at the meeting or election called for such purpose;

2. The board of regents shall consent thereto; and

3. In a school district located wholly or partly in the Adirondack park which has within its boundaries state lands subject to taxation, the full valuation of which is more than thirty per centum of the full valuation of the real property subject to taxation by the school district, the state comptroller, on behalf of the state, also shall consent thereto.

* NB Effective until approval of a concurrent resolution proposing an amendment to section 4 of article 8 of the constitution at the 2023 general election

e. No fire district shall contract idebtedness for any purpose or in any manner to an amount which, including existing indebtedness, shall exceed three per centum of the full valuation of the taxable real property of such fire district, except that a fire district may contract indebtedness to an amount which, including existing indebtedness, shall not exceed five per centum of the full valuation of the taxable real property of the fire district if the proposition, when required, for the approval of the resolution authorizing the contracting of such indebtedness shall have been approved by a two-thirds vote of the qualified voters of the fire district voting thereon in person at the election called for that purpose and the state comptroller consents thereto. Before any such consent is granted, the state comptroller shall find and determine that it is in the public interest that the limitation of three per centum should be exceeded.

§ 104.10 Additional limitations on the power to contract indebtedness. In addition to the other limitations of this chapter on the power to contract indebtedness:

1. Any municipality, school district or district corporation shall be subject to the limitations contained in any law requiring such municipality, school district or district corporation to adopt, whether or not as a part of an annual budget, a budget of the capital projects which it may undertake, continue, complete or acquire during the twelve months' period for which such budget is adopted.

2. Any county operating under an alternative form of government which provides for the establishment of a county debt commission may establish such a commission for the regulation, pursuant to such law, of the contracting of indebtedness by such county and the units of government within such county.

3. Any town which

(a) Is wholly or partly within the Adirondack park, and

(b) Has within its boundaries state lands subject to taxation assessed at more than thirty per centum of the total taxable assessed valuation of such town as determined from the assessment rolls of the town, as completed from time to time, shall not issue its bonds, bond anticipation notes, capital notes or budget notes if by doing so the amount of its outstanding indebtedness evidenced by bonds, bond anticipation notes, capital notes, budget notes and certificates of indebtedness, plus the amount of the indebtedness proposed to be incurred, shall exceed five percent of such town's revenues for the last year the state comptroller has such data or one hundred thousand dollars whichever is the lesser; provided, however, such obligations may be issued originally by any such town upon the duly verified petition of the owners of at least sixty-five per centum of the taxable real property therein, as such real property appears on the last preceding completed assessment-roll of such town, or upon the certificate of the state comptroller consenting, on behalf of the state, to the original issuance of such obligations. For the purposes of any such petition, the state comptroller may act on behalf of the state. The state comptroller shall annually calculate the dollar amount equal to five percent of such town's total revenue for the last year the comptroller has such data on file. Such bonds shall be refunded only pursuant to the provisions of section 90.00 or 90.10 of this chapter. Such bond anticipation notes, capital notes and budget notes may be renewed as provided in sections 23.00, 28.00 and 29.00 of this chapter, respectively. The consent of the state comptroller shall not be required under this subdivision in any such town in connection with the issuance of obligations for the purposes of an improvement district if they are issued in accordance with the statement of the proposed manner of financing an improvement as set forth in an application to the state comptroller made pursuant to section one hundred ninety-four of the town law and in compliance with the terms or conditions, if any, of the order of the state comptroller made pursuant to such section. Likewise, such consent shall not be required under this subdivision in connection with the issuance of obligations for the purpose of financing an expenditure in a town improvement district where the expenditure has been approved by the state comptroller.

4. Any town which, without first obtaining the permission of the state comptroller, shall have established or extended an improvement district prior to September first, nineteen hundred forty-five, or which shall establish or extend any such district after August thirty-first, nineteen hundred forty-five, shall not issue its bonds, bond anticipation notes or capital notes for the purposes of any such district or extension, except for improvements undertaken pursuant to sections one hundred ninety-nine, two hundred two-b of the town law, and section 222.5 of the Nassau county civil divisions act, and except when the cost of the district or extension to the typical property or, if different, the cost to the typical one or two family home is not above the average cost threshold as may be annually computed by the state comptroller pursuant to section one hundred ninety-four or two hundred nine-f of the town law, unless it secure the permission of the state comptroller, granted upon a written application signed and verified by the supervisor or such other officer of the town as the town board shall determine. Any such application shall include:

(a) A certified copy of the petition for the creation of the district (omitting, however, the signatures and acknowledgements or proofs);

(b) An itemized statement of the then outstanding indebtedness of the town for all purposes as evidenced by bonds, bond anticipation notes, capital notes and budget notes; the amount of joint indebtedness contracted or incurred for a joint service or a joint water, sewage or drainage project and the amount of such indebtedness allocated and apportioned to the town, as defined in title one-a of the local finance law; the amount of the indebtedness proposed to be contracted for the improvement; the amount of budgetary appropriations for the payment of any such indebtedness, whether or not such appropriations have been realized as cash, and the amounts, purposes and probable dates of issuance of any bonds, bond anticipation notes, capital notes and budget notes which the town has authorized to be issued but which in fact have not been issued on the date of such application;

(c) A statement of the aggregate assessed valuation of the real property in the district, as such assessed valuations are shown on the last completed assessment roll of the town prior to the date of such application; and

(d) A statement of the average full valuation of the taxable real property of the town. Such average full valuation shall be determined by taking the assessed valuation of the taxable real property of the town as it appears on the assessment roll of the town which was last completed prior to the date of the application, and such valuations as they appear on each of the four preceding rolls; dividing the amount for each such roll by the equalization rate established for it for the assessment of special franchises by the state officer or agency authorized to establish such rates; adding the quotients thus obtained, and dividing the sum thereof by five; and

(e) A certified copy of the resolution authorizing the issuance of the obligations in connection with which the application is made.

The state comptroller in his discretion may require the submission of additional information in such form and detail as he shall deem sufficient, or may cause an investigation to be made, to aid him in making the determinations herein required. Any such application may be amended prior to any final determination. If the state comptroller shall determine (1) that the issuance of the obligations will not cause an undue burden upon the property of the district, and (2) that amount of the indebtedness of the town for all purposes as evidenced by bonds, bond anticipation notes, capital notes and budget notes, plus the amount of the indebtedness proposed to be incurred for the improvement district, less the amount of budgetary appropriations for the payment of any such indebtedness, whether or not such appropriations have been realized as cash, as of the date of the application filed with the state comptroller, will not exceed fifteen per centum of the average full valuation of the taxable real property of the town he shall grant such application; otherwise, it shall be denied. Such average full valuation shall be determined in the manner provided in this subdivision. If any such application shall be granted by the state comptroller, it shall not be necessary to apply to the state comptroller under the provisions of subdivision three of this section for his consent to the issuance of the obligations described in the application made pursuant to this subdivision. There shall be excluded from the amount of indebtedness to be considered by the state comptroller in making such determination any indebtedness allocated or apportioned or proposed by all the participating municipal corporations to be allocated or apportioned to any municipal corporation other than such town in accordance with the provisions of section 15.10 of the local finance law.

5. Any town, in any county now or hereafter operating under an optional form of government, shall not let any contract or incur any indebtedness whatsoever for any capital improvement for any improvement district therein for which such town intends to issue obligations unless it shall have first secured the consent of the finance board of such county to the issuance of such obligations. Whenever any such town intends to issue obligations for such a purpose, it shall present a petition to the finance board of such county, setting forth the improvement proposed and the amounts and type or types of obligations to be issued and requesting the approval of such county for the issuance of the obligations. The finance board of such county within sixty days after the presentation of such petition, by resolution, shall either approve or disapprove of the issuance of such obligations and shall forward a certified copy of such resolution to the town board of such town.

6. Any fire district which is situated in whole or in part in a town which is wholly or partly within the Adirondack park and has within the

town boundaries state lands subject to taxation assessed at more than thirty per centum of the total taxable assessed valuation of the town as determined from the assessment rolls of the town, as completed from time to time, shall not issue its bonds, bond anticipation notes, capital notes or budget notes if by doing so the amount of outstanding indebtedness evidenced by bonds, bond anticipation notes, budget notes and certificates of indebtedness, plus the amount of the indebtedness proposed to be incurred shall exceed five percent of such district's revenues for the last year the comptroller has such data or one hundred thousand dollars whichever is the lesser unless the state comptroller, on behalf of the state, shall consent thereto.

7. The total amount of bonds or capital notes which may be authorized in any fiscal year of the municipal corporation, school district or district corporation to finance advance planning pursuant to section ninety-nine-d of the general municipal law shall not exceed the maximum amount of budget notes which it may issue in such year pursuant to subdivision two or three of paragraph a of section 29.00 of this chapter, as the case may be, provided, however, that for the purposes of this subdivision, amounts which are to be paid in the first instance from improvement district assessments shall be included in computing "the amount of the annual budget" of a town or a county in accordance with section 29.00 of this chapter.

§ 105.00 Exclusion of indebtedness for certain assessable improvements; Buffalo, Rochester and Syracuse. In ascertaining the power of the cities of Buffalo, Rochester and Syracuse to contract indebtedness, there may be excluded the outstanding indebtedness contracted by each of such cities for so much of the cost and expense of any public improvement as may be required by the ordinance or local law assessing the same to be raised by assessment upon local property or territory, to the extent that such outstanding indebtedness together with other indebtedness initially contracted therefor from time to time after January first, nineteen hundred twenty-eight and since retired, aggregates, in the case of the cities of Buffalo and Rochester, a sum not exceeding ten million dollars, and in the case of the city of

Syracuse, a sum not exceeding five million dollars. Any indebtedness thereafter contracted for such purposes in excess of such sums shall not be so excluded. Nothing in this section shall be construed to prevent the exclusion of any refunded indebtedness if the indebtedness refunded could have been excluded pursuant to this section.

§ 106.00 When debt-contracting power of certain counties and towns shall cease. a. Whenever the boundaries of any city are the same as those of a county, or when any city includes within its boundaries more than one county, the power of any county wholly included within such city to contract indebtedness shall cease.

b. Whenever the boundaries of any village are the same as those of a town, or when any village includes within its boundaries a town, the power of any town wholly included within such village to contract indebtedness shall cease.

§ 107.00 Down payment. a. As used in this section the term "current funds" shall include:

1. Budgetary appropriations for capital improvements or equipment, which appropriations have not lapsed.

2. The proceeds of capital notes issued for the payment of the cost of capital improvements or equipment.

3. Revenues other than real estate taxes or assessments, which have been collected or received during a fiscal year in excess of the total amount of such revenues as estimated for such fiscal year, and surplus funds and unexpended balances, which are available to be applied toward the payment of the cost of capital improvements or equipment.

4. Capital reserve funds established pursuant to section six-c of the general municipal law.

5. The trade-in allowance received for any equipment traded in as part of the cost of equipment being purchased.

Nothing herein contained shall be construed to permit the diversion of the proceeds of budgetary appropriations, capital notes, or capital reserve funds to a purpose other than that for which such appropriations, capital notes, or capital reserve funds, respectively, were made, issued or established.

b. No municipality shall:

1. Issue bonds or bond anticipation notes for a specific capital improvement or items of equipment or several specific capital improvements or items of equipment or a combination thereof, or

2. Make expenditures for a specific capital improvement from the proceeds of bonds or bond anticipation notes issued for a class or classes of capital improvements or from a fund into which the proceeds of bonds or bond anticipation notes are paid
unless it shall have first provided from current funds a sum of money sufficient to pay at least five per centum of the estimated cost of each such capital improvement or such equipment. The term "estimated cost", as used in this paragraph, shall not include (a) the portion of the cost of any capital improvement which is to be paid by the United States or the state of New York or which is to be paid from funds, other than loans, granted to such municipality therefor by the United States or the state of New York, or (b) the portion of the cost of any capital improvement which is to be paid by assessments upon benefited real property in an area less than the area of the municipality.

c. 1. During the first fiscal year of a city commencing on or after July first, nineteen hundred forty-four, in which its debt-contracting power has been exhausted by more than fifty per centum and in which its net indebtedness is in excess of one hundred twenty-five million dollars, such minimum percentage to be provided by such city from current funds, as prescribed in paragraph b of this section, shall be increased by nine per centum. Thereafter, during each succeeding fiscal year such minimum percentage to be provided from current funds shall be increased by two per centum over and above the minimum percentage required for the preceding fiscal year, notwithstanding any increase in the amount of the debt-contracting power of any such city during such succeeding fiscal years. For the purposes of this subdivision the term "current funds" shall include only budgetary appropriations for capital improvements or equipment which appropriations have not lapsed, or the proceeds of capital notes issued for the payment of the cost of capital improvements or equipment.

2. The term "net indebtedness" used in this paragraph shall mean the total net indebtedness as ascertained pursuant to section 138.00 of this chapter. The percentage of debt-contracting power exhausted shall be computed pursuant to the provisions of subdivision two of paragraph a of section 140.00 of this chapter.

d. The provisions of this section shall not apply to:

1. Bonds to be issued to redeem bond anticipation notes previously issued.

2. Judgments, other than for capital improvements.

3. The following capital improvements:

(a) The acquisition, construction, reconstruction or equipment of or addition to a water supply or distribution system, whether or not including land.

(b) A capital improvement which the finance board by resolution estimates will be self-sustaining.

(c) The acquisition, construction or equipment of or addition to rapid transit railroads, whether or not including land.

(d) The acquisition, construction, reconstruction or equipment of or addition to electric light and power or gas plants or systems, whether or not including land.

(e) The acquisition, construction, reconstruction of or addition to docks, piers or wharf property, whether or not including land.

(f) The acquisition, construction, reconstruction of or addition to a bridge or a tunnel and the approaches thereto, whether or not including land, the cost of which is estimated to exceed ten million dollars.

(g) A capital improvement, the cost of which is estimated to exceed twenty million dollars.

(h) A capital improvement, the cost of which is estimated to exceed one million dollars and part of which cost is to be paid by assessments upon benefited real property in an area less than the area of the municipality.

(i) A capital improvement, of which at least fifty per centum of the cost is to be paid by assessments upon benefited real property in an area less than the area of the municipality, whether or not the cost of such improvement is estimated to be in excess of one million dollars.

(j) A capital improvement or the acquisition of equipment, when necessitated by some destructive agency or to prevent the happening of a calamity. The finance board, shall, by a four-fifths vote of its voting strength, determine when such an emergency exists. The determination of the finance board as to the existence of such an emergency shall be conclusive.

(k) The construction, reconstruction and equipment of city hospitals and schools, whether or not including land, if the bonds authorized for any such object or purpose shall have a maximum maturity not to exceed one-half of the maximum period of probable usefulness for any such object or purpose prescribed in paragraph a of section 11.00 of this chapter. Such maximum maturity shall be computed from the date of the bonds or the date of the first bond anticipation note issued in anticipation of such bonds, whichever date is the earlier, and shall not exceed fifteen years in any event.

(l) The acquisition, construction, reconstruction, or equipment of or addition to facilities for the conveyance, treatment and disposal of sewage, whether or not including land.

(m) The cost of the preparation, pursuant to section ninety-nine-d of the general municipal law, of surveys, preliminary plans and detailed plans, specifications and estimates necessary for planning for a capital improvement which it is contemplated might be undertaken in the future.

4. The financing by any municipality of any object or purpose, if the bonds authorized for any such object or purpose shall have a maximum

maturity not to exceed one-half of the maximum period of probable usefulness. Such maximum maturity shall be computed from the date of the bonds or the date of the first bond anticipation note issued in anticipation of such bonds, whichever date is the earlier, and shall not exceed fifteen years in any event.

5. The financing by any municipality of any object or purpose which has a period of probable usefulness of five years, or less, as prescribed in paragraph a of section 11.00 of this chapter.

