STATE OF NEW YORK

10158

IN ASSEMBLY

May 4, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Braunstein) -- read once and referred to the Committee on Cities

AN ACT to amend the general municipal law, in relation to monies withdrawn from the revenue stabilization fund of the city of New York

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 3 of section 25 of the general municipal law, as added by chapter 118 of the laws of 2020, is amended to read as follows:

3. The city of New York may establish and maintain a revenue stabilization fund pursuant to section fifteen hundred twenty-eight of the New York city charter *and this chapter. A target amount of fiscal reserves to be maintained in such fund shall be designated at an amount adequate to fulfill the purpose of the fund with the goal of representing no less than twelve percent and no more than eighteen percent of the operating budget. The adequacy of the fund's target reserves shall be reviewed periodically and be determined based on an analysis of revenue sources, revenue volatility and other relevant risk factors*. Except as required by subdivision two of this section with respect to surpluses, deposits into and withdrawals from such fund may be made by means of the procedures set forth in such charter for adoption or modification of the expense budget of such city, as applicable, provided that [~~no more than fifty percent of the total amount of such fund~~] *monies shall be deposited annually until the target amount of fiscal reserves is reached and such deposits shall be included as appropriations in the adopted expense budget of the city of New York, and monies* may *not* be withdrawn in any fiscal year unless the mayor has certified *in writing* that there is a compelling fiscal need[~~, which may~~] *and the withdrawal of such monies has been approved by a two-thirds vote of the city council. A compelling fiscal need shall* be based on circumstances including[~~, but not be limited to,~~] a national or regional recession *of at least two quarters of declining real gross city product*, [~~a reduction in total revenues from the preceding fiscal year as projected in the financial plan of the city of New York,~~] a natural or other disaster, *including terrorist*

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [~~-~~] is old law to be omitted.

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attacks, or a declared state of emergency in the city of New York or the state of New York. **Withdrawals shall commence within twelve months of the unanticipated event triggering such withdrawal and shall not exceed fifty percent of the total amount of such fund in any fiscal year. Any withdrawals from the fund shall be replenished within the shortest practicable period of time.** The authority to establish a revenue stabilization fund set forth in this subdivision shall be in addition to any other authorization set forth in this article or other applicable law.

§ 2. Section 25 of the general municipal law is amended by adding a new subdivision 4 to read as follows:

4. For as long as a revenue stabilization fund is maintained, the city of New York shall publish on its official website a statement of its budget reserve policy as it relates to such fund and the procedures governing the operation of the fund. At a minimum such statement shall describe:

(a) The purpose of the revenue stabilization fund;

(b) The target amount of fiscal reserves to be maintained in the fund and the rationale as to why the target amount is adequate to meet the purposes of the fund;

(c) The procedures for depositing and withdrawing monies from the fund;

(d) The process for budgeting annual deposits to the fund and the analysis used to determine the amount of annual deposits; and

(e) The policy for replenishing withdrawals from the fund within the shortest practicable period of time.

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law.