



NEW YORK STATE SENATOR

Andrea Stewart-Cousins

Mandate Relief Bill Sponsored By Senator Stewart-Cousins Approved by Senate

ANDREA STEWART-COUSINS May 31, 2012

| ISSUE: **LOCAL GOVERNMENT, TOWNS OR COUNTIES, VILLAGES**

Saves Taxpayer Money and Increases Flexibility for Local Governments

(Albany) - A mandate relief bill sponsored by Senator Stewart-Cousins was approved by the State Senate Wednesday. Senate bill 6634A would extend the repayment terms of short term loans issued to local governments in 2007 and 2008 -- the beginning of the economic downturn. The repayment terms would be extended from five to seven years, which will save local governments hundreds of thousands of dollars over the two year period.

Known as bond anticipation notes (or BANs), these short term loans carry a lower interest rate than long term bonds. They are issued to local governments for capital projects such as building restorations, sewer improvements or parks and recreational repairs. If not paid off within five years, the BANs must be converted into long term debt at a higher interest rate.

Senator Stewart-Cousins introduced the legislation at the request of Westchester County village officials.

"This bill gives local governments around New York more flexibility to deal with their expenses," said Senator Stewart-Cousins. "BANs issued at the beginning of the recession are

due this year, but many cash-strapped municipalities are struggling with budget deficits. Mandate relief measures such as this help local governments manage their difficult financial situations and save taxpayer money.”

In a statement of support, the New York Conference of Mayors commented, “Local governments are currently facing some of their greatest challenges... Even the limited extension proposed by this bill will assist local governments at a time when they need it most.”

The Village of Tarrytown strongly supported this bill and urged Senator Stewart-Cousins to carry it through the Senate. The Village estimates that it could save approximately \$300,000 annually as a result of this legislation.

Tarrytown Mayor Drew Fixell said, "I want to thank Senator Cousins for taking the lead in pressing forward with this fiscally prudent legislation that will deliver real savings to the taxpayers throughout the state."

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