6. The financing by any municipality of any urban renewal program or part thereof having a period of probable usefulness determined pursuant to subdivision forty-one-a of section 11.00 of this chapter.

7. The financing by any municipality of any object or purpose which has a period of probable usefulness prescribed in subdivision forty-one or subdivision forty-one-b of paragraph a of section 11.00 of this chapter.

8. Notwithstanding any other provision of law, the financing by the city of New York prior to July first, two thousand twenty-seven of any object or purpose which has a period of probable usefulness determined by law by the issuance of any bonds or notes, including (i) the issuance of bonds or notes to obtain reimbursement for funds heretofore advanced for the object or purpose for which the bonds or notes are being issued, (ii) the issuance of bonds or notes to redeem notes previously issued for the object or purpose for which the bonds or notes are being issued or (iii) the issuance of bonds to refund bonds previously issued for the object or purpose for which bonds are being issued.

9. Notwithstanding any other provision of law, the financing by any municipality, prior to July fifteenth, two thousand twenty-seven, of any object or purpose which has a period of probable usefulness determined by law, by the issuance of any bonds and notes, including (i) the issuance of bonds or notes, to redeem notes previously issued for the object or purpose for which the bonds or notes are being issued or (ii) the issuance of bonds to refund bonds previously issued for the object

or purpose for which bonds are being issued.

§ 108.00 Financing of safety net assistance on a pay-as-you-go basis. In the fiscal year of a county, city or town commencing during the calendar year nineteen hundred forty-four, and in each succeeding fiscal year, the total amount of the local share of safety net assistance of such a municipality shall be financed from moneys other than the proceeds of bonds, capital notes or budget notes. If in such fiscal year or the fiscal years succeeding, a supplemental appropriation is made for safety net assistance, the total amount of the local share thereof shall be financed by the issuance of budget notes or from moneys derived from sources other than the proceeds of bonds or capital notes.

§ 109.00 Filing of debt statement required. a. Not more than fifteen nor less than three days before any municipality, fire district, or any school district having an aggregate assessed valuation of taxable real property of one hundred thousand dollars or more, sells any bonds which are required to be sold at public sale, it shall file with the state comptroller a verified statement of its debt-contracting power prepared as of a date not more than thirty days previous to the date of the sale of such bonds, except that in a city containing more than one county the statement of its debt-contracting power shall be prepared as of a date not more than sixty days previous to the date of the sale of such bonds. The statement shall show the amount of obligations proposed to be sold at such sale. A duplicate copy of every such debt statement shall be filed in the same respective periods of time with the clerk or corresponding officer of such municipality, fire district or school district. In the case of a city containing more than one county, such statements in addition to being filed with the city clerk shall also be filed in the same respective periods of time in the office of the chief fiscal officer thereof. Debt statements and duplicates thereof, filed pursuant to this section, shall be public records.

b. Such statements shall be prepared in the manner prescribed in title ten of article two of this chapter. Any error, defect, omission or inaccuracy in any such statement, or in the manner of its execution or filing, shall not affect the validity of any obligations of any municipality, school district or fire district.

TITLE 9. PROCEDURES RELATING TO THE ASCERTAINMENT OF AMOUNTS TO BE INCLUDED OR EXCLUDED IN ASCERTAINING DEBT-CONTRACTING POWER

New York City.

§ 120.00 Indebtedness of certain district corporations; amount thereof included as indebtedness of municipalities. a. As used in this section:

1. The term "assessment roll" shall mean the assessment roll used for the annual county, city, town or village taxes, as the case may be.

2. The term "city, village or town affected" shall mean any city or village within which or any town within the unincorporated area of which, all or part of a district corporation, as defined in paragraph a of section 102.00 of this chapter, is situated.

3. The term "net indebtedness" shall mean any outstanding indebtedness contracted by a district corporation, as defined in paragraph a of section 102.00 of this chapter, on or after January first, nineteen hundred thirty-nine, other than an indebtedness which, if contracted by a city, town or village, would be excluded in ascertaining the power of such city, town or village to contract indebtedness.

4. The term "taxable real property" shall mean real property subject to taxation for any purpose by the city, town or village within which it is situated.

b. If a district corporation, as defined in paragraph a of section 102.00 of this chapter, is situated wholly within a city, village or the unincorporated area of a town, in ascertaining the power of such city, town or village to contract indebtedness there shall be included the net indebtedness of such district corporation.

c. If only part of a district corporation, as defined in paragraph a of section 102.00 of this chapter, is situated within a city, village or the unincorporated area of a town, in ascertaining the power of such city, town or village to contract indebtedness there shall be included the appropriate proportion of the net indebtedness of such district corporation. The amount of net indebtedness to be so included shall be annually determined in the following manner:

1. If such district corporation is situated wholly within the boundaries of a town, or is situated wholly within the boundaries of a county for which a county assessment roll is prepared, such district corporation, by its finance board, shall ascertain from the last completed assessment roll of such town or county:

(a) The assessed valuation of the taxable real property within such district corporation and

(b) The assessed valuation of the taxable real property within such district corporation situated in each such city, town or village affected.

The proportion of the net indebtedness to be included in ascertaining the power of each such city, town or village affected to contract indebtedness shall be determined by multiplying the amount of such net indebtedness of such district corporation by the percentage or ratio the assessed valuation of the taxable real property of such district corporation situated in each such city, town or village affected bears to the assessed valuation of all the taxable real property within such district corporation.

2. If such district corporation is not situated wholly within the boundaries of a town, or a county for which a county assessment roll is prepared, such district corporation, by its finance board, shall

(a) Ascertain from the last completed assessment roll of such cities or towns within which such district corporation is situated a statement of the assessed valuation of the taxable real property within such district corporation located in each such city, town or village affected.

(b) Procure from the appropriate state officer or agency a statement of the ratios of the assessed valuation to the true valuation established by such officer or agency for the last completed assessment roll of such cities or towns.

(c) Determine the full valuation of the taxable real property within such district corporation situated in each such city, town or village affected by dividing the assessed valuation of such real property by the ratio fixed for the city or town in which such taxable real property is situated. The total full value of the taxable real property within the entire district corporation shall be ascertained by adding together the full value of the taxable real property within the district corporation situated in each city, town or village affected.

(d) Ascertain the proportion of net indebtedness to be included in ascertaining the power of each such city, town or village affected to contract indebtedness by multiplying the amount of such net indebtedness of such district corporation by the percentage or ratio the full value of the taxable real property within such district corporation situated in such city, town or village affected bears to the total full value of the taxable real property within the entire district corporation.

d. Immediately after the close of a fiscal year of a district corporation, as defined in paragraph a of section 102.00 of this chapter, its finance board shall determine the net indebtedness of such district corporation and shall file with the chief fiscal officer of each city, town or village affected a written certificate setting forth the amount of such net indebtedness to be included, pursuant to this section, in ascertaining the power of such city, town or village to contract indebtedness.

§ 121.00 Indebtedness of school districts merged with or annexed to a school district in a city; amount thereof to be included as indebtedness of such school district. In ascertaining the power of a school district in a city to contract indebtedness the following indebtedness shall be included as indebtedness of such school district:

1. The amount of outstanding indebtedness of school districts which merged to form such school district, whether or not any of such merged school districts, prior to such merger, was a school district in a city, and whether or not any of such merged school districts still exist for the purpose of paying off its indebtedness or distributing its property.

2. The amount of outstanding indebtedness of any school district which was annexed to such school district, whether or not such annexed school

district prior to such annexation, was a school district in a city, and whether or not such annexed school district still exists for the purpose of paying off its indebtedness or distributing its property.

3. The appropriate proportion of the amount of outstanding indebtedness of any school district part of which was annexed to such school district, whether or not such partially annexed school district was a school district in a city. Such appropriate proportion of the amount of such outstanding indebtedness shall be ascertained by multiplying the total amount of such outstanding indebtedness by the ratio or percentage, as of the time of the annexation, that the full valuation of the portion of the school district annexed bore to the full valuation of the whole of such partially annexed district as it existed prior to such annexation.

§ 121.10 Indebtedness of school districts merged with or annexed to a school district outside of a city. a. In ascertaining the power of a school district, other than a school district in a city, to issue bonds or bond anticipation notes, there shall be included the amount of bonded indebtedness of a merged or annexed school district as follows:

1. The amount of outstanding bonds and bond anticipation notes of school districts which merged to form such school district, whether or not any of such merged school districts, prior to such merger, had an aggregate assessed valuation of one hundred thousand dollars or more, and whether or not any of such merged school districts still exist for the purpose of paying off its indebtedness or distributing its property.

2. The amount of outstanding bonds and bond anticipation notes of any school district which was annexed to such school district, whether or not such annexed school district, prior to such annexation, had an aggregate assessed valuation of one hundred thousand dollars or more, and whether or not such annexed school district still exists for the purpose of paying off its indebtedness or distributing its property.

3. The appropriate proportion of the amount of outstanding bonds and

bond anticipation notes of any school district part of which was annexed to such school district, whether or not the aggregate assessed valuation of such partially annexed school district, prior to such annexation, was one hundred thousand dollars or more. Such appropriate proportion of the amount of such outstanding bonds and bond anticipation notes shall be ascertained by multiplying the total amount of such outstanding bonds and bond anticipation notes by the ratio or percentage, as of the time of the annexation, that the average assessed valuation of the portion of the school district annexed bore to the average assessed valuation of the whole of such partially annexed district as it existed prior to such annexation.

§ 121.20 Exclusion of certain indebtedness of school districts other than school districts in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census in ascertaining their power to contract indebtedness. a. As used in this section:

1. The term "indebtedness" shall mean indebtedness evidenced by bonds and bond anticipation notes.

2. The term "school district" shall mean a school district other than a school district in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census.

b. In ascertaining the power of a school district to contract indebtedness, there may be excluded outstanding indebtedness contracted, or indebtedness to be contracted, for objects or purposes having periods of probable usefulness provided in paragraph a of section 11.00 of this chapter, to the extent to which the commissioner of education, or such person or persons as may be designated by the commissioner, shall estimate based upon facts existing on the date of such estimate that moneys receivable by the school district from the state as an apportionment for debt service for school building purposes, under laws existing on the date of such estimate, shall meet the interest on and the annual requirements for the payment of such indebtedness. Any such estimate shall describe the indebtedness to which it relates. An estimate shall be effective only until the June thirtieth next succeeding the date thereof.

c. The commissioner of education by rule or regulation may prescribe the manner and form in which a school district shall make application for any such estimate. The department of education shall furnish to the school district, without charge, three certified copies of any such estimate.

§ 121.30 Exclusion of certain indebtedness of school districts other than school districts in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census. In ascertaining the power of a school district, other than a school district in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census, to contract indebtedness under section 104.00 of this article, there may be excluded outstanding bonds and bond anticipation notes or indebtedness proposed to be contracted and to be evidenced by bonds or bond anticipation notes to finance the acquisition, construction and installation of a shelter or fallout shelter by such school district pursuant to section twenty-three-a of the New York state defense emergency act, but only to the extent to which such indebtedness, at the time it was contracted or is to be contracted, did not or will not exceed fifty dollars multiplied by the planned shelter occupancy of such shelter.

§ 122.00 Pay-as-you-go financing by the city of New York; ascertainment of indebtedness arising therefrom. a. Whenever the city of New York is required by law to pay for all or any part of the cost of a capital improvement by direct budgetary appropriation in any fiscal year or by the issuance of capital notes, the finance board of such city may, by resolution, elect to exclude from the tax limitation prescribed by section ten of article eight of the state constitution all or part of the taxes required for such direct budgetary appropriation or for the redemption of such capital notes. The amount so excluded shall be deemed to be indebtedness to the same extent and in the same manner as if such amount had been financed through indebtedness payable in equal annual installments over the period of probable usefulness of such capital improvement, as determined by section 11.00 of this chapter.

b. This section shall apply only to taxes required for a budgetary appropriation, or for the redemption of a capital note issued, for the payment, prior to the expiration of the fiscal year in which such capital improvement is completed, of all or any part of the cost of such capital improvement.

c. Where taxes required for such direct budgetary appropriation or for the redemption of such capital notes are so excluded from the tax limitation prescribed by section ten of article eight of the state constitution, the cost of the capital improvement or improvements for which the direct budgetary appropriation was made or the capital notes issued shall, to the extent of the amount of such taxes, be required by law to be financed in such manner and from no other source. Where taxes so raised are so excluded from such tax limitation, and where a surplus exists in the amount of taxes so excluded after paying all costs of a capital improvement or by reason of the abandonment of the acquisition or construction of a capital improvement, such surplus may be transferred, in the manner provided by law, to and may be used only for the purpose of (1) an appropriation for, or a capital reserve fund created or to be created for, a capital improvement having a like or lesser period of probable usefulness than the capital improvement for which such taxes were raised, or (2) an appropriation for the payment of interest on or principal of serial bonds of an issue having a maximum maturity of more than two years and maturing at or prior to the expiration of the period of probable usefulness of the capital improvement for which such taxes were raised.

d. The chief fiscal officer of such city shall determine the amount to be deemed indebtedness pursuant to this section, and shall set forth his determination in a statement in writing, executed in duplicate, signed and verified by him, which shall be in such form and contain such information as shall be prescribed by the state comptroller. Both copies of such statement shall be forwarded to the state comptroller, and, if approved by him, the determination therein set forth shall be conclusive. One copy of such determination, together with the approval of the state comptroller, shall be filed in the office of the department of audit and control and the other in the office of the chief fiscal officer of such city. Both of such copies shall be public records.

e. For the purposes of this section the term "capital improvement" shall include also boats, fire fighting vehicles and apparatus, machinery and apparatus for construction and maintenance, and motor vehicles having periods of probable usefulness assigned in subdivisions twenty-six, twenty-seven, twenty-eight and twenty-nine of paragraph a of section 11.00 of this chapter.

f. Any amounts determined to be deemed indebtedness of any county, city, other than the city of New York, village or school district in accordance with the provisions of this section or section eleven of article eight of the constitution as in force and effort prior to January first, nineteen hundred fifty-two, shall not be deemed to be indebtedness on and after such date.

§ 123.00 Exclusion of self-liquidating indebtedness in ascertaining the power of a municipality to contract indebtedness. a. As used in this section: 1. The term "outstanding indebtedness", shall mean indebtedness evidenced by bonds and bond anticipation notes.

2. The term "public improvement" shall mean either a single improvement or a group of improvements, which are maintained for the same purpose, including improvements used primarily in connection therewith, and which are producing or are intended to produce revenue.

b. 1. In ascertaining the power of a municipality to contract indebtedness, there may be excluded, to the extent permitted in paragraph e of this section, the outstanding indebtedness contracted by any such municipality for a public improvement or part thereof, or service, owned or rendered by such municipality if such public improvement or part thereof, or service, shall have yielded net revenue to such municipality during the preceding fiscal year in a sum equal to twenty-five per centum or more of the amount required in such year for the payment of the interest on and amortization of, or payment of, such outstanding indebtedness.

2. The outstanding indebtedness of a district corporation, as the term "district corporation" is defined in paragraph a of section 102.00 of this chapter, contracted on or after January first, nineteen hundred thirty-nine, may be excluded, to the extent permitted in paragraph e of this section, in ascertaining the indebtedness of a city or village within which, or of a town within the unincorporated area of which, such district corporation is situated in whole or in part, if such outstanding indebtedness was contracted for a public improvement or part thereof, or service, owned or rendered by such district corporation and if such public improvement or part thereof, or service, shall have yielded net revenue to such district corporation during the preceding fiscal year of the district corporation in a sum equal to twenty-five per centum or more of the amount required in such year for the payment of the interest on and amortization of, or payment of, such outstanding indebtedness.

