

City of New York

**Endnotes to**

**Debt Management Policy  
New York City General Obligation and  
New York City Transitional Finance Authority**  
*(as of July 2025)*

Debt Management Policy available here:

<https://comptroller.nyc.gov/services/financial-matters/nyc-bonds/new-york-city-debt/policies-and-guidelines/>

**ENDNOTES**

<sup>1</sup> Section 54.10(a) of the New York State Local Finance Law (LFL)

*To facilitate the marketing of any issue of bonds or notes of the city of New York issued on or before June thirtieth, two thousand twenty-four, the mayor and comptroller of such city may, subject to the approval of the state comptroller and the limitation on private sales of bonds and notes, respectively, provided by law:*

*(i) Arrange for the underwriting of its bonds or notes through negotiated agreement or public letting, and provide for compensation for services rendered in connection with such underwriting*

<sup>2</sup> New York City Charter (NYC Charter) Section 8c

*Whenever the mayor determines that obligations should be issued and amount thereof, he shall certify such determination to the comptroller who shall thereupon determine the nature and term of such obligations and shall arrange for the issuance thereof.*

<sup>3</sup> Public Authorities Law Section 2799(5) (New York City Transitional Finance Authority Act)

*Whenever the authority shall determine that the issuance of its bonds is appropriate, which determination shall occur at a minimum whenever necessary to reimburse the city for project capital costs incurred by the city, the mayor and the comptroller shall make a joint recommendation as to the arrangements necessary for the issuance and sale of such bonds including the underwriting of such bonds through the public or, subject to approval of the state comptroller, private sale of such bonds and such recommendation shall include compensation for services rendered as they deem appropriate.*

<sup>4</sup> NYC Charter Section 219(d)

*The mayor shall ensure the preparation of capital commitment plans in the form of periodic reports in regard to capital projects. Such reports shall be published at least*

*three times each year as follows: a report that includes information for the current year and the ensuing three fiscal years shall be published no later than 90 days after the adoption of the capital budget; a report that includes information for the current fiscal year and the ensuing four fiscal years shall be published with the preliminary capital budget; and a report that includes information for the current fiscal year and the ensuing four fiscal years shall be published with the executive capital budget.*

<sup>5</sup> NYC Charter Sections 2010(1) and 2017 (c)

- 1. The term “capital project” shall mean:*
  - a. A project which provides for the construction, reconstruction, acquisition or installation of a physical public betterment or improvement which would be classified as a capital asset under generally accepted accounting principles for municipalities or any preliminary studies and surveys relative thereto or any underwriting or other costs incurred in connection with the financing thereof.*
  - b. The acquisition of property of a permanent nature including wharf property.*
  - c. The acquisition of any furnishings, machinery, apparatus or equipment for any public betterment or improvement when such betterment or improvement is first constructed or acquired.*
  - d. Any public betterment involving either a physical improvement or the acquisition of real property for a physical improvement consisting in, including or affecting:*
    - 1. Streets and parks;*
    - 2. Bridges and tunnels;*
    - 3. Receiving basins, inlets and sewers, including intercepting sewers, plants or structures for the treatment, disposal or filtration of sewage, including grit chambers, sewer tunnels and all necessary accessories thereof;*
    - 4. The fencing of vacant lots and the filling of sunken lots.*
  - e. Any other project allowed to be financed by the local finance law, with the approval of the mayor and the comptroller.*
  - f. Any combination of the above.*
- 2. The city may issue capital debt only to finance capital projects as defined in section two hundred ten. The capital budget may not include expense items that are properly includable only in the expense budget, as determined in accordance with the accounting principles set forth in the state comptroller’s uniform system of accounts for municipalities, as the same may be modified by the state comptroller, in consultation with the city comptroller, for application to the city.*

<sup>6</sup> Unconsolidated Laws Section 5410(a) (New York State Financial Emergency Act for The City of New York (FEA Section 8-a))

