



LEXSTAT NY CLS UNCONSOL CH 252 § 17

NEW YORK CONSOLIDATED LAWS SERVICE

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UNCONSOLIDATED LAWS

STATE

CHAPTER 252. NEW YORK STATE URBAN DEVELOPMENT CORPORATION ACT

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NY CLS Unconsol Ch 252, § 17 (2010)

§ 17. Bonds and notes of the corporation

(1) Subject to the provisions of section eighteen of this act, the corporation shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amounts, as, in the opinion of the corporation, shall be necessary to provide sufficient funds for achieving any of its corporate purposes, including the payment of interest on bonds and notes of the corporation, establishment of reserves to secure such bonds and notes, and all other expenditures of the corporation incident to and necessary or convenient to carry out its corporate purposes and powers.

(2) All bonds and notes issued by the corporation may be secured by the full faith and credit of the corporation or may be payable solely out of the revenues and receipts derived from the lease, mortgage or sale by the corporation of its projects or of any thereof, all as may be designated in the proceedings of the corporation under which the bonds or notes shall be authorized to be issued. Such bonds and notes may be executed and delivered by the corporation at any time and from time to time, may be in such form and denominations and of such tenor and maturities, may be in bearer form or in registered form, as to principal and interest or as to principal alone, all as the corporation may determine.

(3) Bonds may be payable in such installments and at such time or times not exceeding fifty years from the date thereof, as shall be determined by the corporation.

(4) Notes, or any renewals thereof, may be payable in such installments and at such time or times as shall be determined by the corporation, not exceeding ten years from the date of the original issue of such notes.

(5) Bonds and notes may be payable at such place or places whether within or without the state, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings of the corporation under which the bonds or notes shall be authorized to be issued.

(6) If deemed advisable by the corporation, there may be retained in the proceedings under which any bonds or notes of the corporation are authorized to be issued an option to redeem all or any part thereof as may be specified in such proceedings, at such price or prices and after such notice or notices and on such terms and conditions as may be set forth in such proceedings and as may be recited in the face of the bonds or notes, but nothing herein contained shall be construed to confer on the corporation any right or option to redeem any bonds or notes except as may be provided in the proceedings under which they shall be issued.

(7) Any bonds or notes of the corporation may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the corporation, and the corporation may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. No bonds or notes of the corporation may be sold at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller where such sale is not to the comptroller, or (b) the state director of the budget, where such sale is to the comptroller.

(8) Any moneys of the corporation, including proceeds from the sale of any bonds or notes, and revenues, receipts [receipts] [n1] and income from any of its projects or mortgages, may be invested and reinvested in such obligations, securities and other investments as shall be provided in the resolution or resolutions under which such bonds or notes are authorized.

(9) Issuance by the corporation of one or more series of bonds or notes for one or more purposes shall not preclude it from issuing other bonds or notes in connection with the same project or any other project, but the proceedings whereunder any subsequent bonds or notes may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds or notes unless in the proceedings authorizing such prior issue the right is reserved to issue subsequent bonds or notes on a parity with such prior issue.

(10) The corporation is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any bonds or notes of the corporation then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase or maturity of such bonds or notes, and, if deemed advisable by the corporation, for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project, or the making of any mortgage loan on any project. The proceeds of any such bonds or notes issued for the purpose of refunding outstanding bonds or notes, may, in the discretion of the corporation, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds or notes either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the corporation. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit or time deposits secured in such manner as the corporation shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the corporation for use by it in any lawful manner. The portion of the proceeds of any such bonds or notes issued for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project, or the making of any mortgage loan on any project, may be invested and reinvested in obligations of or guaranteed by the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost, or the making of any such mortgage loan. The interest, income and profits, if any, earned or realized on such investments may be applied to the payment of all or any part of such cost, or the making of any such mortgage loan, or may be used by the corporation in any lawful manner. All such bonds or notes shall be issued and secured and shall be subject to the provisions of this

act in the same manner and to the same extent as any other bonds or notes issued pursuant to this act.

HISTORY: Add, L 1968, ch 174, § 1, eff April 10, 1968.

Sub (1), amd, L 1969, ch 403, § 2, eff May 9, 1969.

Sub (11), repealed, L 1969, ch 403, 2, eff May 9, 1969.

Sub (12), repealed, L 1969, ch 403, 2, eff May 9, 1969.

NOTES:

Repeal Notes

[1969] Subdivisions eleven and twelve of section seventeen of the New York state urban development corporation act which were repealed by this act, provide that bonds or notes and interest coupon applicable thereto shall be negotiable instruments and that the provisions of the uniform commercial code shall not apply to bonds and notes of the corporation.

New York References:

Contracts with New York state housing finance agency for marketing and servicing of bonds and notes, *CLS Priv Hous Fin § 44(27)*

Research References & Practice Aids:

87 NY Jur 2d, Public Housing and Urban Renewal § 98

Case Notes:

The constitutional and statutory provisions regarding audit of state funds do not require an audit of payments from urban development corporation bond proceeds, which are neither "money of the state" nor "money under its control" or within "the possession, custody or control of any officer, agent, or agency of the state." *Smith v Levitt (1972) 30 NY2d 934, 335 NYS2d 687, 287 NE2d 380.*

FOOTNOTES:

[n1] The bracketed word has been inserted by Publisher.