3. In ascertaining the power of a county or town to contract indebtedness, there may be excluded, to the extent permitted in paragraph e of this section, the outstanding indebtedness contracted by any such county or town on behalf of an improvement district for a public improvement or part thereof, or service, owned or rendered by such district if such public improvement or part thereof, or service, shall have yielded net revenue to such district during the preceding fiscal year in a sum equal to twenty-five per centum or more of the amount required in such year for the payment of the interest on and amortization of, or payment of, such outstanding indebtedness.

c. 1. A proportionate exclusion of indebtedness contracted or proposed to be contracted also may be granted for the period from the date when such indebtedness is first contracted or to be contracted for a public improvement or part thereof, or service, owned or rendered or to be owned or rendered by a municipality, district corporation, or county or town improvement district through the first year of operation of such public improvement or part thereof, or service. The amount of such exclusion shall be computed in the manner provided in this section on the basis of estimated net revenue for the first year of operation. Such estimated net revenue shall be determined by deducting from the gross revenues estimated to be received during the first year of operation of such public improvement or part thereof, or service, all estimated costs of operation, maintenance and repairs for such year. The amount of any such proportionate exclusion shall not exceed seventy-five per centum of the amount which would be excluded if the computation were made on the basis of net revenue instead of estimated net revenue. The term "indebtedness," as used in this subdivision means indebtedness which would be included in ascertaining the power of a municipality to contract indebtedness, including indebtedness evidenced or to be evidenced by bonds or bond anticipation notes.

2. A proportionate exclusion of outstanding indebtedness may be granted, to the extent permitted in paragraph e of this section, in the fiscal year in which the first year of operation of a public improvement or part thereof, or service, is completed if the improvement or part thereof, or service, shall have yielded net revenue during the first year of operation in a sum equal to twenty-five per centum or more of the amount required in such year for the payment of the interest on and amortization of, or payment of, such indebtedness.

d. The net revenue of a public improvement or part thereof, or service, shall be determined by deducting from its gross revenues of a year all costs of operation, maintenance and repairs for such year. Taxes, assessments, and subsidies by the municipality or district corporation, shall not be included in computing gross revenues.

e. The maximum amount of any such outstanding indebtedness which may be so excluded shall be in the same proportion to the total amount of any such indebtedness as the amount of any such net revenue shall bear to the amount required in any such year for the payment of the interest on and amortization of, or payment of, any such indebtedness.

f. Where an exclusion has been granted pursuant to this section, the revenues of such public improvement or part thereof, or service, for the period for which the exclusion is granted, shall be applied to and actually used for payment of all costs of operation, maintenance and repairs for such period, and payment of the amounts required in such period for interest on and amortization of or redemption of the indebtedness excluded, or such revenues shall be deposited in a special fund to be used solely for such payments. The application and use of such payments or the deposits required therefor shall not prohibit a municipality, district corporation or improvement district from using any such revenues, in excess of such payments or deposits, for any lawful purpose of the municipality, district corporation or improvement district.

g. An application may be filed with the state comptroller for the purpose of obtaining an exclusion of such indebtedness. Such application shall be made on behalf of any municipality by its chief fiscal officer in his discretion, or by its chief fiscal officer on the direction of its finance board, and on behalf of any district corporation by its finance board. If the finance board of a district corporation shall refuse or fail to make such application, the application may be made by the municipality seeking an exclusion of indebtedness. The application shall be verified by the chief fiscal officer or finance board making the application. The application shall be in such form and shall contain such information as shall be prescribed by the state comptroller.

h. Within fifteen days after the filing of such application with the state comptroller, such chief fiscal officer or such finance board making the application shall cause a notice to be published that such application has been filed with the state comptroller. Such notice shall be published in the official newspaper or newspapers of the municipality or district corporation, or if there be no such newspaper or newspapers, then the finance board of the municipality or district corporation shall designate one or more newspapers having a general circulation in such municipality or district corporation for the publication of such notice. The notice also shall contain a statement of the amount of indebtedness for which a proportionate exclusion is sought and a brief description of the public improvement or part thereof, or service. Proof of publication of such notice shall be filed in the office of the state comptroller. A copy of the application and of all financial statements, documents, computations and other data and information which will be submitted by the chief fiscal officer of such municipality or the finance board of such district corporation to the state comptroller in support of such application shall be filed in the office of such chief fiscal officer or finance board and shall be public records.

i. After the filing of such application, the state comptroller shall review the facts set forth therein. The state comptroller shall have the power to examine the accounts and records of the municipality, district corporation or improvement district with respect to such public improvement or part thereof, or service. He may also require the chief fiscal officer and other public officers, boards and agencies of such municipality, district corporation or improvement district to furnish such additional data and information in their possession as he deems necessary to enable him to make his determination.

j. In the case of a municipality, the state comptroller shall issue a written certificate setting forth his determination as to the extent to which any such indebtedness may be excluded. If an exclusion is allowed by the state comptroller, such certificate shall constitute the authorization for the exclusion of such amount of such indebtedness in ascertaining the power of such municipality to contract indebtedness. In the case of a district corporation, the state comptroller shall issue a written certificate setting forth his determination as to the extent to which any such indebtedness shall be excluded in ascertaining the indebtedness of a city or village within which, or of a town within the unincorporated area of which, such district corporation is situated in whole or in part. If an exclusion is allowed by the state comptroller, such certificate shall constitute the authorization for the exclusion of such amount of such indebtedness in ascertaining the power of such city, village or town to contract indebtedness. If the state comptroller disallows the application, the certificate shall set forth the reasons for such disallowance. The determination of the state comptroller shall be conclusive. The certificate of the state comptroller shall not be issued until ten days after the filing of such proof of publication in the office of the state comptroller and shall be issued within forty-five days after such filing. The certificate of the state comptroller granting an exclusion shall be effective until the first day of the fourth month following the close of the fiscal year in which the application is made, except that where the application is made in connection with a public improvement or part thereof, or service, which has not been in operation for one year the certificate shall be effective until the first day of the fourth month following the close of the first year of operation. The certificate of the state comptroller shall be executed under his hand and seal in duplicate. One of such certificates shall be filed in the department of audit and control and the other in the office of the chief fiscal officer of such municipality or in the office of the finance board of the district corporation. Both of such certificates shall be public records.

k. The provisions of this section shall not affect or impair any existing exclusions of indebtedness, or the power to exclude indebtedness granted by any other provision of this chapter or the constitution.

§ 124.00 Bonds for pensions; ascertainment of amount thereof to be excluded. a. As used in this section, the term "accrued liabilities" shall mean the liabilities of a pension or retirement system or fund accrued, both on account of pensioners on the pension roll and prospective pensions to dependents of such pensioners and on account of prior service of active members of such system or fund, on the date of issuance of bonds to place such system or fund on a solvent basis.

b. In ascertaining the power to contract indebtedness of a municipality which maintains a pension or retirement system or fund on a solvent basis, there may be excluded outstanding serial bonds issued subsequent to January first, nineteen hundred thirty-nine, by such municipality to place such pension or retirement system or fund on a solvent basis.

c. 1. In relation to bonds to be issued subsequent to the effective date of this chapter, to place a pension or retirement system or fund of a municipality on a solvent basis, prior to the issuance of such bonds, the finance board of such municipality shall submit a request to the superintendent of financial services to ascertain the amount of such bonds which may be issued for such purpose. Such request shall indicate whether the municipality proposes to deposit in such system or fund such bonds or the proceeds of such bonds. Such request shall be in such form and shall contain such additional information as shall be prescribed by the superintendent of financial services.

2. Upon the receipt of such request, the superintendent of financial services forthwith shall review the facts set forth therein. He shall have the power to examine the accounts and records of such system or fund and of the municipality with respect thereto. He may also require the chief fiscal officer and other public officers, boards and agencies to furnish such additional data and information as he deems necessary to enable him to make his determination.

3. The superintendent of financial services shall thereupon issue to such municipality a certificate setting forth the amount of bonds which may be issued, which shall not exceed, in the aggregate, an amount sufficient to provide for the payment of the accrued liabilities of such system or fund. If the bonds are to be deposited in such system or fund, such certificate shall also set forth the interest rate or rates on such bonds and the maturities thereof necessary to provide for the payment of such accrued liabilities.

4. Upon the issuance of such bonds, such bonds or the proceeds thereof, in accordance with the statement in the request, shall be deposited in such system or fund. Such system or fund shall thereafter be maintained on a solvent basis.

d. Any time after there have been deposited in a pension or retirement system or fund, bonds issued subsequent to January first, nineteen hundred thirty-nine, to place such system or fund on a solvent basis, or the proceeds of such bonds, the chief fiscal officer of the municipality issuing such bonds, if he is of the opinion that such fund or system is solvent may, in his discretion, file a financial statement of such fund or system with the superintendent of financial services for the purpose of obtaining the exclusion referred to in paragraph b of this section. Such statement shall be in such form and shall contain such information as shall be prescribed by the superintendent of financial services to enable him to determine whether or not such fund or system is solvent. Such statement shall be verified by the chief fiscal officer of the municipality.

e. Upon the receipt of such a financial statement, the superintendent of financial services forthwith shall review the facts set forth therein. He shall have the power to examine the accounts and records of such system or fund and of the municipality with respect thereto. He may also require the chief fiscal officer and other public officers, boards and agencies to furnish such additional data and information as he deems necessary to enable him to make his determination.

f. The superintendent of financial services shall issue a written certificate setting forth his determination as to whether or not such bonds may be excluded. If the exclusion is allowed by the superintendent of financial services, such certificate shall also state the amount of bonds to be excluded and shall constitute the authorization for the exclusion of such bonds in ascertaining the power of such municipality to contract indebtedness. Such certificate shall be effective for a period of one year from the date thereof. If the superintendent of financial services disallows the claim of the municipality for the exclusion, he shall set forth the reasons for such disallowance. The determination of the superintendent of financial services shall be conclusive.

g. Certificates issued by the superintendent of financial services pursuant to this section shall be executed under his hand and seal in triplicate. One of such triplicates shall be filed in the department of financial services, one in the department of audit and control and one in the office of the chief fiscal officer of the municipality. All such triplicates shall be public records.

§ 124.10 Exclusion of certain indebtedness for sewage facilities in ascertaining the power of a municipality to contract indebtedness. * a. In ascertaining the power of a municipality to contract indebtedness, there may be excluded any outstanding indebtedness contracted by such municipality on or after January first, nineteen hundred sixty-two, and prior to January first, two thousand twenty-four, for the construction or reconstruction of facilities for the conveyance, treatment and disposal of sewage.

* NB Effective until the effective date of constitutional amendments proposed in S.4597/A.3776

* a. In ascertaining the power of a municipality to contract indebtedness, there may be excluded any outstanding indebtedness contracted by such municipality on or after January first, nineteen hundred sixty-two, and prior to January first, two thousand thirty-four, for the construction or reconstruction of facilities for the conveyance, treatment and disposal of sewage.

* NB Effective upon the effective date of constitutional amendments proposed in S.4597/A.3776

b. The date of contracting any such indebtedness for a particular facility shall be deemed to be the date of the first contract for the construction or reconstruction of such facility or the date of the first obligation issued to finance such construction or reconstruction, whichever date is the earlier.

* c. The term indebtedness, as used in this section, shall include indebtedness evidenced by obligations issued on or after January first, two thousand twenty-four for the purpose of financing any indebtedness contracted for the purposes and within the period specified in paragraph a of this section.

* NB Effective until the effective date of constitutional amendments proposed in S.4597/A.3776

* c. The term indebtedness, as used in this section, shall include indebtedness evidenced by obligations issued on or after January first, two thousand thirty-four for the purpose of financing any indebtedness

contracted for the purposes and within the period specified in paragraph a of this section.

* NB Effective upon the effective date of constitutional amendments proposed in S.4597/A.3776

d. The provisions of this section shall not be deemed to prevent the exclusion of any refunded indebtedness if the indebtedness refunded was excludable pursuant to this section.

e. Where indebtedness has been excluded pursuant to this section, the revenues, if any, of the facility constructed or reconstructed, during the period for which the exclusion is effective, shall be applied to and actually used for the payment of all costs of operation, maintenance and repairs for such period, and payment of the amounts required in such period for the interest on and amortization of or redemption of the indebtedness excluded, or such revenues shall be deposited in a special fund to be used solely for such payments. The application and use of such payments or the deposits required therefor shall not prohibit a municipality from using any such revenues, in excess of such payments or deposits, for any lawful purpose of the municipality for which such revenues may be used.

f. The chief fiscal officer of a municipality in his discretion may prepare, or on the direction of the finance board shall prepare, a verified itemized statement of outstanding or proposed indebtedness of the municipality contracted or to be contracted for the purposes and within the period specified in paragraph a of this section. Such chief fiscal officer in his discretion may file, or on the direction of the finance board shall file, with the state comptroller a verified application on behalf of the municipality for the purpose of obtaining a certification of the several amounts of such indebtedness to be excluded pursuant to this section. Such itemized statement shall be attached to and form a part of the application. The itemized statement and application shall be in such form and contain such information as shall be prescribed by the state comptroller. In the case of application for a certification of amounts of proposed indebtedness to be excluded, the application shall state the approximate date or dates when such indebtedness, or portions thereof, are proposed to be contracted and whether such indebtedness is to be in the form of a contract for construction or in the form of obligations, or in both such forms.

g. Within fifteen days after filing of such application with the state comptroller, the chief fiscal officer shall cause a notice to be published that such application has been filed with the state comptroller. Such notice shall be published in the official newspaper or newspapers of the municipality, or if there be no such newspaper or newspapers, then the finance board of the municipality shall designate one or more newspapers having a general circulation in the municipality for the publication of such notice. The notice also shall contain a statement of the amount of outstanding indebtedness, if any, to be excluded and a statement of the amount of proposed indebtedness, if any, to be excluded if and when contracted. Proof of publication of such notice shall be filed in the office of the state comptroller. A copy of the itemized statement and application and of all financial statements, documents, computations and other data and information which will be submitted by the chief fiscal officer of the municipality to the state comptroller in support of such application shall be filed in the office of the chief fiscal officer and shall be public records.

h. After the filing of any such application, the state comptroller shall review the facts set forth therein. The state comptroller shall have the power to examine the accounts and records of the municipality with respect to such application. He may also require the chief fiscal officer and other public officers, boards and agencies of the municipality to furnish such additional data and information in their possession as he deems necessary to enable him to ascertain the indebtedness which may be excluded pursuant to paragraph a of this section.

i. The state comptroller shall issue a written certificate setting forth the amounts of any such indebtedness which may be excluded. If the indebtedness described in the certificate is, or is to be, in the form of (1) a contract for construction which is to be financed later by issuance of obligations pursuant to this chapter or pursuant to any special law or (2) bond anticipation notes issued in anticipation of bonds to be issued pursuant to this chapter or pursuant to any special law, such certification also shall be applicable to such obligations or bonds, as the case may be, when issued. If the state comptroller determines that the indebtedness described in the application, or any part thereof, does not constitute indebtedness described in paragraph a of this section the reasons for such determination shall be given. The certification of the state comptroller shall be conclusive. The certificate of the state comptroller shall not be issued until ten days after the filing of such proof of publication in the office of the state comptroller and shall be issued within forty-five days after such filing. The certificate of the state comptroller shall be effective so long as and to the extent that any such indebtedness described therein is outstanding, or until such certificate is amended, modified, superseded or rescinded by a written certificate of the state comptroller issued upon application of the municipality in the manner provided in paragraph f of this section. The certificate of the state comptroller shall be executed under his hand and seal in duplicate. One of such certificates shall be filed in the department of audit and control and the other in the office of the chief fiscal officer of the municipality.

j. The provisions of this section shall not affect or impair any existing exclusions of indebtedness, or the power to exclude indebtedness granted by any other provision of this chapter or the constitution. However, if any exclusion has been granted by the state comptroller pursuant to section 123.00 of this chapter for any indebtedness for which an exclusion has been granted pursuant to this section, the exclusion of such indebtedness granted pursuant to section 123.00 of this chapter shall cease to be applicable.

