

STATE OF NEW YORK

9469

IN ASSEMBLY

January 6, 2026

Introduced by M. of A. WIEDER -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to creating the CR clean water and sewer authority

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "CR clean water and sewer authority act".

3 § 2. Article 5 of the public authorities law is amended by adding a
4 new title 11-E to read as follows:

TITLE 11-E

CR CLEAN WATER AND SEWER AUTHORITY

Section 1349-a. Definitions.

8 1349-b. Prior sewer district.

9 1349-c. Abolishing the prior sewer district.

10 1349-d. CR clean water and sewer authority.

11 1349-e. Additional municipalities joining the authority.

12 1349-f. Powers of the authority.

13 1349-g. Advances on behalf of the authority; transfer of proper-
14 ty to authority.

15 1349-h. Charges by the authority; method of collection.

16 1349-i. Officers and employees.

17 1349-j. Obligation of public utilities.

18 1349-k. Environmental applications, proceedings, approvals and
19 permits.

20 1349-l. Governmental capacity of the authority and munici-
21 palities.

22 1349-m. Limited liability.

23 1349-n. Bonds of the authority.

24 1349-o. Remedies of bondholders.

25 1349-p. State, county and municipalities not liable on bonds of
26 the authority.

27 1349-q. Moneys of the authority.

28 1349-r. Bonds and notes as legal investment.

29 1349-s. Agreement with the state.

30 1349-t. Exemption from taxes, assessments and certain fees.

31 1349-u. Obligations of contracts not impaired.

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

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1349-v. Construction contracts.

1349-w. Actions against the authority.

1349-x. Audit and annual report.

1349-y. Separability clause.

1349-z. Effect of inconsistent provisions.

§ 1349-a. Definitions. As used in this title, unless a different meaning clearly appears from the context:

1. "Alternative project delivery contract" shall mean any project delivery method authorized by this title, including design-build, construction manager at risk and construction manager build, pursuant to which one or more contracts for the provision of design and construction services, or construction management and construction services, are awarded through an open and competitive method of procurement.

2. "Authority" shall mean the public benefit corporation created by section thirteen hundred forty-nine-d of this title.

3. "Authority sewer system" shall mean the prior sewer district system, including any plants, pump stations, collection or project interceptors which was owned by the county, and operated and maintained by the prior sewer district on the date of termination, and any projects made after the date of transfer to the authority, and as expanded pursuant to any agreements with new members pursuant to section thirteen hundred forty-nine-e of this title.

4. "Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the authority.

5. "Calendar year and official year" shall mean the twelve-month period from January first through December thirty-first.

6. "Comptroller" shall mean the comptroller of the state of New York.

7. "Construction" shall mean the negotiation, acquisition, erection, building, alteration, improvement, testing, increase, enlargement, extension, reconstruction, interconnection, renovation or rehabilitation of a sewerage facility, sewer system or a project as defined herein; the inspection and supervision thereof; and the engineering, architectural, legal, appraisal, fiscal, economic and environmental investigations, services and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto.

8. "Costs", as applied to any project, shall include the cost of construction, the cost of the acquisition of all property, including both real, personal and mixed, the cost of demolishing, removing or relocating any building or structures on lands so acquired including the cost of acquiring any land to which such buildings or structures may be moved or relocated, the cost of all systems, sewerage facilities, machinery, apparatus and equipment, financing charges and bond discount, interest to the extent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, bond insurance, bond credit enhancement arrangements, other expenses necessary or incidental to the construction of such project and the financing of the construction thereof, including the cost of legal and financial advice and credit arrangements with banks or other financial institutions, the amount authorized in the resolution of the authority providing for the issuance of bonds to be paid into any reserve or special fund from the proceeds of such bonds and the financing of the placing of any project in operation.

9. "County" shall mean, unless otherwise specifically stated, the county of Rockland.

10. "County legislature" shall mean the county legislature of the county.

1 11. "Governing body" shall mean the members of the authority consti-
2 tuting and acting as the governing board of the authority.

3 12. "Members" shall mean the members of the board of directors.

4 13. "Municipality" shall mean any county, city, town, village,
5 district or any combination thereof.

6 14. "Person" shall mean any natural person, partnership, association,
7 joint venture, limited liability company or corporation, exclusive of a
8 public corporation as defined pursuant to article two-A of the general
9 construction law.

