§ 366. Guaranty by the state. 1. To the extent authorized by the constitution at the time of the issuance of notes or bonds, the punctual payment of the notes and bonds shall be, and the same hereby is, fully and unconditionally guaranteed by the state, both as to principal and interest, according to their terms; and such guaranty shall be expressed upon the face thereof by the signature or facsimile signature of the comptroller or a deputy comptroller. In the event that the authority shall fail to pay when due, the principal of, or interest on, the notes or bonds, the comptroller shall pay the holder thereof, and thereupon the state shall be subrogated to the rights of the noteholders or bondholders so paid.

2. The authority shall have power to issue notes and bonds without the guaranty of the state and may issue such notes or bonds before and after the issuance of notes or bonds so guaranteed.

3. When guaranteed notes or guaranteed bonds are outstanding, notes or bonds secured by a pledge of receipts or revenues having priority over such outstanding guaranteed notes or guaranteed bonds shall not be issued, except with the consent of the comptroller, and unless the authority shall by resolution first find and determine that, notwithstanding such pledge, the authority will have adequate means to meet its obligations to the holders of such outstanding guaranteed notes or bonds.

4. When notes or bonds are outstanding secured by a pledge of receipts or revenues, guaranteed notes or bonds either unsecured, or secured by a pledge of receipts or revenues subordinate to the pledge securing such outstanding notes or bonds, shall not be issued unless the authority shall first find and determine by resolution that notwithstanding the pledge securing such outstanding notes or bonds, the authority will have adequate means to meet its obligations on the guaranteed notes or bonds about to be issued.