§ 125.00 Exclusion of indebtedness for self-liquidating dock and transit facilities; New York City. a. As used in this section:

1. The term "dock improvement" shall mean a dock improvement for which indebtedness was contracted by the city of New York prior to January

first, nineteen hundred ten, and for which indebtedness a partial or complete exclusion is sought in accordance with the provisions of this section.

2. The term "transit facilities" shall mean:

(a) Railroads and facilities and properties used in connection therewith and rights therein owned by the city of New York, and

(b) Securities of corporations owning such railroads, facilities, properties or rights, owned by the city of New York.

b. In ascertaining the power of the city of New York to contract indebtedness, there may be excluded:

1. Any outstanding indebtedness contracted by the city prior to the first day of January, nineteen hundred ten, for a dock improvement proportionately to the extent to which the net revenue received by the city therefrom during the preceding fiscal year shall have met the interest on and the annual requirements for the amortization of such indebtedness during such fiscal year.

2. Any outstanding indebtedness contracted by the city for transit purposes, and not otherwise excluded, proportionately to the extent to which the net revenue received by the city during the preceding fiscal year from all its transit facilities less the total of the items enumerated in paragraph c of this section shall have met the interest on and the annual requirements for the amortization and payment of such non-excluded indebtedness during such fiscal year.

c. In ascertaining the amount of indebtedness for transit purposes that may be excluded in accordance with the provisions of this section, there shall be deducted from the net revenue received by the city from all its transit facilities during such preceding fiscal year:

1. An amount equal to the interest and amortization requirements for such preceding fiscal year on indebtedness contracted for rapid transit purposes which indebtedness was excluded in ascertaining the power of the city to contract indebtedness by order of the appellate division of

the supreme court, first judicial department, prior to January first, nineteen hundred thirty-nine.

2. An amount equal to (a) the interest for such preceding fiscal year on that portion of the indebtedness contracted for the acquisition of transit facilities which is excluded pursuant to paragraph A of section seven-a of article eight of the state constitution in ascertaining the power of the city to contract indebtedness, and (b) the requirements for such preceding fiscal year for amortization on any sinking fund bonds and the redemption of any serial bonds evidencing such excluded indebtedness.

3. An amount equal to the sum of all taxes and bridge tolls which accrued to the city from transit facilities during the fiscal year of the city preceding the fiscal year in which such transit facilities were acquired. The transit facilities referred to in this subdivision are those for the acquisition of which indebtedness was contracted and all or part of which indebtedness is excluded pursuant to paragraph A of section seven-a of article eight of the state constitution in ascertaining the power of the city to contract indebtedness.

4. The amount of net operating revenue derived by the city from the independent subway system during the fiscal year of the city preceding the fiscal year in which were acquired the transit facilities referred to in subdivision three of paragraph c of this section.

d. At any time after the close of a fiscal year of the city, the city comptroller may, in his discretion, file with the state comptroller a financial statement for such fiscal year of any dock improvement or of all the transit facilities, if in the opinion of the city comptroller, the city has received sufficient net revenue from such dock improvement or from such transit facilities, as the case may be, to entitle the city to an exclusion, in accordance with the provisions of this section, of all or part of the indebtedness contracted for such dock improvement or for such transit facilities. The city comptroller shall, in his discretion, determine and set forth in such statement the amount of such indebtedness which the city seeks to exclude. Such statement shall be in such form and shall contain such information as shall be prescribed by the state comptroller and shall be verified by the city comptroller.

e. However, prior to the submission of such financial statement, the city comptroller shall cause to be published at least once a week for two weeks in the city record a notice that on the date specified therein, which date shall be at least two weeks from the date of the first publication of the notice, such financial statement will be filed with the state comptroller on the date specified in the notice and the financial statement which will be filed by the city comptroller with the state comptroller on the date specified in the notice and a copy of all documents, computations and other data and information which will be submitted by the city comptroller to the state comptroller in support of such financial statement.

f. Upon the receipt of such a financial statement from the city comptroller, the state comptroller forthwith shall review the facts set forth therein. The state comptroller shall have the power to examine the accounts and records of the city with respect to the dock improvement or the transit facilities, as the case may be. He may also require the city comptroller and other public officers, boards and agencies to furnish such additional data and information in their possession which he deems necessary to enable him to make his determination.

g. The state comptroller shall issue a written certificate setting forth his determination as to whether the amount of indebtedness which the city seeks to exclude, or any part thereof, may be excluded. Such certificate shall constitute the authorization for the exclusion of the amount of such indebtedness set forth therein, in ascertaining the power of the city to contract indebtedness and shall be effective until the close of the fiscal year in which such financial statement shall have been submitted. If the state comptroller disallows, in whole or in part, the claim of the city for the exclusion, he shall set forth the reason for such disallowance. The determination of the state comptroller shall be conclusive. The certificate of the state comptroller shall be executed under his hand and seal in duplicate. One of such duplicates shall be filed in the department of audit and control and the other in the office of the city comptroller. Both of such duplicates shall be public records.

§ 126.00 Exclusion of certain indebtedness for school purposes; New York City. a. In ascertaining the power of the city of New York to contract indebtedness, there may be excluded the outstanding indebtedness contracted by such city for school purposes, evidenced by bonds, to the extent to which state aid for common schools, not exceeding two million five hundred thousand dollars, shall be applied by such city to meet the interest and the annual requirements for the amortization and payment of part or all of one or more issues of such bonds.

b. Such exclusion shall be effective only during a fiscal year of the city in which its expense budget provides for the payment of such debt service from such state aid for common schools.

c. At any time during a fiscal year for which the expense budget of the city provides for the payment of such debt service from such state aid or at any time prior to such fiscal year but after the expense budget for such fiscal year has been finally adopted, an application may be filed with the state comptroller for the purpose of obtaining an exclusion of such outstanding indebtedness. Such application shall be made on behalf of the city by its chief fiscal officer in his discretion, or by its chief fiscal officer on the direction of its finance board. The application shall be verified by the chief fiscal officer or finance board making the application. The application shall be in such form and shall contain such information as shall be prescribed by the state comptroller.

d. Within five days after the filing of such application with the state comptroller, such chief fiscal officer making the application shall cause a notice to be published that such application has been filed with the state comptroller. Such notice shall be published in the official newspaper or newspapers of the city. The notice also shall contain a statement of the amount of outstanding indebtedness sought to be excluded and a statement of the amount of state aid for schools allocated to the payment of debt service. Proof of publication of such notice shall be filed in the office of the state comptroller. A copy of the application and of all financial statements, documents, computations and other data and information which will be submitted by the chief fiscal officer of such city to the state comptroller in support of such application shall be filed in the office of such chief fiscal officer and shall be public records.

e. After the filing of such application, the state comptroller shall review the facts set forth therein. The state comptroller shall have the power to examine the accounts and records of the city with respect to such application. He may also require the chief fiscal officer and other public officers, boards and agencies of such city to furnish such additional data and information in their possession as he deems necessary to enable him to make his determination.

f. The state comptroller shall issue a written certificate setting forth his determination as to the extent to which any such outstanding indebtedness may be excluded. If an exclusion is allowed by the state comptroller, such certificate shall constitute the authorization for the exclusion of such amount of such indebtedness in ascertaining the power of such city to contract indebtedness. If the state comptroller disallows the application, the certificate shall set forth the reasons for such disallowances. The determination of the state comptroller shall be conclusive. The certificate of the state comptroller shall not be issued until ten days after the filing of such proof of publication in the office of the state comptroller and shall be issued within twenty days after such filing. The certificate of the state comptroller granting an exclusion shall be effective until the close of the fiscal year for which an application has been filed setting forth that the expense budget of the city provides for the payment of debt service from state aid for common schools. The certificate of the state comptroller shall be executed under his hand and seal in duplicate. One of such certificates shall be filed in the department of audit and control and the other in the office of the chief fiscal officer of such city. Both of such certificates shall be public records.

TITLE 10

STATEMENT OF DEBT-CONTRACTING POWER OF MUNICIPALITIES, FIRE DISTRICTS AND CERTAIN SCHOOL DISTRICTS

§ 130.00 Application of title. This title shall apply only to municipalities, school districts and fire districts which are required to file a debt statement pursuant to section 109.00 of this chapter.

§ 131.00 Definition of obligations. As used in this title, the term "obligations" shall mean bonds, notes or other evidences of indebtedness.

§ 132.00 Debt statements; agency preparing. a. The debt statement shall be prepared by the chief fiscal officer of the municipality, fire district or school district. If, however, a municipality, school district or fire district does not have a chief fiscal officer, then such statement shall be prepared by the finance board thereof.

b. Municipalities, school districts in cities and fire districts shall prepare debt statements pursuant to sections 135.00 and 136.00 of this chapter. School districts, other than school districts in cities, shall prepare debt statements pursuant to section 137.00 of this chapter. The provisions of sections 138.00 through 141.00, inclusive, of this chapter, shall apply to the debt statements prepared by municipalities, fire districts and school districts.

c. Each debt statement of a municipality, a school district in a city or a first district shall contain a schedule of the obligations authorized to be issued but which in fact have not been issued. Each debt statement of a school district, other than a school district in a city, shall contain a schedule of the bonds and bond anticipation notes authorized to be issued by resolution but which in fact have not been issued. Any such schedule shall be arranged so as to show the date of such authorizations, the type and amount of obligations remaining unissued and the object or purpose for which such obligations were authorized. The foregoing provisions of this paragraph c shall not apply to a city containing more than one county, and in any such city the debt statement shall contain a summary statement of the total amount of each type of obligation authorized to be issued but which in fact has not been issued.

§ 135.00 Statement of total debt; inclusions in ascertaining gross indebtedness. a. The debt statement of a municipality, school district in a city or fire district setting forth its total net indebtedness shall contain the following items of indebtedness for the purpose of showing the gross indebtedness of such municipality, school district or fire district:

1. Borrowings. The amount of outstanding obligations (including in the case of a county, city, town, village, school district or fire district which has sold obligations at a discount, only the original amount of money actually received by such county, city, town, village, school district or fire district, irrespective of the face amount of the obligations at maturity) or other evidences of indebtedness representing money borrowed by such municipality, school district or fire district and remaining unpaid.

2. Real property liabilities. The amount of outstanding indebtedness on account of the acquisition of real property, the title to which has vested in such municipality, school district or fire district, or the title to which it has agreed to accept pursuant to the terms of a contract therefor, and for which payment has not been made. The amount of such indebtedness shall be ascertained pursuant to section 142.00 of this chapter.

3. Contract liabilities. The amount of outstanding indebtedness arising from:

(a) The amounts payable upon contracts, other than for capital improvements or equipment, to the extent that the sums due or to become due for the portion of such contracts which is performed or is to be performed during a fiscal year shall not have been paid or provided for by a budgetary appropriation therefor for such fiscal year or in the tax levy for such fiscal year.

(b) The amounts which are to become due pursuant to contracts for capital improvements or equipment.

4. Contract liabilities: housing guarantees; subsidies. In the case of a city, town or village, the amount of outstanding indebtedness of such city, town or village

(a) On account of any contract for capital or periodic subsidies to a housing authority to be paid subsequent to the then current year.

(b) Arising from a guarantee of the principal of and interest on, or only the interest on indebtedness contracted by a housing authority.

The amount of such indebtedness shall be ascertained pursuant to section 143.00 of this chapter.

4-a. Contract liabilities, guarantees of certain hospital indebtedness. In the case of a municipality, the amount of the outstanding indebtedness of the municipality arising from a guarantee authorized by law pursuant to section seven of article seventeen of the state constitution of the principal of and the interest on, or only the interest on indebtedness contracted by an eligible corporation or association for the purpose of providing hospital or other facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or appurtenant thereto. The amount of such indebtedness shall be ascertained pursuant to section 143.10 of this chapter.

5. State loans to certain housing authorities and municipalities. In the case of a city, town or village, the amount of unpaid balances of loans by the state to (a) housing authorities acting as instrumentalities of such city, town or village, or (b) municipalities for urban renewal purposes.

6. Judgments, claims, awards and determinations. The amount of outstanding indebtedness represented by (a) judgments which have been docketed and claims which have been settled or compromised, and (b) awards and sums payable by such municipality, school district or fire district pursuant to a determination by a court, or an officer, body or agency, acting in an administrative or quasi-judicial capacity, to the extent to which such judgments, claims, awards and sums remain unpaid.

7. Indebtedness contracted by district corporations. In the case of a city or village in which there is situated a district corporation, as defined in paragraph a of section 102.00 of this chapter, or of a town in the unincorporated area of which there is situated a district corporation, as defined in paragraph a of section 102.00 of this chapter, the amount of outstanding net indebtedness of such district

corporation which is allocated to such city, village or town pursuant to section 120.00 of this chapter.

8. Pay-as-you-go financing. In the case of the city of New York the amount deemed to be outstanding indebtedness pursuant to section 122.00 of this chapter.

b. There shall be included as the indebtedness of a city school district the amount of outstanding city indebtedness for education purposes allocated to such school district by the state comptroller.

c. There shall be included as the indebtedness of a school district in a city the outstanding indebtedness or an appropriate proportion thereof, as the case may be, of merged or annexed school districts as provided in section 121.00 of this chapter.

§ 136.00 Statement of total debt; deductions from gross indebtedness. The debt statement of a municipality, school district in a city or fire district setting forth its total net indebtedness may contain the following items of deduction for the purpose of showing the net indebtedness of such municipality, school district or fire district:

1. Tax and other revenue anticipation obligations. The amount of outstanding indebtedness represented by obligations issued in any fiscal year in anticipation of

(a) The collection of taxes or assessments on real estate for amounts theretofore actually levied and uncollected or to be levied in such year and payable out of such taxes or assessments,

(b) Money receivable from the state which has theretofore been apportioned by the state or which is to be so apportioned within one year after their issue, and

(c) The collection of any other taxes due and payable or to become due and payable within one year after their issue or of other revenues, including the receipt of moneys for any urban renewal project or part thereof (1) from the sale of real property, or any interest therein, acquired for or incidental to an urban renewal project; or (2) from the

United States government pursuant to title one of the housing act of nineteen hundred forty-nine as amended; or (3) from the state of New York for urban renewal purposes pursuant to the general municipal law, to be received within one year after their issue;
except any such obligations or renewals thereof, which are not retired within five years after their date of original issue.

1-a. Obligations issued for other than capital improvements. The amount of outstanding indebtedness evidenced by obligations (except serial bonds of an issue having a maximum maturity of more than two years) issued for objects or purposes other than the financing of capital improvements and contracted to be redeemed in one of the two fiscal years immediately succeeding the year of their issue.

2. Water indebtedness. In the case of a municipality or fire district, the amount of outstanding indebtedness contracted to provide for the supply of water.

3. Indebtedness contracted for self-liquidating projects. (a) In the case of a municipality, the amount of outstanding indebtedness, contracted for a public improvement or part thereof, or service, owned or rendered by such municipality, which has been excluded pursuant to section 123.00 of this chapter. (b) In the case of a city, village or town, the amount of outstanding indebtedness, contracted by a district corporation, as the term "district corporation" is defined in paragraph a of section 102.00 of this chapter, if such indebtedness was contracted for a public improvement or part thereof, or service, owned or rendered by such district corporation, which has been excluded pursuant to section 123.00 of this chapter. (c) In the case of a county or town, the amount of outstanding indebtedness, contracted by any such municipality on behalf of an improvement district for a public improvement or part thereof, or service, owned or rendered by such district, which has been excluded pursuant to section 123.00 of this chapter.

3-a. Indebtedness arising from the amounts to become due pursuant to contracts for the construction of buildings or other public improvements entered into by the state commissioner of general services as agent for a county or a city pursuant to chapter one hundred fifty-two of the laws of nineteen hundred sixty-four or chapter three hundred fifty-four of the laws of nineteen hundred sixty-three, if the amounts which are to become due pursuant to such contracts are payable in the first instance from appropriations made by the state for such purposes subject to reimbursement of the state by such county or city from the proceeds of the sale of obligations issued by such county or city.