10 15. "Prior sewer district" shall mean the Rockland county sewer
11 district no. 1 heretofore established by the county legislature and
12 existing on the day immediately prior to the effective date of this
13 title with the boundaries set forth as defined in the rules and regu-
14 lations of the Rockland county code, part I - administrative legis-
15 lation, chapter 165-3.

16 16. "Prior sewer district system" shall mean all sewers, including,
17 without limitation, trunk, intercepting, connecting and other sewers,
18 storm water drains, pumping stations, disposal or treatment plants or
19 works, structures, appliances, equipment and other adjuncts thereto,
20 comprising the entire system of sewerage owned by the county and oper-
21 ated and maintained by the prior sewer district at the time of the
22 creation of the authority.

23 17. "Project" shall mean any and all phases of, acquisition, planning,
24 development, financing, construction, operation or maintenance which are
25 undertaken in whole or in part by the authority for the authority sewer
26 system.

27 18. "Project labor agreement" shall mean a pre-hire collective
28 bargaining agreement between a contractor and a bona fide building and
29 construction trade labor organization establishing the labor organiza-
30 tion as the collective bargaining representative for all persons who
31 will perform work on a project, and which provides that only contractors
32 and subcontractors who sign a pre-negotiated agreement with the labor
33 organization can perform project work.

34 19. "Real property" shall mean lands, structures, franchises and
35 interests in lands, waters, lands under water, groundwater riparian
36 rights and air rights and any and all things and rights customarily
37 included within the term "real property" and includes not only fee
38 simple absolute, but also any and all lesser interests including, but
39 not limited to easements, rights-of-way, uses, leases, licenses and all
40 other incorporeal hereditaments and every estate, interest or right,
41 legal or equitable, including terms for years and liens thereon by way
42 of judgment, mortgages or otherwise.

43 20. "Service area" shall mean the territorial limits of the prior
44 sewer district, including any areas outside such territorial limits of
45 the prior sewer district that were served by the prior sewer district
46 and any areas of the county whereby the territorial limits of the prior
47 sewer district have been expanded pursuant to section thirteen hundred
48 forty-nine-e of this title.

49 21. "Sewage" shall mean the water-carried human or animal waste from
50 residences, buildings, industrial establishments or other places,
51 together with such groundwater infiltration, surface water, or indus-
52 trial waste as may be present. Such term includes both domestic sewage
53 and wastewaters that may adversely affect public health, water quality,
54 or the proper functioning of a sewage treatment system.

55 22. "Sewerage facilities" shall mean any plants, structures and other
56 real and personal property acquired, rehabilitated or constructed or

1 planned for the purpose of collecting, conveying, pumping, treating,
2 neutralizing, storing and disposing of sewage, including but not limited
3 to main, trunk, intercepting, connecting, lateral, outlet or other
4 sewers, outfalls, pumping stations, treatment and disposal plants,
5 groundwater recharge basins, back-flow prevention devices, sludge dewatering
6 or disposal equipment and facilities, clarifiers, tilters, phosphorus
7 removal equipment and other plants, works, structures, equipment,
8 vehicles, conveyances, contract rights, franchises, approaches,
9 connections, permits, real or personal property or rights therein and
10 appurtenances thereto necessary or useful and convenient for the
11 collection, conveyance, pumping, treatment, neutralizing, storing and
12 disposing of sewage and to the extent not covered by the foregoing, any
13 facilities operated and maintained by the prior sewer district.

14 23. "State" shall mean the state of New York.

15 24. "State agency" shall mean any state office, public benefit corporation,
16 department, board, commission, bureau or division, or other
17 agency or instrumentality of the state.

18 25. "System revenues" shall mean rates, rents, fees, charges,
19 payments, assessments and other income and receipts derived from users
20 of the sewerage facilities of the authority without limiting the gener-
21 ality of the foregoing, investment proceeds and proceeds of insurance,
22 condemnation sales or other dispositions of assets together with all
23 federal, state or municipal aid as well as any other income derived from
24 the operation of the sewerage facilities of the authority.

25 26. "Treasurer" shall mean the treasurer of the authority.

26 § 1349-b. Prior sewer district. The prior sewer district primarily
27 served the towns of Ramapo and Clarkstown as well as the villages of
28 Hillburn and Sloatsburg. The prior sewer district operated and main-
29 tained the wastewater treatment plants in Orangeburg and Hillburn as
30 well as the major interceptors and pumping stations in the sewer system
31 and, pursuant to a contractual arrangement, all sewers within the
32 villages of Spring Valley, New Square, and sewers serving several
33 parcels in the town of Orangetown.

