AN ACT

To authorize the Secretary of the Treasury to provide seasonal financing for the city of New York.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "New York City Seasonal Financing Act of 1975".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress makes the following findings and declarations:

(1) 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.

(2) At the present time the city is or may be unable to
obtain such seasonal financing from its customary sources.

(3) It is necessary to assure such seasonal financing,
in order that the city of New York may maintain essential
governmental services.

DEFINITIONS

SEC. 3. As used in this Act:

(a) "City" and "State" mean the city and State of New
York, respectively.

(b) "Financing agent" means any agency duly author-
ized by State law to act on behalf or in the interest of the
city with respect to the city's financial affairs.

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

LOANS

SEC. 4. (a) Upon written request of the city or a financ-
ing agent, the Secretary may make loans to the city or such
financing agent subject to the provisions of this Act, but in
the case of any loan 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 city's fiscal year in which it was made, and
shall bear interest at an annual rate 1 per centum per annum
greater than the current average market yield on outstanding
marketable obligations of the United States with remaining
periods to maturity comparable to the maturities of such
loan, as determined by the Secretary at the time of the loan.

SECURITY FOR LOANS

SEC. 5. In connection with any loan under this Act, the
Secretary may require the city and any financing agent and,
where he deems necessary, the State, to provide such security
as he deems appropriate. The Secretary may take such steps
as he deems necessary to realize upon any collateral in which
the United States has a security interest pursuant to this sec-
tion to enforce any claim the United States may have against
the city or any financing agent pursuant to this Act. Not-
withstanding any other provision of law, Acts making appro-
priations may provide for the withholding of 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 the amount of such withheld payments against
any claim the Secretary may have against the city or any
financing agent pursuant to this Act. With respect to debts
incurred pursuant to this Act, for the purposes of section
3466 of the Revised Statutes (31 U.S.C. 191) the term
"person" includes the city or any financing agent.

LIMITATIONS AND CRITERIA

SEC. 6. (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 to agree to any
modification, amendment, or waiver of any such term or con-
dition as he deems desirable to protect the interests of the
United States.

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

(c) No loan shall be provided under this Act unless:
(1) the city and all financing agents shall have repaid
according to their terms all prior loans under this Act which
have matured, and (2) the city and all financing agents
shall be in compliance with the terms of any such outstand-
ing loans.

REMEDIES

Sec. 7. The remedies of the Secretary prescribed in this
Act shall be cumulative and not in limitation of or sub-
stitution for any other remedies available to the Secretary
or the United States.

FUNDING

Sec. 8. (a) There is hereby established in the Treasury
a New York City Seasonal Financing Fund to be admin-
istered by the Secretary. The fund shall be used for the
purpose of making loans pursuant to this Act. There is authorized to be appropriated to such fund the sum of $2,300,-000,000. All funds received by the Secretary in the payment of principal of any loan made under this Act shall be paid into the fund. All income from loans and investments made from the fund shall be covered into the Treasury as miscellaneous receipts. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof. After all loans made pursuant to this Act have been repaid, the balance of the fund shall be returned to the general fund of the Treasury.

(b) The Secretary is authorized to sell, assign, or otherwise transfer from the fund any note or other evidence of any loan made pursuant to this Act to the Federal Financing Bank and, in addition to its other powers, such Bank is authorized to purchase, receive, or otherwise acquire the same.

(c) There are authorized to be appropriated such sums as may be necessary to pay the expenses of administration of this Act.

INSPECTION OF DOCUMENTS

Sec. 9. At any time a request for a loan is pending or a loan is outstanding under this Act, the Secretary is au-
authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the city or any financing agent relating to its financial affairs.

AUDITS

Sec. 10. (a) No loan may be made under this Act for the benefit of any State or city unless the General Accounting Office is authorized to make such audits as may be deemed appropriate by either the Secretary or the General Accounting Office of all accounts, books, records, and transactions of the State, the political subdivision, if any, involved, and any agency or instrumentality of such State or political subdivision. The General Accounting Office shall report the results of any such audit to the Secretary and to the Congress.

TERMINATION

Sec. 11. 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.

Passed the House of Representatives December 2, 1975.

Attest:     EDMUND L. HENSHAW, JR.,

            Clerk.
April 4, 1971

UNITED STATES CONGRESS

AN ACT

Provided, That seasonal financing for the city of

H.R. 10481

New York.

To authorize the Secretary of the Treasury to

Deemed

3rd Session

House of Representatives