*The city shall eliminate expense items from its capital budget not later than the commencement of the fiscal year ending June thirtieth, nineteen hundred eighty-two. Notwithstanding the foregoing and the provisions if any general or special state law or local law to the contrary, including but not limited to the New York City charter: all costs that would be capital costs in accordance with generally accepted accounting principles, but got the application of governmental accounting standards board statement number forty-nine, shall be deemed to be capital costs for purposes of this act and any provision of state or local law, including but not limited to the New York City charter, relevant to the treatment of such costs.*

<sup>7</sup> LFL Section 165

*The proceeds, inclusive of premiums, from the sale of bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes shall be deposited and secured in a special account in the manner provided by section ten of the general municipal law, shall not be commingled with other funds of the issuer, and shall be expended only for the object or purpose for which such obligations were issued. In the event that any portion of the proceeds, inclusive of the premiums, from the sale of bonds, bond anticipation notes, capital notes, urban renewal notes or budget notes is not expended for the object or purpose for which such obligations were issued, such portion shall be applied only to the payment of the principal of and interest on such obligations respectively.*

<sup>8</sup> Internal Revenue Service Notice 2008-41

*In order to be a qualified interest rate mode change, the terms of the bond must require that the bond be purchased and resold at a price equal to par upon conversion to a new interest rate mode, except only that, upon a conversion to an interest rate mode that is a fixed interest rate for the remaining term of the bond to maturity, the bond may be resold at a market premium or a market discount from the stated principal amount of that bond.*

<sup>9</sup> New York State Constitution Article 8, Section 4

*Except as otherwise provided in this constitution, no county, city, town, village or school district described in this section shall be allowed to contract indebtedness for any purpose or in any manner which, including existing indebtedness, shall exceed an amount equal to the following percentages of the average full valuation of taxable real estate of such county, city, town, village or school district:*

- a. The county of Nassau, for county purposes, ten per centum;*
- b. Any county, other than the county of Nassau, for county purposes, seven per centum;*
- c. The city of New York for city purposes, ten per centum;*

<sup>10</sup> Unconsolidated Laws Section 5413; (FEA Section 9-b)

*Tax anticipation notes and renewals thereof shall mature not later than the last day of the fiscal year in which they were issued.*

*Revenue anticipation notes shall mature not later than the last day of the fiscal year in which they were issued.*

<sup>11</sup> Public Authorities Law Section 2799-gg (1)

*The aggregate principal amount of such bonds, notes or other obligations outstanding shall not exceed, beginning July first, two thousand twenty-four, twenty-one billion five hundred million dollars (\$21,500,000,000) and beginning July first, two thousand twenty-five, thirty billion five hundred million dollars (\$30,500,000,000), excluding bonds, notes or other obligations issued pursuant to sections twenty-seven hundred ninety-nine-ss and twenty-seven hundred ninety-nine-tt of this title...*

*Notwithstanding the foregoing, bonds, notes, or other obligations issued by the authority may be outstanding in an amount greater than the amount permitted by the preceding sentence, provided that such additional amount at issuance, together with the amount of indebtedness contracted by the city of New York, shall not exceed the limit prescribed by section 104.00 of the local finance law.*

<sup>12</sup> LFL Section 54.90

*Issuance of bonds or notes with variable rates of interest. a. Whenever in the judgement of the finance board the interest of a municipality would be served thereby, the municipality may issue bonds or notes, on or before July fifteenth, two thousand twenty-four, with interest rates that vary in accordance with a formula or procedure and are subject to a maximum rate of interest set forth or referred to in the bonds or notes.*

<sup>13</sup> LFL Section 54.10(a)

*To facilitate the marketing of any issue of bonds or notes of the city of New York issued on or before June thirtieth, two thousand twenty-four, the mayor and comptroller of such city may, subject to the approval of the state comptroller and the limitation on private sales of bonds and notes, respectively, provided by law:*

- (i) Arrange for the underwriting of its bonds or notes through negotiated agreement or public letting, and provide for compensation for services rendered in connection with such underwriting*

<sup>14</sup> LFL Section 54.10(a)

