§ 16-c. Amortization of a portion of the state's contribution bill for fiscal year ending March thirty-first, two thousand five. a. If the comptroller, in his or her discretion, decides to permit amortization of employer contributions, then, on or before October fifteenth, two thousand three on the basis of the annual actuarial valuation provided for in this chapter, the comptroller shall determine the amount (exclusive of payments for group term life insurance, deficiency payments, adjustments relating to prior fiscal years' obligations and obligations pertaining to retirement incentives or any other obligations that the state is permitted to pay on an amortized basis) required to be paid pursuant to section twenty-three-a of this article for the fiscal year ending March thirty-first, two thousand five. The amount by which the contribution amount with respect to the fiscal year ending March thirty-first, two thousand five exceeds seven percent of the estimated pensionable salary base for fiscal year ending March thirty-first, two thousand five shall be the "amount eligible for amortization." The "amount eligible for amortization" may be amortized over a ten-year period at eight percent interest per annum with the first of ten equal payments payable during fiscal year ending March thirty-first, two thousand six, provided, however, that on or before September first, two thousand four, the comptroller, in his or her discretion, may establish a fixed rate of interest per annum to be applied to the amounts eligible for amortization of all employers, which more closely approximates a market rate of return on taxable fixed rate securities with similar terms issued by comparable issuers.

b. The state may, in lieu of paying its bill for fiscal year ending March thirty-first, two thousand five, pay a lesser amount during fiscal year ending March thirty-first, two thousand five which shall be the entire bill for the fiscal year ending on March thirty-first, two thousand five, calculated pursuant to section twenty-three-a of this article (without reference to this section) less the "amount eligible for amortization".

b-1. If the state makes the payment provided for in subdivision b of this section, the state shall pay during the fiscal year ending March thirty-first, two thousand six an amount determined by the comptroller

by adding the following two amounts together:

(1) the state's entire bill for the fiscal year ending March thirty-first, two thousand six, calculated pursuant to section twenty-three-a of this article (without reference to this section), less the "amount eligible for amortization" determined pursuant to section sixteen-d of this article, if applicable; and

(2) the first annual installment of the "amount eligible for amortization" determined pursuant to this section.

c. The remaining amortized payments shall be due and payable each subsequent fiscal year during the amortization period. The comptroller shall have the authority to permit the pre-payment of the remaining balance of the "amount eligible for amortization," subject to the following:

(1) on or before August first, two thousand four, in addition to advising with respect to the amount due for the current year billing, the comptroller shall advise the state of the total amount due and be authorized to accept pre-payment in full of said amount for fiscal year ending March thirty-first, two thousand five.

(2) on or before each subsequent August first during the amortization period, in addition to the amount due for the current year billing and for the payment of the annual amortized installment, the comptroller shall advise the state of the total amount still outstanding and be authorized to accept the pre-payment of any balance remaining to be paid for that fiscal year.