

STATE OF NEW YORK

7841

2021-2022 Regular Sessions

IN ASSEMBLY

May 27, 2021

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Local Governments

AN ACT to amend the education law and the general municipal law, in relation to authorizing industrial development agencies to finance certain facilities for the small city school districts

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

1 Section 1. Section 2503 of the education law is amended by adding a
2 new subdivision 22 to read as follows:

3 22. Shall authorize small city school districts to enter into leases,
4 subleases or any other agreements with industrial development agencies
5 for the financing, re-financing or reimbursement of the costs of the
6 acquisition, design, construction, reconstruction, rehabilitation,
7 improvement, furnishing and equipping of, or otherwise providing for,
8 school district capital facilities in accordance with the provisions of
9 article eighteen-A of the general municipal law.

10 § 2. Section 858 of the general municipal law is amended by adding a
11 new subdivision 20 to read as follows:

12 (20) (a) To enter into agreements with small city school districts
13 including but not limited to, leases and subleases for the financing,
14 re-financing or reimbursement of the costs of the acquisition, design,
15 construction, reconstruction, rehabilitation, improvement, furnishing
16 and equipping of, or otherwise providing for, school district capital
17 facilities. For purposes of this subdivision, agency shall have the same
18 meaning as subdivision one of section eight hundred fifty-four of this
19 title and shall include the industrial development agencies established
20 pursuant to titles eleven and fifteen of article eight of the public
21 authorities law.

22 (b) All contracts entered into by an agency pursuant to the provisions
23 of this subdivision shall be deemed to be state contracts within the
24 meaning of that term as set forth in article fifteen-A of the executive

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

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1 law, and the agency shall be deemed, for the purposes of this subdivi-
2 sion, a contracting agency as the term is used in such article.

3 (c) No lease, sublease or other agreement by and between the school
4 district of any small city and an agency for the purpose of financing or
5 re-financing school district capital facilities or school district capi-
6 tal equipment pursuant to the provisions of this subdivision shall
7 constitute indebtedness for the purposes of section 104.00 of the local
8 finance law.

9 (d) Any such lease, sublease, or other agreement shall not constitute
10 or create indebtedness of the state or a political subdivision for
11 purposes of article seven or eight of the state constitution or section
12 20.00 of the local finance law, shall be deemed executory only to the
13 extent of money appropriated annually therefor by the state or political
14 subdivision and shall not constitute a contractual obligation in excess
15 of the amounts so appropriated; provided, however, that the total amount
16 of unpaid payments due under any such lease, sublease or agreement on
17 account of principal due on bonds issued by an agency shall be deemed to
18 be indebtedness within the meaning of subdivision three of paragraph a
19 of section 135.00 of the local finance law except to the extent that any
20 portion of the indebtedness, if issued by the school district, would be
21 excluded pursuant to section 136.00 of the local finance law.

22 (e) A small city school district shall have the full power and author-
23 ity to enter into such leases, subleases, or any other agreements under
24 this subdivision with other small city school districts for the purpose
25 of jointly contracting for such indebtedness.

26 § 3. This act shall take effect immediately.