

A BILL

To authorize the Secretary of the Treasury to provide and facilitate seasonal financing for the City of New York.

WHEREAS it is necessary for the City of New York to obtain seasonal financing from time to time because the City's revenues and expenditures, even when in balance on an annual basis, are not received and disbursed at equivalent rates throughout the year; and

WHEREAS the Congress finds that at the present time the City is or may be unable to obtain such seasonal financing from its customary sources; and

WHEREAS the Congress finds that it is necessary to assure such seasonal financing, in order that the City of New York may maintain essential governmental services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "New York City Seasonal Financing Act of 1975".

Section 1. Definitions.

The words and phrases used in the Act have the following meanings:

- (a) The terms "City" and "State" mean the City and State of New York, respectively.
- (b) The term "Financing Agent" means any agency duly authorized by State law to act on behalf or in the interest of the City with respect to the City's financial affairs.

(c) The term "Secretary" means the Secretary of the Treasury.

Section 2. Loans.

(a) Upon written request of the City or a Financing Agent, the Secretary may make loans to the City or such Financing Agent subject to the provisions of this Act, provided that in the case of loans to a Financing Agent, the City and such Agent shall be jointly and severally liable thereon.

(b) Each such loan shall mature not later than the last day of the fiscal year of the City in which it was made, and shall bear interest at an annual rate determined by the Secretary at the time of the loan, based upon the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such loans, adjusted to the nearest one-eighth of one percentum, plus one percentum per annum.

Section 3. Security for Loans.

In connection with any loan under this Act, the Secretary may require the City and any Financing Agent and, where necessary, the State, to provide such security as he deems appropriate. The Secretary may take such steps as are necessary to realize upon any collateral in which the United States has a security interest pursuant to this section to enforce any claim the United States may have against the City or any

Financing Agent pursuant to this Act. Notwithstanding any other provision of law, the Secretary may withhold any payments from the United States to the City, either directly or through the State, which may be or may become due pursuant to any law and offset such withheld amounts against any claim the Secretary may have against the City or any Financing Agent pursuant to this Act.

Section 4. Limitations and Criteria.

(a) A loan may be made under this Act only if the Secretary determines that there is a reasonable prospect of repayment of the loan in accordance with its terms and conditions. In making the loan, the Secretary may require such terms and conditions as he may deem appropriate to insure repayment. The Secretary is authorized, without regard to Section 8, to agree to any modification, amendment or waiver of any such term or condition as he deems desirable to protect the interests of the United States.

(b) At no time shall the outstanding amount of loans hereunder exceed in the aggregate \$2,300,000,000.

(c) No loan shall be provided under this Act unless: (i) the City and all Financing Agents shall have repaid according to their terms all prior loans under this Act which have matured, and (ii) the City and all Financing Agents shall be in compliance with the terms of any such outstanding loans.

Section 5. Remedies.

The remedies of the Secretary prescribed in this Act shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

Section 6. Funding.

For the purpose of making any loan or the payment of any expenses under this Act, the Secretary is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the making of such loans and payments.

The Secretary is authorized to sell, assign or otherwise transfer any note or other evidence of any such loan to the Federal Financing Bank and, in addition to its other powers, such Bank is authorized to purchase, receive, or otherwise acquire the same.

Section 7. Inspection of Documents.

At any time a request for a loan is pending or a loan is outstanding under this Act, the Secretary is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of the City or any Financing Agent relating to its financial affairs.

Section 8. Termination.

The authority of the Secretary to make any loan under this Act terminates on June 30, 1978. Such termination does not affect the carrying out of any transaction entered into pursuant to this Act prior to that date,

or the taking of any action necessary to preserve or protect the interests of the United States arising out of any loan under this Act.