3-b. Indebtedness arising from the amounts due or to become due as rental payments pursuant to a lease or sublease between the New York state housing finance agency and a municipality, which lease or sublease provides for the acquisition, construction, reconstruction, rehabilitation or improvement of a health facility by the health and mental hygiene facilities improvement corporation and the financing thereof by the New York state housing finance agency pursuant to the provisions of the health and mental hygiene facilities improvement act and section forty-seven-d of the private housing finance law.

3-c. Indebtedness arising from the amounts due or to become due as rental payments pursuant to a lease or sublease between the New York state medical care facilities finance agency and a municipality, which lease or sublease provides for the acquisition, construction, reconstruction, rehabilitation or improvement of a health facility by the health and mental hygiene facilities improvement corporation and the financing thereof by the New York state medical care facilities finance agency pursuant to the provisions of the health and mental hygiene facilities improvement act and the New York state medical care facilities finance agency act.

4. Bonds for pensions. In the case of a municipality, the amount of outstanding indebtedness represented by bonds issued in accordance with section 124.00 of this chapter to place a pension or retirement system or fund on a solvent basis.

* 4-a. Indebtedness for sewage facilities. In the case of a municipality, the amount of outstanding indebtedness contracted on or after January first, nineteen hundred sixty-two, and prior to January first, two thousand twenty-four, for the construction or reconstruction

of facilities for the conveyance, treatment and disposal of sewage. The amount of such indebtedness to be deducted shall be ascertained pursuant to section 124.10 of this chapter.

* NB Effective until the effective date of constitutional amendments proposed in S.4597/A.3776

* 4-a. Indebtedness for sewage facilities. In the case of a municipality, the amount of outstanding indebtedness contracted on or after January first, nineteen hundred sixty-two, and prior to January first, two thousand thirty-four, for the construction or reconstruction of facilities for the conveyance, treatment and disposal of sewage. The amount of such indebtedness to be deducted shall be ascertained pursuant to section 124.10 of this chapter.

* NB Effective upon the effective date of constitutional amendments proposed in S.4597/A.3776

5. Assessable improvements. The amount of outstanding indebtedness contracted by the cities of Buffalo, Rochester and Syracuse for so much of the cost and expense of any public improvement, as may be required by the ordinance or local law assessing the same to be raised by assessment upon local property or territory, to the extent that such outstanding indebtedness, together with other indebtedness initially contracted therefor from time to time after January first, nineteen hundred twenty-eight, and since retired aggregates, in the case of the cities of Buffalo and Rochester, a sum not exceeding ten million dollars and in the case of the city of Syracuse, a sum not exceeding five million dollars. Any indebtedness thereafter contracted for such purposes in excess of such sums shall not be so deducted. Nothing in this subdivision shall be construed to prevent the deduction of any refunded indebtedness if the indebtedness refunded was deductible pursuant to this subdivision.

6. Indebtedness of a county wholly included within or coterminous with a city. In the case of a city, the amount of outstanding indebtedness of a county wholly included within such city or which is coterminous with such city.

7. In the case of the city of New York:

(b) Indebtedness for self-liquidating dock facilities. The amount of outstanding indebtedness contracted by the city, prior to the first day of January, nineteen hundred ten, for dock purposes proportionately to the extent to which the current net revenues received by the city therefrom shall meet the interest on and the annual requirements for the amortization of such indebtedness. The amount of such indebtedness to be deducted shall be ascertained pursuant to section 125.00 of this chapter.

(c) Indebtedness of the independent subway system. The amount of outstanding indebtedness contracted after January first, nineteen hundred twenty-eight, for the construction or equipment, or both, of new rapid transit railroads provided, however, that when the total of the indebtedness initially contracted from time to time after such date finally aggregates the sum of three hundred million dollars, regardless of whether or not any part thereof has been previously retired, any indebtedness thereafter contracted for such purposes shall not be deducted. Nothing in this subdivision shall be construed to prevent the deduction of any refunded indebtedness if the indebtedness refunded was deductible pursuant to this subdivision.

(d) Indebtedness for transit unification purposes. The amount of outstanding indebtedness contracted by the city for the acquisition of railroads and facilities or properties used in connection therewith or rights therein or securities of corporations owning such railroads, facilities or rights, provided, however, that when the total of the indebtedness initially contracted from time to time by the city for such purposes finally aggregates the sum of three hundred fifteen million dollars, regardless of whether or not any part thereof has been previously retired, any indebtedness thereafter contracted for such purposes shall not be deducted. Nothing in this subdivision shall be construed to prevent the deduction of any refunded indebtedness if the indebtedness refunded was deductible pursuant to this subdivision.

(e) Rapid transit indebtedness excluded prior to nineteen hundred thirty-nine. The amount of outstanding indebtedness contracted for rapid transit purposes which indebtedness was excluded in ascertaining the power of the city to become indebted by order of the appellate division of the supreme court, first judicial department, prior to January first, nineteen hundred thirty-nine.

(f) Indebtedness for self-liquidating transit facilities. The amount of outstanding indebtedness contracted by the city for transit purposes, and not otherwise deducted, proportionately to the extent to which the current net revenue received by the city from its transit facilities shall meet the interest and the annual requirements for the amortization and payment of such non-deducted indebtedness. The amount of such indebtedness to be deducted shall be ascertained pursuant to section 125.00 of this chapter.

(g) Indebtedness for hospital purposes. The amount of outstanding indebtedness contracted after January first, nineteen hundred fifty, for the construction, reconstruction and equipment of city hospitals, provided, however, that when the total of the indebtedness initially contracted from time to time after such date finally aggregates the sum of one hundred fifty million dollars, regardless of whether or not any part thereof has been previously retired, any indebtedness thereafter contracted for such purposes shall not be deducted. Nothing in this subdivision shall be construed to prevent the deduction of any refunded indebtedness if the indebtedness refunded was deductible pursuant to this subdivision.

(h) Indebtedness for rapid transit railroads. The amount of outstanding indebtedness contracted after January first, nineteen hundred fifty-two, for the construction and equipment of new rapid transit railroads, including extensions and interconnections with and between existing rapid transit railroads or portions thereof, and reconstruction and equipment of existing rapid transit railroads, provided, however, that when the total of the indebtedness initially contracted from time to time after such date finally aggregates the sum of five hundred million dollars, regardless of whether or not any part thereof has been previously retired, any indebtedness thereafter contracted for such purposes shall not be deducted. Nothing in this subdivision shall be construed to prevent the deduction of any refunded indebtedness if the indebtedness refunded was deductible pursuant to this subdivision.

(i) Indebtedness for certain school purposes. The amount of outstanding indebtedness contracted for school purposes, evidenced by bonds, to the extent to which state aid for common schools, not exceeding two million five hundred thousand dollars, shall meet the interest on and the annual requirements for the amortization and payment of all or part of one or more issues of such bonds. The amount of such indebtedness to be deducted in any fiscal year of the city shall be ascertained pursuant to section 126.00 of this chapter.

8. Indebtedness of a city or a village having a population of five thousand or more for housing or urban renewal. In the case of a city or a village having a population of five thousand or more as determined by the last federal census, the amount of outstanding indebtedness of such city or village

(a) On account of any contract for capital or periodic subsidies to a housing authority to be paid subsequent to the then current year.

(b) Arising from a guarantee of the principal of and interest on or only the interest on indebtedness contracted by a housing authority.

(c) Represented by the unpaid balance of a loan from the state to a housing authority acting as an instrumentality of such city or village.

(d) Arising from the effectuating of any of the purposes of article eighteen of the state constitution by any means other than those set forth in items (a), (b) and (c) of this subdivision.

The amount of indebtedness that may be deducted pursuant to items (a) and (b) of this subdivision shall be ascertained pursuant to section 143.00 of this chapter.

8-a. The provisions of paragraph (d) of subdivision eight of this section shall not apply to indebtedness for housing or urban renewal purposes to which the provisions of sections 150.00 and 151.00 of this chapter are inapplicable under the terms of paragraph d of section 150.00 and paragraph g of section 151.00 of this chapter.

9. Subsidies or guarantees by a town or a village having a population of less than five thousand for housing purposes. In the case of a town or a village having a population of less than five thousand as determined by the last federal census, the amount of outstanding indebtedness arising:

(a) From a guarantee of the payment of the principal of and interest on or only the interest on the indebtedness of a housing authority, or from the unpaid balance of a loan by the state to a housing authority acting as an instrumentality of such town or village, or

(b) From a contract for a periodic subsidy to such an authority, whichever amount is smaller, provided that in the case of a guarantee and subsidy there is a contractual obligation to apply the sums due under such subsidy to the payment of all or part of the debt service so guaranteed and that in the case of a state loan and subsidy there is a contractual obligation to apply the sums due under such subsidy to the payment of all or part of the debt service of such loan. The indebtedness on account of a subsidy and the indebtedness arising from a guarantee shall be ascertained pursuant to section 143.00 of this chapter.

10. Assets of sinking funds. Outstanding indebtedness not otherwise deducted pursuant to this section, to the extent to which there may be applied against such indebtedness the assets of sinking funds, inclusive of cash therein and current budgetary appropriations thereto not yet realized as cash. The securities in such sinking funds shall be valued at not to exceed par.

10-a. Refunded bonds. Outstanding indebtedness, not otherwise deducted, evidenced by bonds to be refunded, provided that provision shall have been made pursuant to section 90.10 of this chapter for the payment in full, from the proceeds from the sale of refunding bonds or ascertainable income from investments or both, of all principal of and interest on such bonds to be refunded, including all redemption premiums, as the same respectively become due and payable.

10-b. Certain refunding bonds. Outstanding indebtedness, not otherwise deducted, evidenced by any separate series of refunding bonds issued pursuant to section 90.10 of this chapter, provided that provision shall have been made pursuant to such section for the payment in full, from ascertainable income from investments, of all principal of and interest on such separate series of refunding bonds, as the same respectively become due and payable.

11. Cash on hand for debts. Outstanding indebtedness not otherwise

deducted pursuant to this section, to the extent to which there may be applied against such indebtedness cash on hand, other than in a sinking fund.

12. Appropriations. Outstanding indebtedness not otherwise deducted pursuant to this section, to the extent to which there may be applied against such indebtedness current budgetary appropriations, other than to a sinking fund, which have not yet been realized as cash.

13. School indebtedness of certain cities. In the case of a city having less than one hundred twenty-five thousand inhabitants according to the latest federal census, the several amounts of outstanding city indebtedness for education purposes allocated to a city school district by the state comptroller.

§ 137.00 Debt statement of school districts outside cities with one hundred twenty-five thousand inhabitants or more according to the latest federal census. The debt statement of a school district, other than a school district in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census, shall contain the following items of indebtedness for the purpose of showing the indebtedness of such school district:

1. The amount of
(a) Outstanding bonds;
(b) Outstanding bond anticipation notes, other than those issued in anticipation of the bonds of the issue in connection with which the debt statement is prepared;
(c) Bonds of the proposed issue in connection with which the debt statement is prepared; and
(d) Bond anticipation notes proposed to be issued where a debt statement is prepared in connection with the issuance of such notes.

2. The amount of indebtedness of a merged or annexed school district determined pursuant to section 121.10 of this article.

For the purpose of showing the indebtedness of a school district, other than a school district in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census, there may be deducted the amount of any such indebtedness which has been contracted or is proposed to be contracted to the extent provided in section 121.20 of this article, and in such case a certified copy of the estimate of the commissioner of education shall be attached to and form a part of the debt statement filed with the state comptroller and the clerk of the school district.

For the purpose of showing the indebtedness of a school district other than a school district in a city with one hundred twenty-five thousand inhabitants or more according to the latest federal census, there may be deducted the amount of indebtedness contracted, or indebtedness proposed to be contracted, for the purpose and to the extent provided in section 121.30 of this article.

In connection with the sale of bond anticipation notes, a school district may prepare a debt statement and may file such statement in the manner provided in section 109.00 of this article.

§ 138.00. Debt statement to show net indebtedness. The debt statement of a municipality, school district in a city or fire district shall include a statement of the total net indebtedness of such municipality, school district or fire district. Such total net indebtedness shall be computed by subtracting from gross indebtedness the total of the items which may be deducted therefrom pursuant to section 136.00 of this chapter.

§ 139.00. Debt statement to show valuations of taxable real property. a. The debt statement of a municipality or school district in a city shall contain a computation of the average full valuation of taxable real property of such municipality or school district. The debt statement of the city of New York also shall contain a computation of the average assessed valuation of the taxable real property of such city in the event a deduction is claimed pursuant to item (a) of subdivision seven of section 136.00 of this chapter.

b. The debt statement of a school district, other than a school district in a city, shall contain a computation of the full valuation of the real property subject to taxation by the school district.

c. The debt statement of a fire district shall contain a computation of the full valuation of taxable real property of such fire district.

§ 140.00. Debt statement to show debt-contracting margin. a. The debt statement of a municipality, school district in a city or fire district shall show the total amount of indebtedness which may be contracted by such municipality, school district or fire district pursuant to section 104.00 of this chapter. In addition there shall be included:

1. A statement of the net margin of debt-contracting power. Such margin shall be ascertained by deducting from such total amount of indebtedness which it may contract pursuant to section 104.00 of this chapter the total net indebtedness of such municipality, school district or fire district.

2. A statement of the percentage of the debt-contracting power of such municipality, school district or fire district which has been exhausted. Such percentage shall be obtained by dividing the total net indebtedness of such municipality, school district or fire district by the total amount of indebtedness which it may contract pursuant to section 104.00 of this chapter.

b. The debt statement of a school district, other than a school district in a city, shall show the amount of bonded indebtedness which may be contracted by such school district. Such amount shall be shown as an amount equal to ten per centum of the full valuation of the real property subject to taxation by the school district. In addition there shall be set forth the margin between the amount of bonded indebtedness which such school district may contract and the bonded indebtedness of such school district as shown in such debt statement. The term "bonded indebtedness", as used in this paragraph, shall include indebtedness evidenced by bond anticipation notes.

§ 141.00 State comptroller to prescribe form of debt statement. a. The state comptroller shall prescribe the form of debt statements and may require that there be submitted with such statements such other information as he deems appropriate.

b. The state comptroller shall prepare printed forms of debt statements and shall make them available for distribution to municipalities, fire districts and school districts.

c. Notwithstanding the provisions of any other law, the state comptroller shall furnish to any person upon request a copy of any debt statement filed in his office pursuant to the provisions of this chapter, upon prepayment of the following fees:

1. For a copy of any such statement, one dollar and fifty cents;

2. For a certified copy of any such statement certified under the seal of his office, two dollars;

3. For an exemplified copy of any such statement, three dollars;

4. For a copy, a certified copy or an exemplified copy of any debt statement, an additional fee shall be charged at the rate of ten cents per folio for all folios in excess of ten folios for matter in any such statement showing the date, type, amount, and object or purpose, of obligations authorized to be issued but which in fact had not been issued as of the date of preparation of such statement.

Any such fee shall be fifty cents less for a certified or exemplified copy of any such debt statement if a previously prepared typewritten or photographic copy shall be presented to the state comptroller for certification or exemplification. The state comptroller shall make no charge for searching for any such debt statement if and when a copy, certified copy, or exemplified copy of the debt statement searched for is furnished to the person making such request.

Except as above provided, the state comptroller shall charge a fee of one dollar for searching for any debt statement filed in his office pursuant to the provisions of this chapter.

