

Model Proposition for Dormitory Authority Financing

In order for the Dormitory Authority to issue bonds for the benefit of a library, the qualified voters in the district served by the library must authorize the construction of the project, the borrowing of bond proceeds and, most importantly, the levy of taxes sufficient to repay bond proceeds over the term of the bonds. The form and substance of the proposition language must be satisfactory to the Dormitory Authority and to its bond counsel, so the library should contact the Dormitory Authority sufficiently far in advance of the referendum date. Although the precise language of the proposition may vary from one project to another, the Dormitory Authority recommends the following language:

The Board of Trustees of the _____ Library (the "Library") located in the [_____ School District,] Town of _____, County of _____, New York (the "District") is hereby authorized pursuant to [Chapter ____ of the Laws of 200__ of the State of New York,] Article 8, Title 4 of the Public Authorities Law, Sections 255, 259 and 260 of the Education Law and Section 202(a)(5) of the Not-for-Profit Corporation Law:

- i. To finance the expansion and renovation of the Library facilities [include more specificity, if appropriate] (the "Project") by borrowing an amount not exceeding \$ _____ from the Dormitory Authority of the State of New York (the "Dormitory Authority") or other licensed lending institution;*
- ii. To authorize and direct the appropriate taxing authorities of the District to levy therefor a tax payable in annual installments not to exceed \$ _____ per year over a maximum period of ____ years in payment of the financing (inclusive of all interest, amortization, and expenses of thereof);*
- iii. To assign and pledge all of said tax to the Dormitory Authority or other licensed lending institution, which tax shall be in addition to the amount presently raised annually by tax upon the taxable property of the District for the Library; and*
- iv. To enter into mortgages, loan agreements and any other agreements incidental to the completion of the Project and the financing thereof.*

The Dormitory Authority can provide assistance to the library in determining appropriate amounts to be included in items (i) and (ii) above.

For further information, please contact Cheryl Ishmael at the Dormitory Authority at (518) 257-3362.