*To facilitate the marketing of any issue of bonds or notes of the city of New York issued on or before June thirtieth, two thousand twenty-four, the mayor and comptroller of such city may, subject to the approval of the state comptroller and the limitation on private sales of bonds and notes, respectively, provided by law:*

- (i) Arrange for the underwriting of its bonds or notes through negotiated agreement or public letting, and provide for compensation for services rendered in connection with such underwriting*

<sup>15</sup> LFL Section 21 and Section 90

*No annual installment of serial bonds shall be more than fifty per centum in excess of the smallest prior installment. ...no annual installment of each separate series of refunding bonds shall be more than fifty per centum in excess of the smallest prior installment or the finance board of the municipality, school district or district corporation issuing the bonds shall have determined to use a substantially level or declining annual debt service schedule for the refunding bonds.*

<sup>16</sup> LFL Section 11

*A municipality, school district or district corporation may not contract indebtedness for any object or purpose for a period longer than the period of probable usefulness set forth below for such object or purpose, provided, however, that for purposes of selling bonds or notes evidencing indebtedness contracted for any two or more objects or purposes, or any combination thereof, for which the periods of probable usefulness as determined pursuant to this section are not all the same, such indebtedness may be contracted for a period no longer than the weighted average period of probable usefulness of the objects or purposes. Unless the context requires otherwise, whenever the phrase “period of probable usefulness” is used in this chapter, it shall include weighted average period of probable usefulness.*

<sup>17</sup> United States Internal Revenue Code (IRC) Section 141

*The term “private activity bond” means any bond issued as part of an issue-*

- 1. Which meets-*
  - a. The private business use test of paragraph (1) of subsection (b), and*
  - b. The private security or payment test of paragraph (2) of subsection (b), or*
- 2. which meets the private loan financing test of subsection (c)*

*Except as otherwise provided in this subsection, an issue meets the test of this paragraph if more than 10 percent of the proceeds of the issue are to be used for any private business use.*

<sup>18</sup> LFL Section 54.90

*Issuance of bonds or notes with variable rates of interest. Whenever in the judgement of the finance board the interest of a municipality would be served thereby, the municipality may issue bonds or notes, or before July fifteenth, two thousand twenty-four, with interest rates that vary in accordance with a formula or procedure and are subject to a maximum rate of interest set forth or referred to in the bonds or notes*

<sup>19</sup> LFL Section 54.90d

*Prior to authorizing the approval of any contract for interest rate exchange or similar agreement pursuant to subdivision one of this paragraph, the finance board of the city shall adopt guidelines for the use of interest rate exchange or similar agreements.... On or before July fifteenth, two thousand twenty-four the mayor and comptroller of the city of New York may:*

- i. Enter into interest rate exchange or similar agreements with any person under such terms and conditions as the mayor and comptroller may determine, including provisions as to default or early termination and indemnification by the city of any other party thereto for loss of benefits as a result thereof;*

<sup>20</sup> IRC Section 148

*For purposes of section 103, the term “arbitrage bond” means any bond issued as part of an issue any portion of the proceeds of which are reasonably expected (at time of issuance of the bond) to be used directly or indirectly*

- 1. To acquire higher yielding investments, or*
- 2. to replace funds which were used directly or indirectly to acquire higher yielding investments.*

*For purposed of this subsection, a bond shall be treated as an arbitrage bond if the issuer intentionally uses any portion of the proceeds of the issue of which such bond is a part in a manner described in paragraph (1) or (2).*

<sup>21</sup> United States Securities and Exchange Commission Rule 15c2-12

*A Participating Underwriter shall not purchase or sell municipal securities in connection with an Offering unless the Participating Underwriter has reasonably determined that an issuer of municipal securities...has undertaken, in a written agreement or contract for the benefit of holders of such securities, to provide the following to the Municipal Securities Rulemaking Board in an electronic format as prescribed by the Municipal Securities Rulemaking Board, either directly or indirectly through an indenture trustee or designated agent:*

- a. Annual financial information...*
- b. If not submitted as part of the annual financial information, then when and if available, audited financial statements....*
- c. In a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the securities being offered in the Offering: (16 events are listed)*