§ 142.00 Real property liabilities; procedure for ascertaining the amount thereof. The amount of outstanding indebtedness on account of the acquisition of real property to be included in a debt statement, pursuant to subdivision two of paragraph a of section 135.00 of this chapter, shall be the value of such real property as determined by a court in a condemnation proceeding, or pursuant to the terms of a contract under which a municipality, school district in a city or fire district agrees to take title to such real property. If such real property has not been evaluated in any of the above ways, it shall be valued at the amount set forth therefor in the last completed assessment roll used for the levying of taxes of such municipality, school district or fire district. If, however, such real property is also evaluated on the current assessment roll of one or more other units of government, the amount of indebtedness shall be the highest value assigned to it by any current assessment roll in which it is evaluated. If title to such real property has vested in such municipality, school district or fire district, there shall also be included the amount of interest accruing from the date of vesting of title upon the unpaid award, contract price or assessed valuation of the real property, as the case may be.

§ 143.00 Contract liabilities: housing guarantees or subsidies; procedure for ascertaining the amount of such liabilities. a. The amount of the liability of a city, town or village on account of any contract for capital or periodic subsidies to a housing authority to be paid subsequent to the then current year shall be deemed indebtedness in the amount of the commuted value of the total of such subsidies remaining unpaid, calculated on the basis of an annual interest rate of four per centum.

b. The amount of the liability of a city, town or village arising from a guarantee of the principal of and interest on indebtedness contracted by a housing authority shall be deemed indebtedness in the amount of the face value of the principal thereof remaining unpaid. If only interest is guaranteed, then the amount of liability arising therefrom shall be deemed indebtedness in the amount of the commuted value of the total interest guaranteed and remaining unpaid, calculated on the basis of an annual interest rate of four per centum.

§ 143.10 Contract liabilities; guarantees of certain hospital indebtedness; procedure for ascertaining the amount of such liabilities. The amount of the liability of a municipality arising from a guarantee authorized by law pursuant to section seven of article seventeen of the state constitution of the principal of and interest on indebtedness contracted by an eligible corporation or association for the purpose of providing hospital or other facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or appurtenant thereto, shall be deemed indebtedness in the amount of the face value of the principal thereof remaining unpaid. If only the interest is guaranteed, then the amount of the liability arising therefrom shall be indebtedness in the amount of the commuted value of the total interest guaranteed and remaining unpaid, calculated on the basis of an annual interest rate of five per centum.

TITLE 11

POWER TO CONTRACT INDEBTEDNESS FOR HOUSING PURPOSES AND LIMITATIONS THEREON

§ 150.00. Two per centum limitation on housing or urban renewal indebtedness. a. To effectuate any of the purposes of article eighteen of the state constitution as implemented by the public housing law and any other laws, any city, town or village may contract indebtedness to an amount which shall not exceed two per centum of the average assessed valuation of such city, town or village.

b. The power of a town or a village of less than five thousand population as determined by the last federal census to contract indebtedness pursuant to this section shall be subject to the limitations on the power to contract indebtedness set forth in section 104.00 of this chapter.

c. A city or a village having a population of five thousand or more as determined by the last federal census shall have the power to contract indebtedness, for the purposes set forth in paragraph a of this section, in excess of the debt limitations prescribed in section 104.00 of this chapter. If the indebtedness is charged to the debt limit provided in paragraph a of this section, such city or village shall annually levy one or more of the taxes enumerated in article six of the public housing law, to an extent sufficient to provide for the payment of the principal of and interest on any such indebtedness.

d. This section shall not apply to housing or urban renewal purposes (i) to the extent that the legislative power to authorize the contracting of indebtedness therefor is derived from sections two and four of article eight of the constitution or from any other provision of the constitution outside of article eighteen or (ii) to the extent that there is a sufficient margin of debt contracting power to cover indebtedness for housing or urban renewal purposes contracted pursuant to article eighteen of the constitution within the debt limit established by section four of article eight of the constitution unless the finance board shall elect to charge such outstanding indebtedness or any part thereof against the debt limit provided in this section.

§ 151.00 Contents of statement of housing and urban renewal indebtedness. a. If there remains unpaid any indebtedness contracted by a city, town or village to effectuate any of the purposes of article eighteen of the state constitution, as implemented by the public housing law and any other law, then within sixty days after the close of the fiscal year of such municipality, the chief fiscal officer thereof shall file with the state commissioner of housing and with the state comptroller a verified statement of the power of such municipality to contract indebtedness for housing purposes or urban renewal. Not more than fifteen nor less than three days before any such municipality except a city of over one million inhabitants contracts any indebtedness for such purposes, it shall file with the same officials a verified supplemental statement of its housing and urban renewal debt contracting power showing any additions to, omissions of or changes in the items or statements contained in its previous annual housing and urban renewal debt statement and also showing the amount of such indebtedness proposed to be contracted. A city of over one million inhabitants shall file verified supplemental statements of its housing and urban renewal debt contracting powers as of the last day of September, December and March, if additional housing and urban renewal indebtedness has been incurred since the date as of which the last preceding housing and urban renewal debt statement was filed, not later than the twenty-fifth day of October, January and April, respectively. A duplicate copy of every annual and supplemental housing and urban renewal debt statement shall be filed in the same period of time with the clerk or corresponding officer of such municipality. In the case of a city containing more than one county, such statements in addition to being filed with the city clerk shall also be filed in the same period of time in the office of the chief fiscal officer thereof. Such annual and supplemental housing and urban renewal debt statements and duplicates thereof filed pursuant to this section shall be public records.

b. The annual statement shall contain the items of indebtedness enumerated in section 135.00 of this chapter which are contracted by such city, town or village for the purposes set forth in paragraph a of section 150.00 of this chapter. The total of such items shall constitute the gross housing and urban renewal indebtedness of such municipality. From such gross indebtedness there may be deducted:

1. In the case of a town or a village having a population of less than five thousand as determined by the last federal census, pursuant to subdivision nine of section 136.00 of this chapter, the amount of indebtedness arising from a guarantee, a loan by the state to a housing authority acting as an instrumentality of such town or village or a contract for a periodic subsidy.

2. In the case of a city or a village having a population of five thousand or more as determined by the last federal census

(a) The unpaid balance of a loan by the state to any housing authority acting as an instrumentality of such city or village, if such housing authority is not in default in payment under the terms of such loan.

(b) The amount of outstanding indebtedness contracted by a city or such a village for any project aided by a guarantee or guarantees representing such indebtedness or by a loan or loans for which such indebtedness was contracted, if such project or projects shall have yielded net revenue during the preceding fiscal year. The determination as to whether such project or projects have yielded net revenue shall be made pursuant to section 152.00 of this chapter.

(c) The amount of outstanding indebtedness arising:

(1) From a guarantee of the payment of the principal of and interest on or only the interest on the indebtedness of a housing authority, or from a loan by the state to a housing authority acting as an instrumentality of such city or village, or

(2) From a contract for a periodic subsidy to such an authority whichever amount is smaller, provided that the indebtedness arising from such guarantee or loan is not otherwise deducted and provided further that in the case of a guarantee and subsidy there is a contractual obligation to apply the sums due under such subsidy to the payment of all or part of the debt service so guaranteed and that in the case of a

state loan and subsidy there is a contractual obligation to apply the sums due under such subsidy to the payment of all or part of the debt service of such loan. The indebtedness on account of a subsidy and the indebtedness arising from a guarantee shall be ascertained pursuant to section 143.00 of this chapter.

(d) The amount of outstanding indebtedness contracted for the purposes set forth in paragraph a of section 150.00 of this chapter having a period of probable usefulness determined pursuant to any subdivision, other than subdivision forty-one-a, of paragraph a of section 11.00 of this chapter.

(e) The amount of outstanding indebtedness contracted pursuant to article eleven of the private housing finance law.

2-a. In the case of the city of New York, the amount of outstanding indebtedness contracted by such city for any project aided by a guarantee or guarantees representing such indebtedness, if such project or projects shall have yielded net revenue during the preceding fiscal year. The determination as to whether such project or projects have yielded net revenue shall be made pursuant to section 152.00 of this chapter.

3. The items enumerated in subdivisions ten through twelve of section 136.00 of this chapter, which are applicable as deductions from indebtedness contracted for such housing purposes, or urban renewal.

c. There shall also be set forth in such annual statement:

1. A statement of the net housing and net urban renewal indebtedness of such a municipality. Such net indebtedness shall be computed by subtracting from the gross indebtedness the total of the items which may be deducted pursuant to this section.

2. A statement of the average assessed valuation and of the five most recent assessed valuations of the real property subject to taxation in such municipality according to each of the five most recent assessment rolls prepared for such municipality or if less than five assessment rolls have been prepared then as many of such assessed valuations as are

available.

3. A statement of the total amount of indebtedness for housing and urban renewal purposes which may be contracted by such municipality pursuant to paragraph a of section 150.00 of this chapter, and the net margin of debt-contracting power for such purposes which shall be ascertained by deducting the net indebtedness from such total amount of indebtedness which may be contracted for such purposes.

4. A statement of the percentage of the debt-contracting power of such municipality for housing and urban renewal purposes which has been exhausted. Such percentage shall be obtained by dividing the net indebtedness of such municipality for such purposes by the total amount of indebtedness which it may contract for such purposes pursuant to section 150.00 of this chapter.

d. The state comptroller shall prescribe the form of the annual and supplemental housing and urban renewal debt statements and may require that there be submitted with either the annual or the supplemental statement, or with both, such other information as he deems appropriate.

e. The state comptroller shall prepare printed forms of the annual and supplemental housing and urban renewal debt statements and shall make them available for distribution to cities, towns and villages.

f. The state comptroller shall charge the fees prescribed in paragraph c of section 141.00 of this chapter for copies, certified copies and exemplified copies of such debt statements and for searches for such statements.

g. This section shall not apply to indebtedness contracted by a city, town or village for housing or urban renewal purposes (i) to the extent that the legislative power to authorize the contracting of indebtedness therefor is derived from sections two and four of article eight of the constitution or from any other provision of the constitution outside of article eighteen thereof, or (ii) to the extent that there is a sufficient margin of debt contracting power to cover indebtedness for housing or urban renewal contracted pursuant to article eighteen of the constitution within the debt limit established by section four of article eight of the constitution unless the finance board shall elect to charge any such outstanding indebtedness or any part thereof to the debt limit provided in paragraph a of section 150.00 of this chapter. If no part of such indebtedness for housing and urban renewal purposes is charged to the debt limit provided in paragraph a of section 150.00 of this chapter, no annual or supplemental housing and urban renewal debt statement need be filed.

§ 152.00 Deductions for self-liquidating housing projects. a. As used in this section:

1. The term "authority" shall mean a housing authority owning or operating a project or projects aided by (a) a guarantee or guarantees of the city representing indebtedness which the city is seeking to exclude pursuant to this section, or (b) a loan or loans from the city for which the city contracted indebtedness, which indebtedness the city is seeking to exclude pursuant to this section.

2. The term "housing company" shall mean a housing company organized under article two or article four of the private housing finance law, as amended from time to time, owning or operating a project or projects aided by a loan or loans from a city for which the city has contracted indebtedness, which indebtedness it is seeking to exclude pursuant to this section.

3. The term "project" shall mean that term as defined in section three of the public housing law and section two of article two of the private housing finance law as amended from time to time. Such term shall also include an existing multiple dwelling aided by a loan pursuant to article eight of the private housing finance law.

4. The term "fiscal year" shall mean the fiscal year of the city.

b. In ascertaining the power of any city to contract indebtedness to effectuate any of the purposes of article eighteen of the state constitution, as implemented by the public housing law and any other laws, there may be excluded any indebtedness contracted by a city for any project or projects aided by a guarantee or guarantees representing such indebtedness or by a loan or loans for which such indebtedness was contracted if such project or projects shall have yielded net revenue during the preceding fiscal year, provided that in the case of guarantees, the interest on such indebtedness and the amounts required in such fiscal year for the payment of such indebtedness shall have been paid and that in the case of loans, the amount the city shall have been required to pay in such fiscal year for interest on and principal of such indebtedness shall have been paid to the city.

c. In determining whether or not a project or projects have yielded net revenue during the preceding fiscal year:

1. Periodic subsidies shall be included in computing gross revenues.

2. There shall be deducted from the gross revenues received from such project or projects during such preceding fiscal year an amount equal to all costs of operation, maintenance, repairs and replacements, and the interest on such indebtedness and the amounts required in such fiscal year for the payment of such indebtedness.

d. At any time after the close of the fiscal year of such city, the chief fiscal officer thereof may, in his discretion, file with the state comptroller a financial statement of such project or projects for the purpose of obtaining the exclusion referred to in paragraph b of this section if

1. In the case of a project or projects aided by a guarantee, or guarantees, interest on and the amount required for the payment of such indebtedness in such preceding fiscal year shall have been paid,

2. In the case of a loan or loans, the amount the city was required to pay in such preceding fiscal year for interest on and principal of such indebtedness shall have been paid to such city,

and the chief fiscal officer is of the opinion that the project has yielded net revenue during such preceding fiscal year.

e. The officers, boards and agencies of the authority, housing company or owner of an existing multiple dwelling aided by a loan pursuant to article eight of the private housing finance law, as the case may be, shall furnish to the chief fiscal officer of such city such data and information in their possession with respect to the project or projects as he shall require to enable him to determine whether the project or projects have yielded net revenue. The statement submitted to the state comptroller by the chief fiscal officer of the city shall be verified by the chief fiscal officer and shall be in such form and shall contain such information as shall be prescribed by the state comptroller; provided, however, that it shall contain a declaration that the payments required under subdivisions one and two of paragraph d of this section have been made.

f. However, prior to the submission of such financial statement to the state comptroller, the chief fiscal officer of such municipality shall cause to be published a notice that on the date specified therein, which date shall be at least two weeks subsequent to the date of the publication of such notice, such financial statement will be filed with the state comptroller. Such notice shall be published in the official newspaper or newspapers of the municipality or if there be no such newspaper or newspapers then the finance board shall designate one or more newspapers having a general circulation in such municipality for the publication of such notice. The notice shall also contain a statement of the amount of indebtedness sought to be excluded and a brief description of the project or projects. A copy of the financial statement and of all documents, computations and other data and information which will be submitted by the chief fiscal officer to the state comptroller in support of such financial statement shall be filed in the office of such chief fiscal officer and shall be public records.

g. Upon the receipt of such a financial statement from the chief fiscal officer of such city, the state comptroller forthwith shall review the facts set forth therein. The state comptroller shall have power to examine the accounts and records of the city and of the authority, housing company or owner of an existing multiple dwelling aided by a loan pursuant to article eight of the private housing finance law, as the case may be, with respect to the project or projects. He may also require the chief fiscal officer and other officers, boards and agencies of the city and of the authority or housing company, as the case may be, and any such owner of an existing multiple dwelling, to furnish such additional data and information in their possession as he deems necessary to enable him to make his determination.

h. The state comptroller shall issue a written certificate setting forth his determination as to whether such indebtedness may be excluded. If the exclusion is allowed by the state comptroller, the certificate shall constitute the authorization for the exclusion of such indebtedness in ascertaining the power of such city to contract indebtedness to effectuate any of the purposes of article eighteen of the state constitution as implemented by the public housing law and any other laws. Such authorization shall remain effective until the last day of the seventh month following the close of the fiscal year in which such financial statement shall have been submitted. If the state comptroller disallows the claims of the municipality for the exclusion, he shall set forth the reasons for such disallowance. The determination of the state comptroller shall be conclusive. The certificate of the state comptroller shall be executed under his hand and seal in triplicate. One of such triplicates shall be filed in the department of audit and control, one in the office of the state commissioner of housing and one in the office of the chief fiscal officer of such city. All such triplicates shall be public records.

§ 153.00 Authorization for municipality to assign for collateral or pledge its mortgage interest. Any municipality shall be authorized to assign for collateral or pledge as security for any of its bonds, notes or other obligations its mortgage interest in a project constructed pursuant to article two of the private housing finance law to the state or to any political subdivision thereof.