34 § 1349-c. Abolishing the prior sewer district. Notwithstanding any
35 inconsistent provisions of the county law, the county charter, or any
36 other general, special or local law, the prior sewer district, upon an
37 affirmative vote of the county legislature, is hereby abolished,
38 dissolved and merged into the authority and all of the rights, privi-
39 leges, duties, responsibilities and obligations of the prior sewer
40 district shall become the rights, privileges, duties, responsibilities
41 and obligations of the authority. The prior sewer district system,
42 together with all contracts, books, maps, plans, papers and records of
43 whatever description pertaining to subjects or matters relating to the
44 design, construction, operation and affairs of the prior sewer district
45 system shall be assigned, transferred and dedicated to the use of and be
46 in the possession of and under the jurisdiction, control and supervision
47 of the authority and the authority is empowered to take possession ther-
48 eof for its uses and purposes. The authority shall thereafter have
49 complete jurisdiction, control, possession and supervision of the prior
50 sewer district system and of all related sewerage facilities. Notwith-
51 standing the provisions of any state or local law to the contrary, the
52 county shall transfer to the authority any funds which were in the prior
53 sewer district's accounts upon dissolution thereof, as well as any prior
54 sewer district fund balance held by the county on behalf of the prior
55 sewer district, or grant recoveries received in connection with assets
56 acquired by the authority from the county, which funds shall be used by

1 the authority for the limited purposes of supporting necessary capital
2 investments, debt service, debt service-related expenses and reserve
3 requirements. The county budget adopted for each fiscal year shall
4 contain a separate section for the authority showing amounts which are
5 anticipated to be necessary for the authority to pay the principal of
6 and interest on any outstanding bonds or notes of the county issued for
7 the prior sewer district. The authority budget adopted each year shall
8 include such principal and interest amounts and the authority shall pay
9 such amounts to the county on an annual basis.

10 § 1349-d. CR clean water and sewer authority. 1. A corporation known
11 as the CR clean water and sewer authority is hereby created for the
12 purposes and charged with the duties and having the powers provided in
13 this title. The authority shall be a corporate governmental agency
14 constituting a public benefit corporation. Upon its formation, the
15 authority shall be governed by a governing body consisting of nine
16 members, all of whom shall be residents of the service area of the
17 authority, except that any member serving ex officio pursuant to this
18 section shall not be subject to such residency requirement, appointed as
19 follows:

- 20 (a) one by the county executive;
- 21 (b) two by the chairperson of the county legislature;
- 22 (c) one by the minority leader of the county legislature;
- 23 (d) the supervisor of the town of Ramapo as an ex officio member of
24 the board;
- 25 (e) two selected by the supervisor of the town of Ramapo subject to
26 the confirmation of the Ramapo town board;
- 27 (f) the supervisor of the town of Clarkstown as an ex officio member
28 of the board;
- 29 (g) one selected by the supervisor of the town of Clarkstown subject
30 to the confirmation of the Clarkstown town board; and
- 31 (h) all ex officio members are voting members of the board.

32 2. The term of any elected official serving as a member of the author-
33 ity shall have a term that coincides with such member's term of elective
34 office. At the conclusion of an individual's term of office, an appoint-
35 ing authority may select a new member of that class. For ex officio
36 members, there is no requirement for re-appointment where a single indi-
37 vidual serves successive terms in the same elected office. Nothing here-
38 in shall be deemed to limit or control the designation or term of any
39 member serving as chairperson or vice-chairperson pursuant to this
40 title.

41 (a) If new municipalities or districts join the authority in the
42 manner specified in section thirteen hundred forty-nine-e of this title,
43 the authority's board may be reformed and reconstituted by a resolution
44 of the governing body of the authority.

45 (b) The members of the governing body shall be reimbursed for all of
46 their actual and necessary expenses incurred in connection with the
47 carrying out of the purposes of this title.

48 (c) Any member of the authority may be removed from office by a vote
49 of five members of the authority for gross neglect of duty, misconduct,
50 maladministration or malfeasance in office, including the unexcused
51 failure to attend three consecutive regular meetings of the authority.

52 (d) All members shall continue to hold office until their successors
53 are appointed and qualify.

54 (e) Vacancies occurring otherwise than by expiration of term shall be
55 filled in the same manner as that of the departing member, respectively,
56 for the unexpired term.

1 (f) Members may be removed from office for the same reasons and in the
2 same manner as provided by law for the removal of officers of the coun-
3 ty, pursuant to section three of the public officers law.

