§ 1285-o. Pipeline for jobs fund. The corporation shall undertake to provide financial assistance to recipients to encourage and support the planning, design and construction of eligible projects which provide an economic development benefit to the state.

1. There is hereby established in the custody of the corporation a "pipeline for jobs fund". The purpose of the pipeline for jobs fund shall be to provide financial assistance, as determined by the corporation in consultation with the department of economic development, to recipients for the planning, design and construction of eligible projects.

2. For purposes of this section, and notwithstanding any provision of law to the contrary, as used in this section:

(a) "Construction" means the erection, building, acquisition, alteration, reconstruction, improvement, enlargement or extension of an eligible project; the inspection and supervision thereof; and the engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary thereto.

(b) "Eligible municipality" means any county, city, town or village located within the state.

(c) "Eligible project" means a project intended to create, improve or extend water supply facilities, including, but not limited to, drinking water facilities and cold water supply facilities for economic development purposes on behalf of businesses, which may include projects that may be eligible for financing under or designed to comply with the requirements of the federal safe drinking water act or other applicable federal laws and state drinking water quality goals and standards.

(d) "Financial assistance" means state assistance payments for the state share of the cost of an eligible project, or any one or more of the following types of financial assistance:

(i) loans to recipients for construction of eligible projects on such terms as the corporation may determine, subject to any applicable provisions of federal or state law;

(ii) buying or refinancing debt obligations of recipients at market or below market rates, subject to any applicable provisions of federal or

state law;

(iii) guarantying, or purchasing insurance or other credit enhancement for municipal obligations where such action would improve credit market access for or reduce interest rates on such municipal obligations;

(iv) providing a source of revenue or security for payment of principal and interest on bonds or notes issued by the corporation if the proceeds of the sale of such bonds or notes will be deposited in the fund; and

(v) providing interest rate subsidies from investment earnings on corpus allocations to subsidize loans to recipients made from the proceeds of the corporation's bonds or notes.

(e) "Fund" means the pipeline for jobs fund established by this section.

(f) "Recipient" means any eligible municipality, public utility, public benefit corporation, or person, including any individual, firm, partnership, association, not-for-profit corporation or other corporation organized and existing under the laws of the state or any other state which is empowered to construct and operate an eligible project, or any two or more of the foregoing which are acting jointly in connection with an eligible project.

3. Moneys in the fund shall be segregated from all other funds of or in the custody of the corporation. Moneys in the fund shall be used for any authorized purpose of the fund as provided and in accordance with the provisions of this section.

4. The fund shall consist of:

(a) moneys appropriated by the legislature pursuant to a chapter of the laws of nineteen hundred ninety-nine, or any reappropriation thereof, for the purpose of such fund or otherwise transferred by the state for deposit therein by the comptroller as required by law;

(b) payments of principal and interest made by recipients pursuant to loan or other financing agreements entered into pursuant to this section; provided, however, if financial assistance made pursuant to financing agreements is financed by the issuance of bonds or notes of the corporation, deposit of such payments into the fund shall be subject to the rights of the holders of such bonds or notes to receive such

moneys;

(c) investment earnings on the amounts in such fund; and

(d) the proceeds of bonds or notes issued by the corporation for purposes of providing financial assistance to recipients.

5. Moneys in the fund may be invested by the corporation in accordance with this title and pursuant to guidelines from time to time issued by the corporation.

6. The corporation shall request applications from recipients to receive financial assistance from the fund for eligible projects. The corporation shall provide a list of the eligible projects and the amounts available for financial assistance to the department of economic development, which department shall recommend to the corporation projects to be financed from the moneys available. In making such recommendations, the department of economic development shall give consideration to eligible projects which have the potential to enhance the state's technology industry development efforts.

7. The corporation shall promulgate regulations, developed in consultation with the commissioner of economic development, the commissioner of environmental conservation and the commissioner of health for the purpose of carrying out its responsibilities under this section, including establishing the criteria and standards for evaluating the projects to be financed and determining the amount and kind of financial assistance to a recipient for an eligible project as well as the terms of any financing agreement evidencing such financial assistance.

8. The provisions of subdivision eleven of section twelve hundred eighty-five-m of this title shall be available to the corporation in the event of a default under any financing agreement entered into by an eligible municipality pursuant to this section.

9. (a) Notwithstanding the provisions of any general or special law to the contrary, the corporation and the director of the budget are hereby authorized to enter into a pipeline for jobs fund service contract or

contracts providing for the administration of the pipeline for jobs fund and the financing by such corporation of the contributions made by the state to the pipeline for jobs fund. Any such contract or contracts shall be upon such terms and conditions as the corporation and the director of the budget shall determine to be reasonable, including, but not limited to, provisions relating to the respective obligations of the state and the corporation with respect to providing for the payment of (i) all fees and other charges of, and expenses incurred by, the corporation in connection with the issuance and administration of bonds to provide funds to the state or reimburse the state for contributions to the pipeline for jobs fund and (ii) all debt service payments and related expenses on such bonds.

(b) Any such contract entered into pursuant to paragraph (a) of this subdivision shall provide that the obligation of the state to fund or to pay the amounts therein provided for shall not constitute a debt of the state within the meaning of any constitutional or statutory provision and shall be deemed executory only to the extent of moneys available therefore and that no liability shall be incurred by the state beyond the moneys available for such purpose, and that such obligation is subject to annual appropriation by the legislature.

(c) Any such contract or any payments made or to be made thereunder may be assigned and pledged by the corporation as security for its bonds and notes issued for the purpose of financing the state contribution to the pipeline for jobs fund.

(d) The comptroller is hereby authorized to receive from the corporation any portion of bond proceeds paid to provide funds to or reimburse the state for its contribution to the pipeline for jobs fund and to credit such amounts to the capital projects fund.