§ 154.00 Disposition of proceeds resulting from the satisfaction of certain mortgages. a. Notwithstanding any general, special or local law to the contrary, upon the modification or satisfaction by the city of New York or the New York city housing development corporation, pursuant to section twenty-three-a, twenty-three-b or subdivision twenty-two-a of section six hundred fifty-four of the private housing finance law, of a mortgage loan made to a housing company, the entire proceeds resulting from such modification or satisfaction (not including any premium or differential referred to in section twenty-three-a or subdivision twenty-two-a of section six hundred fifty-four of the private housing finance law), less any fees, costs, expenses and other amounts paid or incurred by such city or corporation, shall be deposited in a reserve fund established for the purpose of retiring outstanding notes issued by such city and the proceeds therein shall be expended only for the payment of all or part of the said outstanding indebtedness. Notwithstanding any general, special or local law to the contrary, if the moneys in such fund shall exceed the sum of all principal of or interest on such indebtedness or if, when all such outstanding notes have been retired, any moneys remain unexpended in the reserve fund, such excess moneys may be used for any lawful municipal purpose.

b. As used in this section:

1. The term "fees, costs, expenses and other amounts" shall mean legal and other fees, costs, expenses and amounts described in subdivision four-b of section twenty-three-a or subdivision twenty-two-a of section six hundred fifty-four of the private housing finance law;

2. The term "housing company" shall mean a housing company organized pursuant to article two of the private housing finance law; and

3. The term "outstanding notes" shall mean revenue anticipation notes, tax anticipation notes and bond anticipation notes of the city of New York issued prior to November fourteenth, nineteen hundred seventy-five and presented for payment prior to January first, nineteen hundred seventy-eight, other than (i) notes paid by such city prior to the

effective date of this paragraph, (ii) notes held by the municipal assistance corporation for the city of New York (including but not limited to notes exchanged for bonds of such corporation), and (iii) notes with respect to which the holders thereof executed agreements to postpone or withhold demand for payment or enforcement of such notes.

TITLE 12

MISCELLANEOUS PROVISIONS

§ 160.00 Action by finance board. Whenever in this chapter the finance board is empowered or required to act, and no proportion of voting strength for such action is prescribed, such action shall be taken by at least a majority vote of the voting strength of such finance board.

§ 160.05. Financial restructuring board for local governments. 1.

There shall be a financial restructuring board for local governments which shall consist of ten members: the director of the budget who shall be chair of the board, the attorney general, the state comptroller, and the secretary of state, each of whom may designate a representative to attend sessions of the board on his or her behalf, and six members appointed by the governor, one of whom upon the recommendation of the temporary president of the senate, one of whom upon the recommendation of the speaker of the assembly, and four other members appointed by the governor, one of whom shall have significant experience in municipal financial and restructuring matters. In making such appointments, the governor shall consider regional diversity. Appointees shall serve at the pleasure of his or her appointing authority. The appointee of the governor who has been designated as having significant experience in municipal financial and restructuring matters shall receive fair compensation for his or her services performed pursuant to this section in an amount to be determined by the director of the budget and all members shall be reimbursed for all reasonable expenses actually and necessarily incurred by him or her in the performance of his or her duties. The board shall have the power to act by an affirmative vote of a majority of the total number of members and shall render its findings and recommendations within six months of being requested to act by a fiscally eligible municipality. The provisions of section seventeen of the public officers law shall apply to members of the board. No member of the board shall be held liable for the performance of any function or duty authorized by this section. The work of the board shall be conducted with such staff as the director of the budget, the secretary of state, the attorney general and the state comptroller shall make available. All proceedings, meetings and hearings conducted by the board shall be held in the city of Albany.

2. A "fiscally eligible municipality" shall mean any county, city, excluding a city with a population greater than one million, town, or village that the board, on a case by case basis, determines would benefit from the services and assistance which the board has legal authority to offer. In evaluating whether a municipality is a fiscally eligible municipality, the board shall consider the average full value property tax rate of such public employer and the average fund balance

percentage of such public employer and such other criteria as the board deems relevant. For purposes of this section, "full value property tax rate" shall mean the amount to be raised by tax on real estate by a local government in a given fiscal year divided by the full valuation of taxable real estate for that same fiscal year as reported to the office of the state comptroller; "average full value property tax rate" shall mean the sum of the full value property tax rates for the five most recent fiscal years divided by five; "fund balance percentage" shall mean the total fund balance in the general fund of a local government in a given fiscal year divided by the total expenditures from the general fund for that same fiscal year as reported to the office of the state comptroller; and "average fund balance percentage" shall mean the sum of the fund balance percentages for the five most recently completed fiscal years divided by five.

(a) If the average full value property tax rate of such municipality is greater than the average full value property tax rate of seventy-five percent of counties, cities, towns, and villages, with local fiscal years ending in the same calendar year as of the most recently available information, the board must find that such municipality is a fiscally eligible municipality. The office of the state comptroller shall make publicly available the list of counties, cities, towns, and villages that have an average full value property tax rate that meets such criteria in each local fiscal year. If a municipality has not reported to the office of the state comptroller the information necessary to calculate its average full value property tax rate, such municipality may not be deemed a fiscally eligible municipality and the provisions of this section shall not apply.

(b) If the average fund balance percentage of such municipality is less than five percent, the board must find that such municipality is a fiscally eligible municipality. The office of the state comptroller shall make publicly available the list of counties, cities, towns, and villages that have an average fund balance percentage that meets such criteria in each local fiscal year. If a municipality has not reported to the office of the state comptroller the information necessary to calculate its average fund balance percentage, such municipality may not be deemed a fiscally eligible municipality and the provisions of this section shall not apply.

3. (a) Upon the request of a fiscally eligible municipality, by resolution of the governing body of such municipality with the concurrence of the chief executive of such municipality, the financial restructuring board for local governments may undertake a comprehensive review of the operations, finances, management practices, economic base and any other factors that in its sole discretion it deems relevant to be able to make findings and recommendations on reforming and restructuring the operations of the fiscally eligible municipality. As part of such recommendations, the board may propose that such municipality agree to fiscal accountability measures, as determined by the board, including, but not limited to, multi-year financial planning. It may also identify cost-saving measures, recommend consolidation of functions or agencies within such municipality or between such municipality and other municipalities, consistent with existing law, identify and make available, to the extent otherwise permitted by law, grants and loans on such terms and conditions as it deems appropriate, and make such other recommendations as the board may deem just and proper but in no event shall the sum of all awards made by the board to a single fiscally eligible municipality be greater than five million dollars. If such award is a loan, it may not be for a term longer than ten years. In the event a grant or loan is made, the board may condition such award on the fiscally eligible municipality submitting a report or reports on such actions taken by the fiscally eligible municipality pursuant to the board's recommendations, and the board shall require that the eligible municipality must adopt and implement all the board's recommendations as a condition to receiving an award or awards. Before making final recommendations, the board shall consult with the fiscally eligible municipality. Such recommendations shall not be final and binding on a fiscally eligible municipality unless it formally agrees to abide by and implement such recommendations in which event such recommendations and the terms provided thereunder shall be final and binding on such municipality.

(b) Notwithstanding paragraph t of subdivision ten of section fifty-four of the state finance law and irrespective of whether there has been a determination or finding of fiscal eligibility under this section, upon the request of any county, city, excluding a city with a population of greater than one million, town, or village which (1) has elected to engage in multi-year planning with the assistance of an external financial advisor, and (2) has been identified as experiencing fiscal stress, the financial restructuring board for local governments may determine that all or part of the cost to the county, city, town, or village for such external advisor shall be subject to reimbursement from monies appropriated to such board for the making of grants and loans.

4. The board may hold hearings and shall have authority to require the production of any information that it deems necessary to undertake its comprehensive review. The board shall post on a publicly available website all recommendations and findings made pursuant to this section.

5. The board shall also be authorized to resolve an impasse pursuant to subdivision four-a of section two hundred nine of the civil service law.

§ 160.10 Delegation to a deputy. Whenever pursuant to this chapter the finance board delegates any power or duty to the chief fiscal officer, unless the finance board specifies otherwise when it makes such delegation, the chief fiscal officer may authorize a deputy to exercise such power or perform such duty. Such authorization shall be in writing, dated and signed by such chief fiscal officer, and shall be forthwith filed with the finance board.

§ 161.00 Negotiability of obligations. All bonds and notes of a municipality, school district or district corporation, including notes issued by a city school district pursuant to section 26.00 of this chapter, whether payable to bearer or in registered form, shall be negotiable instruments within the meaning of article eight of the uniform commercial code, except that such bonds or notes which have been registered shall be transferred only in the manner provided in paragraph b of section 75.00 of this chapter.

§ 162.00 Exemption from taxation. All bonds and notes of a municipality, school district or district corporation, until payable, and the interest thereon, shall be exempt from taxation for municipal and state purposes.

§ 163.00 Record of obligations. a. The chief fiscal officer in counties and cities, the clerk in towns and villages, the clerk or secretary or such other officer as the finance board shall designate in school districts and district corporations, shall keep a complete record of each issue of bonds and notes, which shall include:

1. The type thereof.

2. The amount thereof.

3. The number of obligations in the issue.

4. The rate of interest thereon.

5. The date of issue thereof.

6. The date of maturity of each obligation in the issue.

7. The date of adoption of the resolution or resolutions, if any, pursuant to which the obligations are issued.

§ 164.00 Reissuance of lost, destroyed, partially destroyed or defaced obligations. a. The finance board may issue a new bond, note or coupon to replace one lost, destroyed, partially destroyed or defaced. However, the finance board may, by resolution, delegate such power to the chief fiscal officer or the fiscal agent, as the term "fiscal agent" is defined in paragraph a of section 70.00 of this chapter, in which event the chief fiscal officer or the fiscal agent, as the case may be, shall exercise such power until the finance board, by resolution, shall elect to reassume the same. Notwithstanding the foregoing, in the case of the city of New York, if the finance board has, by resolution, delegated such power to the chief fiscal officer, the chief fiscal officer may delegate such power to the fiscal agent, in which event the fiscal agent shall exercise such power until the chief fiscal officer shall elect to reassume the same.

b. If the bond, note or coupon is claimed to be lost or destroyed, the owner shall furnish:

1. Proof of ownership.

2. Proof of loss or destruction.

3. In the case of a coupon, and in the case of a bond or note if such bond or note was payable to bearer, security to be approved by the finance board, chief fiscal officer or fiscal agent, as the case may be, sufficient to indemnify the municipality, school district or district corporation against any loss or damage that may be incurred by it on account of the bond, note or coupon so claimed to be lost or destroyed. Such security, when the approval of the finance board, chief fiscal officer or fiscal agent, as the case may be, has been indicated thereon, shall be filed in the office of the clerk or similar officer of the municipality, school district or district corporation.

4. Payment of the cost of preparing and issuing the new bond, note or coupon.

c. If the bond, note or coupon is defaced or partially destroyed, the owner shall surrender such bond, note or coupon and pay the cost of preparing and issuing the new bond, note or coupon.

d. The new bond, note or coupon shall be of substantially the same form and tenor as the one originally issued, except that it shall be signed either by (i) the manual or facsimile signature of the appropriate person or persons in office at the time of the reissuance, or (ii) the facsimile signature of the appropriate person or persons in office at the time of the original issuance or any time between original issuance and reissuance. The new bond or note shall be authenticated in the manner provided in section 61.00 of this chapter. If the bond, note or coupon is issued in the place of one claimed to be lost or destroyed, it shall in addition state upon the back thereof that it is issued in the place of such bond, note or coupon claimed to have been lost or destroyed, and, where applicable, that adequate security for its payment in full at maturity is filed with the municipality, school district or district corporation. The fiscal agent shall make an appropriate entry in his records of any new bond, note or coupon issued pursuant to this section.

e. If the finance board, chief fiscal officer or fiscal agent, as the case may be, shall refuse to issue a new bond, note or coupon in the place of one claimed to be lost or destroyed, the owner may petition the supreme court in the district where the municipality, school district or district corporation is situated, and after hearing the allegations and proofs the court may order the issuance of such new bond, note or coupon upon the payment of the cost of the preparation and issuance thereof and the furnishing by the owner to the municipality, school district or district corporation of such security as the court may direct.

§ 165.00 Deposit and use of proceeds from sale of bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes. a. The proceeds, inclusive of premiums, from the sale of bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes shall be deposited and secured in a special account in the manner provided by section ten of the general municipal law, shall not be commingled with other funds of the issuer, and shall be expended only for the object or purpose for which such obligations were issued. In the event that any portion of the proceeds, inclusive of premiums, from the sale of bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes is not expended for the object or purpose for which such obligations were issued, such portion shall be applied only to the payment of the principal of and interest on such obligations, respectively. Notwithstanding the foregoing provisions of this paragraph, the finance board of any municipality, school district or district corporation may adopt any or all of the following resolutions to provide that:

1. The proceeds, inclusive of premiums, of capital notes issued in amounts of one hundred thousand dollars or less, and of budget notes, need not be deposited in a special account but may be deposited and commingled with other funds of the issuer in any account of the issuer in a bank or trust company located and authorized to do business in this state, but such power shall not be construed as authorizing the use of such proceeds for an object or purpose other than that for which the obligations were issued.

2. The proceeds, inclusive of premiums, from the sale of any two or more issues of bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes need not be deposited in separate special accounts but may be deposited in a single special account of the issuer in a bank or trust company located and authorized to do business in this state, but shall not be commingled with other funds of the issuer. The chief fiscal officer shall then maintain a separate accounting record of each issue to insure that the proceeds shall be used only for the object or purpose for which the obligation was issued.

3. Moneys appropriated for a purpose for which bonds, bond anticipation notes, capital notes or urban renewal notes have been authorized may be deposited in the same bank account with the proceeds from the sale of such obligations. Such power shall not be construed as authorizing the use of the proceeds of such obligations for an object or purpose other than that for which they were issued. Provided, however, that any moneys remaining in such bank account after the object or purpose has been completed or abandoned shall be applied to the payment of the principal of and interest on such obligations; any excess remaining thereafter may be used for any lawful purpose.

b. Notwithstanding the provisions of paragraph a of this section, the proceeds, inclusive of premiums, from the sale of bonds, bond anticipation notes, capital notes and urban renewal notes may be invested in the manner provided by section eleven of the general municipal law.

Such investment shall be made by the finance board or the chief fiscal officer, if the finance board shall delegate such duty to that person. The separate identity of the proceeds from the sale of bonds, bond anticipation notes, capital notes, urban renewal notes and budget notes shall be maintained at all times, whether such proceeds consist of cash or investments or both. Any interest earned or capital gain realized on any investment shall be applied to either the payment of the principal of and interest on the bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes, as the case may be, the proceeds from the sale of which were used in making such investment or for any other purpose or purposes for which such issue of bonds, capital notes or urban renewal notes has been authorized. Notwithstanding the preceding sentence, any interest earned or capital gain realized on any investment shall, to the extent necessary to maintain the exemption from federal income taxation of interest on the obligations the proceeds from the sale of which were used in making such investment, be paid to the United States treasury department, or any agency of the United States. Where the proceeds from the sale of bond anticipation notes have been invested and such notes have been retired from the proceeds from the sale of the bonds in anticipation of which they were issued, any interest earned or capital gain realized on any investment shall be applied only to the payment of the principal of and interest on the bonds.

c. Notwithstanding the provision of paragraph a of this section or the provision of subdivision three of section ninety-nine-o of the general municipal law, the proceeds of obligations issued for the partial refinancing of mass commuting vehicles by the county of Suffolk may be used to reimburse in whole or in part any accounts or funds from which moneys were disbursed to meet the cost of the original acquisition of such mass commuting vehicles. As used in this paragraph "mass commuting vehicles" means any bus, subway car, rail car, locomotive, or similar equipment used or to be used to provide mass commuting services, whether or not operated by a private operator under agreement with the county of Suffolk.

d. Notwithstanding the provisions of paragraph a of this section, if obligations issued by a school district or a city on behalf of a school district have been refunded with bonds issued by the dormitory authority of the state of New York pursuant to subdivision thirty-nine of section sixteen hundred eighty of the public authorities law, that portion of the proceeds that are allocable to obligations refunded with bonds issued by the dormitory authority of the state of New York and that have not been expended by the school for the object or purpose for which such obligations were issued shall be applied only to the payment of the principal of and interest on the bonds issued by the dormitory authority.