4 3. The powers of the authority shall be vested in and exercised by the
5 governing body at a meeting duly called and held where a quorum of five
6 members is present. No action shall be taken except by the favorable
7 vote of at least five members. The governing body may delegate to one or
8 more of its members or officers such powers and duties as it may deem
9 proper.

10 4. (a) The officers of the authority shall consist of a chairperson, a
11 vice-chairperson and a treasurer who shall be members of the authority,
12 and a secretary who need not be a member of the authority. Notwithstand-
13 ing any other provision of this title, the supervisor of the town of
14 Ramapo shall serve as the first chairperson of the authority, and the
15 supervisor of the town of Clarkstown shall serve as the first vice-
16 chairperson of the authority, each commencing upon the formation of the
17 authority. The initial term of the chairperson and vice-chairperson
18 designated pursuant to subdivision one of this section shall be three
19 years. Following the expiration of the initial term, the offices of
20 chairperson and vice-chairperson shall at all times be held by the
21 supervisors of the town of Ramapo and the town of Clarkstown, respec-
22 tively, or their successors in office, such that each town shall contin-
23 uously hold one of such offices. After the expiration of the initial
24 three-year term, the offices of chairperson and vice-chairperson shall
25 rotate between the supervisors of the town of Ramapo and the town of
26 Clarkstown every two years, with each supervisor alternately serving as
27 chairperson and vice-chairperson. In the event that a supervisor serving
28 as chairperson or vice-chairperson ceases to hold the office of supervi-
29 sor, the successor supervisor shall assume the corresponding position on
30 the authority and shall serve the remainder of the applicable term. The
31 chairperson and vice-chairperson of the authority may receive compen-
32 sation for their service in such amounts as may be determined from time
33 to time by resolution of the governing body. The governing body may
34 also, in its discretion, authorize compensation for other members of the
35 authority, subject to such terms and conditions as the governing body
36 shall determine. All members shall continue to be eligible for
37 reimbursement of actual and necessary expenses incurred in the perform-
38 ance of their duties.

39 (b) At the first meeting of the governing body and at the first meet-
40 ing thereof in each fiscal year thereafter the members of the governing
41 body shall choose from their number the officers of the authority,
42 except for the offices of chairperson and vice-chairperson, which shall
43 be designated and governed in accordance with this section. Except for
44 the offices of chairperson and vice-chairperson, which shall be designed
45 and governed in accordance with this section, the officers of the
46 authority shall serve at the pleasure of the authority. In addition to
47 such officers, the authority may appoint and at its pleasure remove an
48 executive director, authority counsel, chief financial officer, and such
49 other executive level positions as the board may desire, which positions
50 shall be in the exempt class of the civil service, and such additional
51 officers and employees as it may deem necessary, and may determine and
52 fix their qualifications, duties and compensation, subject to the
53 provisions of the civil service law. The authority may delegate to one
54 or more of its members, officers, agents or employees any such powers as
55 it may deem proper. The authority may also contract for expert profes-
56 sional services. The treasurer shall execute a bond conditioned on the

1 faithful performance of the duties of such treasurer's office, the
2 amount and sufficiency of which shall be approved by the governing body
3 and the premium for which shall be paid by the authority. The authority
4 may also use the agents, employees, records and equipment of the county
5 with the consent of the county.

6 5. Notwithstanding any inconsistent provision of any general, special
7 or local law, ordinance, resolution or charter, and subject to and
8 consistent with section thirteen hundred forty-nine-i of this title, no
9 officer, member or employee of the state, any municipality or any public
10 benefit corporation shall forfeit their office or employment by reason
11 of their acceptance of appointment as a member, officer, agent or
12 employee of the authority, nor shall service as a member, officer, agent
13 or employee of the authority be deemed incompatible or in conflict with
14 such office, membership or employment. The members and employees of the
15 authority shall be subject to all requirements of state and county law
16 pertaining to ethics and financial disclosure to which members of the
17 county legislature and employees of the county, respectively, are
18 subject.

19 6. It is hereby determined and declared that the authority and the
20 carrying out of its powers, purposes and duties are in all respects for
21 the benefit of the people of the municipalities within the bounds of the
22 authority and state, for the improvement of their health, welfare and
23 prosperity and that the said purposes are a public purpose and that the
24 authority is and will be performing an essential governmental function
25 in the exercise of the powers conferred upon it by this title.

