§ 2438. Bond authorization. (1) The agency shall not issue bonds and notes in an aggregate principal amount at any one time outstanding exceeding one billion dollars, excluding tax lien collateralized securities, special school purpose bonds, special school deficit program bonds, special program bonds issued to finance the reconstruction, rehabilitation or renovation of an educational facility pursuant to the provisions of subdivision (b) of section sixteen of chapter six hundred five of the laws of two thousand, special program bonds issued to finance the cost of a project for design, reconstruction or rehabilitation of a school building pursuant to the provisions of section fourteen of the city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act, special program bonds issued to finance the cost of a project for design, construction, reconstruction or rehabilitation of a school building pursuant to the provisions of section thirteen of the Yonkers city school district joint schools construction and modernization act, recovery act bonds, public safety communications bonds and bonds and notes issued to refund outstanding bonds and notes.

(2) The agency shall not issue special school purpose bonds in an aggregate principal amount in excess of: for the city of New York, four hundred thirty-five million dollars; for the city of Buffalo, four million seven hundred thousand dollars; for the city of Rochester, five million one hundred thousand dollars; for the city of Syracuse, eight hundred thousand dollars; and for the city of Yonkers, three hundred thousand dollars; or the amount of prior year claims that are due and payable to each such school district of each such special school purpose municipality pursuant to section thirty-six hundred four of the education law. Such amount shall exclude bonds issued to fund any debt service reserve fund, bonds issued to refund such special school purpose bonds, bonds issued to pay the costs of issuance of such special school purpose bonds and the amount of bonds that would constitute interest under the Internal Revenue Code of 1986, as amended. Notwithstanding any provision of law to the contrary, the special school purpose bonds issued for the city of New York shall be issued in such principal amount as will provide funds sufficient to pay interest on such bonds for a period of at least two years after the date of issuance thereof and such amount shall be excluded from the limitation contained in this

subdivision.

(3) The agency shall not issue special school deficit program bonds (a) prior to the time the state comptroller determines the amount of the accumulated projected deficit of a special school deficit program district in its general fund at the close of its current fiscal year ending June thirtieth, two thousand two, including any budget notes and revenue anticipation notes which may be part of such deficit, as provided in a chapter of the laws of two thousand two, and (b) in aggregate principal amount in excess of the lesser of (i) the amount of such deficit as determined by the state comptroller or (ii) sixteen million five hundred thousand dollars, excluding bonds to fund any debt service reserve fund, bonds issued to refund special school deficit program bonds, bonds issued to pay the costs of issuance of such special school deficit program bonds and the amount of bonds that would constitute interest under the Internal Revenue Code of 1986, as amended.

(4) The fixing of the statutory maximum in this section shall not be construed as constituting a contract between the agency and the holders of its bonds or notes that additional bonds and notes may not be issued subsequently by the agency in the event that such statutory maximum shall subsequently be increased by law.