§ 41. Power to issue authority bonds. 1. An authority may from time to time for any of the purposes of this chapter borrow money and issue bonds in conformity with applicable provisions of the uniform commercial code in such amounts and upon such terms as it may deem advisable. Bonds for state projects and for projects, other than federal projects, financed without a loan from a government may be issued for periods not exceeding fifty years and for a period not exceeding the probable life of the project which said period shall be calculated from the date of the bonds. Bonds for projects financed with the aid of municipal loans may be issued for periods not exceeding the probable life of the project. Bonds for federal projects may be issued for a period not exceeding sixty years. An authority shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it but no such refunding bonds shall mature later than the expiration of the maximum period permitted by this subdivision at the time of the issuance of the bonds to be refunded for the project for which such bonds were issued. Such period shall be construed to commence from the date of issuance of the bonds to be refunded.

2. An authority is authorized to issue, whenever it may deem it necessary so to do, notes in conformity with applicable provisions of the uniform commercial code without limitation as to the rate or rates of interest in anticipation of the sale of bonds of which a government shall have agreed to purchase at least eighty per centum or which shall have been authorized at the time such notes are issued or in anticipation of a loan which a government shall have agreed to make to the authority. Such notes shall mature within a period not to exceed one year from the date of their issue but may be made subject to the right of earlier payment. The proceeds of the sale of such notes shall be used only for the purposes for which may be used the proceeds of the sale of bonds or of the loan in anticipation of which the notes were issued. Any such notes may be renewed or may be refunded through the sale of similar notes but no such renewal or refunding notes shall be issued after the sale of bonds. Such notes, renewal notes or refunding notes shall, with the interest thereon, if any, be paid from funds made available by a government pursuant to agreement for the purchase of bonds or the making of a loan, or from the proceeds of the sale of the bonds in anticipation

of the sale of which the notes were issued or, in the event of the sale of the project with respect to which such notes were issued, from the purchase price paid to the authority by the purchaser of such project. Such notes, renewal notes or refunding notes shall mature within a period not to exceed one year beyond the maturity date of the last maturing notes outstanding on the date when the authority or, in the case of state projects, the commissioner, makes the determination that the project has been completed and that the project cost has been finally determined, which determination shall be conclusive in any suit, action or proceeding upon such notes, renewal notes or refunding notes. The total amount of such notes or renewals thereof issued and outstanding shall at no time exceed the total amount of bonds of which a government shall have agreed to purchase at least eighty per centum or which shall have been authorized to be issued or the total amount of the loan which a government shall have agreed to make to the authority. The foregoing limitations upon the time of payment of notes shall not at any time apply to notes or other obligations which may be issued by an authority to a government in anticipation of the sale of bonds of which such government shall have agreed to purchase at least eighty per centum or in anticipation of a loan which such government shall have agreed to make to the authority. Except as in this section expressly provided, an authority shall, in addition to its other powers, have the same powers in connection with the issuance and securing the payments of its notes as it has in connection with the issuance and securing payment of its bonds.

2-a. In connection with a federal project, an authority may, notwithstanding anything to the contrary contained in subdivision two of this setcion, issue notes or renewal or refunding notes in conformity with applicable provisions of the uniform commercial code after the sale of bonds for such project and without regard to the limitations as to time of issuance or payment set forth in such subdivision, provided: (a) the total amount of such notes or renewal or refunding notes issued and outstanding shall at no time exceed the difference between the estimated project cost if issued prior to the date of physical completion of the project or the project cost if issued thereafter and the principal amount of the bonds theretofore issued for such project; and (b) such

notes or renewal or refunding notes are secured by an agreement between the authority and the federal government or any agency on instrumentality thereof pursuant to which the authority agrees to borrow from such government or agency or instrumentality thereof, and such government or agency or instrumentality thereof agrees to lend to the authority at or prior to the maturity of such notes, monies in an amount which (together with any other monies irrevocably committed to the payment of principal of or interest on such notes) will be sufficient to pay the principal of such notes with interest thereon to maturity, which monies under the terms of such agreement are required to be used by the authority for the purpose of paying the principal of and interest on such notes at their maturity. Every note issued in connection with a federal project which is not refunded and any renewals thereof and every refunding note and any renewals thereof shall, with the interest thereon, if any, be paid either from funds made available by the federal government or agency or instrumentality thereof pursuant to an agreement for the purchase of bonds or the making of a loan or the payment of annual contributions, or from the proceeds of the sale of the bonds in anticipation of the sale of which the notes were issued.

3. The authority may issue its interim certificates, or other temporary obligations, in conformity with applicable provisions of the uniform commercial code, to the purchaser of bonds pending the authorization, preparation, execution or delivery of definitive bonds. Such interim certificates, or other temporary obligations, shall be in such form, contain such terms, conditions and provisions, bear such date or dates, and evidence such agreements relating to their discharge or payment or the delivery of definitive bonds as the authority may by resolution determine.

4. Notwithstanding anything to the contrary contained in subdivision two of this section respecting limitations upon the time of payment of notes, renewal notes or refunding notes, such notes may be issued during the period that negotiations for the sale of a project pursuant to the provisions of the public housing law or the private housing finance law are pending, but such notes shall not be renewed or refunded beyond the maturity date of the last maturing notes outstanding on the date of

transfer of title to such project by the authority to the purchaser. Negotiations for the sale of a project shall be deemed to be pending if the authority shall have adopted a resolution determining that the negotiations for the sale of such project are pending. If the negotiations for such sale are thereafter abandoned, such notes, renewal notes or refunding notes shall mature within a period not to exceed one year beyond the maturity date of the last maturing notes outstanding on the date determined by resolution adopted by the authority as the date when negotiations for the sale of the project were abandoned, or within a period not to exceed one year beyond the maturity date of the last maturing notes outstanding on the date when the determination is made pursuant to subdivision two of this section that the project has been completed and that the project cost has been finally determined, whichever period is longer.