**§ 1680-b. Court facilities and combined occupancy structures.** 1. The authority may enter into a lease, sublease or other agreement with a participating municipality pursuant to which one or more court facilities or combined occupancy structures are to be designed, acquired, constructed, reconstructed, rehabilitated or improved, or a court facility is to be furnished or equipped, provided that such lease, sublease or other agreement has been approved by the chief administrator of the courts. The authority shall not enter into any such lease, sublease or other agreement unless such lease, sublease or other agreement provides that (a) the parties thereto shall comply with such standards and administrative policies relating to court facilities as may be promulgated pursuant to section twenty-eight of article six of the constitution and (b) the court facilities or combined occupancy structures to which such lease, sublease or other agreement related shall be constructed, reconstructed, rehabilitated, improved, furnished or equipped substantially in accordance with the plans, specifications and designs approved by the chief administrator of the courts. Such lease, sublease or other agreement may contain such other terms and conditions as the authority may require, including, but not limited to, provisions relating to the maintenance and operation of the court facilities, the establishment of reserve funds and the disposition of a court facility or a combined occupancy structure or the interest of the authority therein prior to or upon the termination or expiration of such lease, sublease or other agreement. In connection with court facilities and combined occupancy structures, the authority is hereby authorized to issue bonds in an aggregate principal amount not to exceed three billion dollars; provided, however, that bonds issued or to be issued shall be excluded from such limitation if such bonds are issued to refund bonds of the authority issued in connection with court facilities and combined occupancy structures and the present value of the aggregate debt service on the refunding bonds does not exceed the present value of the aggregate debt service on the bonds refunded thereby. For purposes hereof, the present value of the aggregate debt service of the refunding bonds and the aggregate debt service of the bonds refunded, shall be calculated by utilizing the true interest cost of the refunding bonds, which shall be that rate 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 payment dates thereof to the date of issue of the refunding bonds to the purchase price of the refunding bonds, including interest accrued thereon prior to the issuance thereof. The maturity of such bonds, other than bonds issued to refund outstanding bonds, shall not exceed the weighted average economic life, as certified by the office of court administration, of the facilities in connection with which the bonds are issued, and in any case not later than the earlier of forty years or the expiration of the term of any lease, sublease or other agreement relating thereto; provided that no note, including renewals thereof, shall mature later than five years after the date of issuance of such note.

2. No bonds may be issued by the authority in connection with a court facility or combined occupancy structure unless:

(a) the chief administrator of the courts has certified that the court facility or facilities in connection with which such bonds are to be issued are consistent with the capital plan approved pursuant to section sixteen hundred eighty-c of this chapter; and

(b) the lease, sublease or other agreement with the participating municipality relating to such court facilities provides that the plans, specifications, designs and cost estimates for the design, construction, reconstruction, rehabilitation, improvement, furnishing or equipping of the court facilities in connection with such bonds are to be issued subject to the approval of the chief administrator of the courts pursuant to paragraph (u) of subdivision one of section two hundred twelve of the judiciary law.

3. Notwithstanding the provisions of any general, special or local law, charter or ordinance to the contrary, a participating municipality may sell, convey, lease, exchange or otherwise make available to the authority, for nominal consideration, the title to or an interest in real property for the purpose of providing court facilities or combined occupancy structures and may enter into any lease, sublease or other agreement with the authority in connection with court facilities or combined occupancy structures without public auction or bidding or restriction as to the term of such lease, sublease or other agreement, provided that such sale, conveyance, lease, exchange, or other

disposition to the authority or lease, sublease or other agreement with the authority is authorized by the board of county supervisors or the county legislature of a participating municipality which is a county, or the common council of a participating municipality which is a city other than the city of New York or, if the participating municipality is the city of New York, the board of estimate of the city of New York.

4. In the event that a participating municipality fails to pay to the authority when due all or part of the rentals and other payments payable pursuant to any lease, sublease or agreement with the authority, the chairman or another officer of the authority shall certify at the times provided in this subdivision the amount of rentals and other payments then due from such participating municipality and unpaid. The state comptroller, upon receipt of such certificate, shall deduct the amount of such rentals and other payments as remains unpaid to the authority first from the aid payable to such participating municipality from the court facilities incentive aid fund established by section ninety-four of the state finance law and, then, from the next succeeding payments of state aid apportioned to such participating municipality, as revenue sharing, per capita aid, and any other aid pursuant to section fifty-four of the state finance law and, then, from the next succeeding payments of state aid for any local governmental administrative costs that are reimbursable to the participating municipality pursuant to state law and, then, from the next succeeding payments of state aid from moneys appropriated pursuant to section six hundred eight of the public health law and pursuant to section ten-c of the highway law; provided, however, that the right of the authority to the payment of any amount deducted by the state comptroller pursuant to this section from per capita aid apportioned to the city of New York shall be subject and subordinate to the rights of the city university construction fund pursuant to section sixty-two hundred seventy-nine of the education law, the New York city housing development corporation pursuant to section six hundred fifty-six of the private housing finance law, the trustees of the police pension fund pursuant to paragraph e of subdivision seven of section fifty-four of the state finance law, and the municipal assistance corporation for the city of New York pursuant to section three thousand thirty-six-a of this chapter and subdivision one of

section ninety-two-e of the state finance law. In order to insure that the amount of rentals and other payments due and unpaid by a participating municipality are paid, the authority on or within thirty days prior to January twenty-fifth, April twenty-fifth, July twenty-fifth and October twenty-fifth of each year shall certify to the state comptroller the amount of rentals and other payments then due and unpaid by each participating municipality pursuant to any lease, sublease or other agreement. The amount required to be deducted by the state comptroller pursuant to this subdivision shall be deducted from such aid, whether or not the state aid from which such deduction is to be made is then payable to the participating municipality, and thereupon paid to the authority. The amount of state aid payable to such participating municipality shall be reduced by the amount deducted by the state comptroller notwithstanding the amount appropriated and apportioned by the state to such participating municipality, and the state shall not be obligated to make and the participating municipality shall not be entitled to receive any additional apportionment or payment of such state aid. Nothing shall be construed to create an obligation upon the state to appropriate moneys, to preclude the state from reducing the amount of moneys appropriated or level of assistance provided, or to preclude the state from altering or modifying the manner in which it provides for or provides assistance.

5. On and after the effective date of this subdivision, when bonds are issued by the authority pursuant to this section, the authority and the participating municipality shall agree in any lease, sublease or other agreement to finance the acquisition, construction, reconstruction or rehabilitation of a court facility or combined occupancy structure that, so long as such bonds remain outstanding, the participating municipality shall retain title to such court facility or combined occupancy structure free of all liens and encumbrances except as shall be expressly permitted by such lease, sublease or other agreement.