§ 386. Additional powers of the authority to issue special rail and aviation transportation bonds. 1. The authority is hereby authorized, as an additional corporate purpose thereof to enter into service contracts, contracts, agreements, deeds, leases with the director of the budget, the commissioner of transportation, municipalities and others to provide for the financing by the authority of rail and aviation transportation projects as authorized by section fourteen-j of the transportation law.

2. The authority is hereby authorized, as an additional corporate purpose thereof, solely at the request of the director of the budget: a. to issue special rail and aviation transportation bonds, notes or other obligations in an aggregate principal amount not to exceed forty million dollars plus a principal amount of bonds, notes or other obligations issued (i) to fund any related debt service reserve fund, (ii) to provide capitalized interest and (iii) to provide fees and other charges and expenses, including but not limited to legal fees, underwriters' discounts, related to the issuance of such bonds, notes and other obligations and the maintenance of such reserves, all as determined by the authority, excluding bonds, notes or other obligations issued to refund outstanding bonds, notes or other obligations issued pursuant to this section. Such bonds, notes or other obligations may be issued for a term not to exceed thirty years and shall be secured by the moneys provided pursuant to a service contract, contract, lease or agreement entered into with the director of the budget, the commissioner of transportation, municipalities or others pursuant to subdivision one of this section for the purpose of financing activities pursuant to section fourteen-j of the transportation law, such service contract, contract, lease or agreement to provide for the payment of debt service, funding of necessary reserves and all other expenses of the authority as agreed to by the parties, provided, however, that such service contract, contract, lease or agreement shall provide that the obligation of the state to make such payments 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 made available to the state, and that no liability on account thereof shall be incurred by the state beyond the moneys available for the purpose thereof and that any obligation to make such payments shall be subject to annual

appropriations by the legislature; to make available the proceeds net of all costs to the authority in connection therewith in accordance with such agreements or as authorized and directed by law for the purposes of financing activities pursuant to and in conformance with section fourteen-j of the transportation law.

3. Such obligations shall be issued or incurred with the approval of the director of the budget and shall be special limited obligations of the authority secured by and payable solely out of amounts appropriated by the legislature for payments pursuant to a service contract, contract, lease or agreement authorized pursuant to subdivision one of this section and any other funds appropriated by the legislature to the authority therefor without recourse against any other assets, revenues or funds of or other payments due to the authority.

4. Such obligations shall contain on the face thereof a statement to the effect that they shall not be deemed to be an obligation of the state and that the state shall not be liable thereon.

5. All of the provisions of this title relating to bonds and notes, which are not inconsistent with the provisions of this section shall apply to obligations authorized by this section, including but not limited to the power to issue renewal notes or refunding bonds thereof, provided, however, that the authority shall be authorized to issue variable rate bonds or notes pursuant to this section only until June thirtieth, nineteen hundred ninety-four, after which date no bonds or notes issued by the authority pursuant to this section may have interest rates which vary, provided further that the expiration of such authority shall not affect any such bonds or notes issued prior to such date.

6. The authorization, sale and issuance of bonds, notes or other obligations pursuant to this section shall not be deemed an action as such term is defined in article eight of the environmental conservation law for the purposes of such article. Such exemption shall be strictly limited in its application to such financing activities of the authority and does not exempt the department of transportation or any other entity from compliance with such article.

7. The attorney general shall approve or disapprove of the form of any service contract, contract, lease or agreement authorized pursuant to this section.