§ 165.10. Advances from funds. If there are funds of a municipality, school district or district corporation, other than:

1. The proceeds of bonds, bond anticipation notes, capital notes, urban renewal notes and budget notes, and

2. Funds which, by law, may be used only for stated purposes, which are not immediately required for the purpose or purposes for which the same were borrowed, raised or otherwise created, the finance board may authorize the temporary use of such funds for the purpose or purposes for which an issue of bonds, capital notes or urban renewal notes has been authorized. Suitable records shall be kept of the temporary diversion of such funds. Notwithstanding the provisions of section 165.00 of this chapter, such funds shall be made again available to the municipality, school district or district corporation from the proceeds of such bonds, capital notes or urban renewal notes or from the proceeds of the sale of bond anticipation notes issued in anticipation of the sale of such bonds.

§ 165.20 Exchange of certain bonds or notes. Notwithstanding any other provisions of this chapter, the city of New York prior to July first, nineteen hundred eighty-two shall be authorized to exchange bonds or notes of such city for any notes of such city held by the municipal assistance corporation for the city of New York as provided in sections three thousand thirty-five and three thousand thirty-seven of the public authorities law.

§ 166.00 Action against municipal officers. a. The holder in due course of any bond, note or interest bearing coupon issued due to the malfeasance, misfeasance, or negligence of any officer of a municipality, school district or district corporation, whose cause of action thereon is determined by judgment, or who is privy to such action, may within three years after entry of judgment begin an action against such officer for the recovery of all damages suffered because of such malfeasance, misfeasance or negligence.

b. A municipality, school district or district corporation which is required pursuant to a judgment to pay a bond, note or interest bearing coupon issued due to the malfeasance, misfeasance or negligence of any officer thereof, may within three years after such payment begin an action against such officer and recover the amount so paid with interest from the time of payment.

c. An order of arrest and an execution against the person of the defendant may be issued in an action instituted pursuant to paragraph a or b of this section.

§ 167.00 Action against municipality; appeals. An appeal from a judgment in an action against a municipality, school district or district corporation on a bond, note or interest bearing coupon, may be taken by any person bound as a privy by such judgment, within sixty days after the service of a copy of the judgment and written notice of the entry thereof by any party upon such person. The appeal may be taken in the name of the party by such person without an order of substitution, upon such person giving the security and serving the notice of appeal required of a party in a civil action, and upon his giving to the party in whose name the appeal is taken an undertaking executed by two sureties in the sum of five hundred dollars and approved as to form and as to the sufficiency of the sureties thereon by a justice of the supreme court. The appeal shall be conducted and determined in the same manner as if taken by the party.

§ 168.00 Agreements for credit enhancement. a. The finance board of any municipality, school district or district corporation (herein a "public body") is hereby authorized and empowered to enter into such agreements as it deems reasonable and appropriate, with any department or agency of the United States of America, the state, or any other financially responsible party, to facilitate the issuance, sale, resale and payment of bonds, notes, or other evidences of indebtedness of such public body, including, but not limited to letters of credit, lines of credit, revolving credit, bond insurance or other credit enhancements. Such agreements may provide for (i) the advance or advances of funds on behalf of such public body to pay the interest on and principal and premium of bonds, notes or other evidences of indebtedness of such public body on their date or dates of maturity or redemption or when interest is otherwise due, and (ii) the reimbursement of such advance or advances by such public body.

b. Such agreements may be executed on or before the date of issuance of the obligations to be paid pursuant thereto, provided, however, that any reimbursement obligation of such public body arising from such agreements shall be deemed indebtedness of such public body (i) only as of the date that the corresponding advance is made pursuant to paragraph a of this section, and (ii) only in the amount of the advance made pursuant to such paragraph. Such agreements may include a pledge by such public body of its faith and credit for the payment of principal of and interest on any indebtedness deemed to be contracted as set forth in this paragraph, and may provide that any such indebtedness arising from a reimbursement obligation contracted pursuant to this section shall be paid in accordance with the terms of such agreement. Such indebtedness shall be excluded in ascertaining the power of such public body to contract indebtedness pursuant to title eight and title nine of this article. Such agreements shall also include such terms and conditions as the finance board shall deem appropriate, including provisions for the payment of reasonable fees and expenses by such public body in return for a commitment to advance funds pursuant to such agreement. Such fees and expenses shall be deemed part of the cost of the object or purpose in connection with which they are incurred.

c. Prior to procurement of any credit or liquidity enhancements, such public body shall, to the extent practicable:

(1) consider the ability of the credit or liquidity enhancement provider to make required payments as and when due under the terms of the appropriate governing instruments;

(2) consider the business reputation of the credit or liquidity enhancement provider;

(3) consider the maximum term of the credit or liquidity enhancement relative to the maturity of the bonds, notes or other obligations being credit or liquidity enhanced;

(4) provide for the right of substitution for the credit or liquidity enhancement provider in all agreements, including a provision permitting such substitution when the rating of the credit or liquidity enhancement provider falls below the probable credit rating of the issue without considering the credit or liquidity enhancer; and

(5) consider the cost of the credit or liquidity enhancement relative to the savings or other benefit likely to be achieved through the utilization of the credit or liquidity enhancement.

d. Where the credit or liquidity enhancement procured is an irrevocable letter of credit or an acquisition arrangement with a banking organization, such instrument shall be:

(1) issued or confirmed by a bank holding company or its direct subsidiaries, a federally chartered bank or its subsidiaries, or a state chartered bank or its subsidiaries, licensed or authorized to do business in this state or

(2) issued or confirmed by an agency or branch of a foreign banking institution licensed to do business in this state with total worldwide assets in excess of five billion dollars.

e. Any such issuing banking organization referred to in paragraph d of this section shall meet the regulatory guidelines for capital adequacy as promulgated by the appropriate federal banking agency as defined in the Federal Deposit Insurance Act, 12 U.S.C. 1813(q).

f. (1) Where the credit or liquidity enhancement procured is provided by an insurance company, such insurer shall be licensed to write financial guarantee insurance in this state.

(2) Where the credit or liquidity enhancement procured is from other than an entity described in paragraph d of this section or subdivision one of this paragraph, the provider shall be a financially responsible party, incorporated or authorized to do business in this state and having total assets in excess of ten billion dollars.

g. The failure of a public body to comply with paragraphs c through f of this section shall not invalidate or impair any credit or liquidity enhancement contract or instrument.

h. The finance board may, by resolution, delegate its authority under this section to the chief fiscal officer of such public body in which event the chief fiscal officer shall exercise such power until the finance board, by resolution, shall elect to reassume the same.

*** § 169.00 Installment loans and obligations evidencing installment loans.** a. Notwithstanding the provisions of any other law, general, special or local, inconsistent with this section, relating to the power of municipalities to enter into contracts and to contract indebtedness, the finance board of any municipality selling bonds or notes at private sale to the New York state environmental facilities corporation in order to obtain financial assistance pursuant to section twelve hundred eighty-five-j or twelve hundred eighty-five-m of the public authorities law is hereby authorized and empowered to contract with such corporation to receive from time to time advances of a loan up to a stated maximum principal sum and to issue to such corporation, in order to evidence the obligation of such municipality to repay such advances, its bonds or notes in the form and in the manner provided by this section. Any such bond or note may provide that the municipality issuing such bond or note shall pay to such corporation or its assigns the stated maximum principal sum or, if less, the aggregate principal amount of the advances of the corresponding loan made to such municipality by the corporation. The principal amounts of advances and the timing and manner of the payment and repayment of such advances and the interest rate applicable to such advances may be provided for in the related contract or loan agreement or in any obligations evidencing such loan advances.

b. Any obligation issued by a municipality pursuant to this section shall be deemed indebtedness of such municipality (i) only as of the date and to the extent that the corporation makes or has made each loan advance available to such municipality and (ii) only in the amount of each such loan advance. Any such advance shall be considered a separate borrowing for purposes of determining compliance with the constitution and laws of the state.

c. Any obligation issued by a municipality pursuant to this section shall provide for the payment of principal and interest without presentation.

d. The finance board, by resolution, may delegate its power to contract and to issue indebtedness pursuant to this section to the chief fiscal officer of such municipality, in which event the chief fiscal officer shall exercise such power until the finance board, by resolution, shall elect to resume the same.

e. On or before the first day of January, in any given year, beginning on January first, nineteen hundred ninety-four, the president of the New York state environmental facilities corporation shall submit to the director of the division of the budget, the chairperson of the senate finance committee, the chairperson of the assembly ways and means committee, and the chairpersons of the senate and assembly committees on local government, a comprehensive report detailing the activities undertaken pursuant to this section, which shall include, at a minimum, (i) all project applicants; (ii) the amount of the state revolving fund bond or note for each project; (iii) the amount advanced; (iv) the repayment terms and conditions; and (v) the interest rate savings to the

project applicant.
* NB Repealed September 30, 2029

ARTICLE III

EFFECT OF CHAPTER; SAVING CLAUSES; LAWS REPEALED; WHEN TO TAKE EFFECT

§ 170.00 Local legislation relating to local finance. Any county, city, town or village may adopt local laws:

1. Imposing duties in addition to those imposed by this chapter,

2. Altering duties imposed by this chapter so as to make them more stringent, or

3. Restricting or prohibiting the exercise of any powers granted by this chapter.

§ 171.00 Continuity of powers and duties. a. Any agency, board, commission or official to whom are assigned by this chapter any powers and duties shall exercise such powers and duties in continuation of their exercise by the agency, board, commission or official by which the same were heretofore exercised and shall have power to continue any business, proceeding or other matter commenced by the agency, board, commission or official by which such powers and duties were heretofore exercised. Any provision in any contract relating to the subject matter of such powers or duties and applicable to the agency, board, commission or official formerly exercising such powers and duties shall apply to the agency, board, commission or official to which such powers and duties are assigned by this chapter.

b. All records, property and equipment whatsoever of any agency, board, commission or official, the powers and duties of which are assigned to any other body or official by this chapter, shall be transferred and delivered to the body or official to which such powers and duties are so assigned. If part of the powers and duties of any agency, board, commission or official are assigned to another body or official by this chapter, all records, property and equipment relating thereto shall be transferred and delivered to the body or official to which such powers and duties are so assigned.

§ 172.00 Authorizations continued. a. Any authorization adopted by a municipality, school district or district corporation prior to the effective date of this chapter for an object or purpose for which bonds, notes, certificates or other evidences of indebtedness are to be issued shall not lapse or terminate or be otherwise affected by reason of any of the provisions contained in this chapter and bonds, notes, certificates or other evidences of indebtedness may be authorized, sold or issued to finance such object or purpose in accordance with the provisions of law in force prior to the effective date of this chapter, or in accordance with the provisions of this chapter. Such obligations may be renewed in accordance with the provisions of law in force prior to the effective date of this chapter, or in accordance with the provisions of this chapter.

b. Any authorization adopted by a municipality, school district or district corporation prior to the effective date of this chapter for the issuance of bonds, notes, certificates or other evidences of indebtedness or for the disposition or expenditure of the proceeds thereof, shall not lapse or terminate or be otherwise affected by reason of any of the provisions of this chapter and bonds, notes, certificates or other evidences of indebtedness authorized to be issued thereunder may be authorized, sold, issued or renewed and the proceeds thereof may be disposed of or expended in accordance with the provisions of law in force prior to the effective date of this chapter, or in accordance with the provisions of this chapter.

c. Any municipality, school district or district corporation instead of issuing tax anticipation notes or revenue anticipation notes in accordance with the provisions of this chapter may issue bonds, notes, certificates or other evidences of indebtedness, in accordance with the provisions of law in force prior to the effective date of this chapter, in anticipation of the collection of (1) real estate taxes or assessments levied for a fiscal year which commenced prior to the effective date of this chapter and will end subsequent thereto and prior to the expiration of one year from the effective date of this chapter, (2) real estate taxes returned or certified during such fiscal year, or (3) taxes other than real estate taxes, or other revenues to become due during such fiscal year. Such obligations, and obligations issued prior to the effective date of this chapter, in anticipation of the collection of real estate taxes, assessments, taxes other than real estate taxes, or other revenues, may be renewed from time to time in accordance with the provisions of law in force prior to the effective date of this chapter, or in accordance with the provisions of this chapter.

d. If a municipality, fire district or school district having an aggregate assessed valuation of real property of one hundred thousand dollars or over, sells bonds in accordance with the provisions of a law other than this chapter as provided in paragraph a, b and c of this section, and if such bonds are required to be sold at public sale, it shall comply with the provisions of section 109.00 of this chapter as to the filing of a verified debt statement.

§ 173.00 Pending actions, suits and proceedings not affected. No action, suit or proceeding, pending at the time when this chapter shall take effect, brought by or against a municipality, school district or district corporation or any agency, board, commission or official thereof, shall be affected or abated by the adoption of this chapter or by anything therein contained, and such action, suit or proceeding shall be continued as if this chapter shall not have taken effect.

§ 174.00 Previously authorized obligations not affected; redemption of outstanding obligations. The repeal by this chapter of any act authorizing the issuance of bonds, notes, certificates or other evidences of indebtedness heretofore authorized, issued or sold shall not be construed to impair the validity or legality of any such obligations or to affect in any way, the rights and duties prescribed therein. The provisions of law in force and effect prior to the effective date of this chapter, relating to and providing for the means for the payment, other than by refunding, of bonds, notes, certificates or other evidences of indebtedness theretofore authorized, issued or sold, and interest thereon, shall continue also to apply notwithstanding anything contained in the table of repeals hereto annexed.

§ 175.00 Acts legalized or validated not affected. The repeal by this chapter of any provisions of law legalizing or validating any act done or committed shall in no way affect or impair such legalization or validation.

§ 176.00 Local finance law to be the exclusive law. Except as otherwise provided in this article, all statutes, local laws, ordinances, rules and regulations, insofar as they relate to the matters herein contained, are hereby superseded, it being the legislative intent that this chapter shall constitute the exclusive law on such matters.

§ 177.00 Laws repealed; legislative intent. a. Of the laws enumerated in schedule A annexed hereto, that portion specified in the last column is hereby repealed.

b. It is the intent of the legislature, in enacting such schedule of repeals, specifically to repeal such laws as may be obsolete or have been superseded by the other sections of this chapter so as to harmonize the statutes of the state and the local laws of the municipalities with the local finance law, thus avoiding ambiguity and uncertainty in construing the laws under which the municipalities, school districts and district corporations conduct their fiscal affairs.

§ 178.00 Effect of hyphen in schedule of laws repealed. When two numbers in the schedule of repeals hereto annexed are connected by a hyphen both such numbers are included as well as all intermediate numbers.

§ 179.00 Model forms of obligations. The model form of a coupon bond and the model form of a note payable to bearer contained in schedule B annexed hereto may be used, but this section shall not be construed to prevent or invalidate the use of other forms in lieu thereof. Both of such forms provide for the conversion of the obligation into a registered obligation and also contain a provision permitting the redemption of the obligation prior to maturity by the municipality, school district or district corporation issuing such obligation.

§ 180.00 Law to be liberally construed. This chapter shall be liberally construed to effectuate the objects and purposes thereof and the public policy of the state as hereby declared.

§ 181.00 Separability. If any clause, sentence, subdivision, paragraph, section or part of this chapter be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

§ 182.00 When to take effect. This act shall take effect September first, nineteen hundred forty-five.