§ 1680-i. Judiciary; authority financing of courthouse improvements. 1. The dormitory authority is hereby authorized to finance eligible courthouse improvements.

2. (a) Subject to the provisions of chapter fifty-nine of the laws of two thousand and to the making of annual appropriations therefor by the legislature, in order to assist the dormitory authority in providing for the financing of courthouse improvements, the director of the budget is authorized in any state fiscal year commencing April first, two thousand two or any state fiscal year thereafter to enter into one or more service contracts, none of which shall exceed thirty years in duration, with the dormitory authority, upon such terms as the director of the budget and the dormitory authority agree.

(b) Any service contract entered into pursuant to paragraph (a) of this subdivision or any payments made or to be made thereunder may be assigned and pledged by the dormitory authority as security for its bonds, notes, or other obligations.

(c) Any such service contracts shall provide that the obligation of the director of the budget or 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 in the event the dormitory authority assigns or pledges the service contract payments as security for its bonds, notes, or other obligations and shall be deemed executory only to the extent monies are available and that no liability shall be incurred by the state beyond the monies available for the purpose, and that such obligation is subject to annual appropriations by the legislature.

(d) Any service contract or contracts entered into pursuant to this subdivision shall provide for state commitments to provide annually to the dormitory authority a sum or sums, upon such terms and conditions as shall be deemed appropriate by the director of the budget, to fund the principal, interest, or other related payments required for any bonds, notes, or other obligations of the dormitory authority issued pursuant to this section.

3. (a) To obtain funds for the purposes of this section, the authority shall have power from time to time to issue negotiable bonds or notes.

Unless the context shall clearly indicate otherwise, whenever the words "bond" or "bonds" are used in this section, such words shall include a note or notes of the authority.

(b) The dormitory authority shall not issue any bonds or notes in an amount in excess of thirty-seven million six hundred thousand dollars for the purposes of this section; excluding bonds or notes issued to fund one or more debt service reserve funds, to pay costs of issuance of such bonds, and bonds or notes issued to refund or otherwise repay such bonds or notes previously issued. Except for purposes of complying with the internal revenue code, any interest on bond proceeds shall only be used to pay debt service on such bonds.

(c) In computing for the purposes of paragraph (b) of this subdivision, the aggregate amount of indebtedness evidenced by bonds and notes of the dormitory authority issued pursuant to this title, there shall be excluded the amount of such indebtedness represented by such bonds or notes issued to refund or otherwise repay bonds or notes; provided that the amount so excluded under this paragraph may exceed the principal amount of such bonds or notes that were issued to refund or otherwise repay only if the present value of the aggregate debt service on the refunding or repayment bonds or notes shall not have at the time of their issuance exceeded the present value of the aggregate debt service of the bonds or notes they were issued to refund or repay, such present value in each case being calculated by using the effective interest rate of the refunding or repayment bonds or notes, 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 or repayment bonds or notes from the payment date thereof to the date of issue of the refunding or repayment bonds or notes and to the price bid therefor, or to the proceeds received by the dormitory authority from the sale thereof, in each case including estimated accrued interest.

(d) The state of New York hereby covenants with the purchasers, holders, and owners from time to time of the bonds of the authority issued pursuant to this section that it will not, subject to the provisions of paragraph (c) of subdivision two of this section, repeal, revoke, rescind, modify, or amend the provisions of this section which relate to the making of annual service contract payments to the

authority with respect to such bonds as to limit, impair, or impede the rights and remedies granted to bondholders under this title or otherwise diminish the security pledged to such purchasers, holders, and owners or significantly impair the prospect of payment of any such bond.