26 7. The purpose of this title, among other things, is to provide for
27 the jurisdiction, control, possession, supervision and use of the sewer-
28 age facilities; authorization to make rules and regulations in further-
29 ance of this title; the enforcement of this title, the rules, regu-
30 lations, permits and orders of the authority in connection with the
31 direct or indirect use of the sewerage facilities by persons within the
32 county of Rockland and any other persons from whom the authority
33 accepts, treats and disposes of sewage, industrial waste, and other
34 waste, from whatever source derived; and to enable the authority to
35 comply with all applicable laws of the United States and the state of
36 New York, and the rules, regulations, permits and orders of their regu-
37 latory agencies.

38 8. (a) The county executive shall file on or before the twelve-month
39 anniversary of the date on which this title shall have become a law, in
40 the office of the secretary of state, a certificate signed by the county
41 executive setting forth: (i) the name of the authority; (ii) the names
42 of the initial members; and (iii) the effective date of this title. The
43 authority shall be perpetual in duration, except that if such resolution
44 and certificate are not filed with the secretary of state on or before
45 such date, then the power of the legislature of the county to approve
46 the creation of the authority shall thereupon lapse, the authority shall
47 not be deemed to have been created hereby and shall not exist or be
48 deemed to have existed, and the provisions of this title shall no longer
49 have any force or effect.

50 (b) Except as provided in paragraph (a) of this subdivision, the
51 authority and its corporate existence shall continue until terminated by
52 law, provided, however, that no such law shall take effect so long as
53 the authority shall have bonds or other obligations outstanding unless
54 adequate provision has been made for the payment or satisfaction there-
55 of. Upon termination of the authority, all sewerage facilities, rights
56 and property, then remaining shall pass to and then vest in the county.

1 9. Until such time as the authority adopts its own sewer use regu-
2 lations pursuant to section thirteen hundred forty-nine-f of this title,
3 the authority hereby adopts the county sewer use law (laws of Rockland
4 county, chapter three hundred forty-five), with the powers and duties of
5 that law granted to the authority in the place of the prior sewer
6 district.

7 § 1349-e. Additional municipalities joining the authority. A munici-
8 pality that owns a sewer system or sewer collection system, in whole or
9 in part, located either within or outside of the service area, may
10 request that the authority include such sewer system or sewer collection
11 system in the authority sewer system upon a majority vote of the legis-
12 lative body of such municipality. If such request is approved by the
13 authority upon a majority vote of the authority governing body, such
14 municipality's sewer system shall be incorporated into the authority
15 sewer system subject to the provisions of this section. Notwithstanding
16 the foregoing, no incorporation of a municipality located outside the
17 existing service area, and no expansion of the service area of the
18 authority, shall be deemed complete or effective unless and until a
19 revised metes and bounds description reflecting such expansion has been
20 duly adopted. The terms and conditions of such incorporation shall be
21 set forth in an agreement between the municipality and the authority.

22 § 1349-f. Powers of the authority. The authority shall have power:

23 1. To sue and be sued;

24 2. To have a seal and alter the same;

25 3. To accept, treat and dispose of the sewage and waste of municipal
26 corporations in the county of Rockland and from any other persons from
27 whatever source derived;

28 4. To reduce the generation and discharge of sewage, waste and pollu-
29 tants, promote the conservation and efficient use of fresh water
30 resources, protect the environment, and safeguard public health within
31 the county of Rockland;

32 5. To acquire in the name of the authority, hold, sell, lease, mort-
33 gage or otherwise dispose of property, real, personal or mixed, or any
34 interest therein, without limitation, for its corporate purposes. In
35 selecting the location for any real property to be acquired or leased,
36 the authority shall give consideration to the present and any proposed
37 land use character of the area in which such site is to be located and
38 shall be subject to and exempt from the zoning laws or regulations, if
39 any, otherwise generally applicable to such area to the same extent that
40 the county is subject to and exempt from the zoning laws or regulations
41 otherwise generally applicable to such area;

42 6. To prepare or cause to be prepared plans, designs and estimates of
43 costs for the construction of a project, and from time to time to modify
44 such plans, designs or estimates;

45 7. To construct a project and any additions, betterments and exten-
46 sions to the sewerage facilities of the authority by contract or
47 contracts, or under, through, or by means of its own officers, agents
48 and employees;

49 8. To have jurisdiction, control, possession and supervision of the
50 authority sewer system and any project; to maintain, operate, recon-
51 struct and improve the same as a comprehensive sewerage system and to
52 make additions, betterments and extensions thereto, and to have all the
53 rights, privileges and jurisdiction necessary or proper for carrying
54 such power into execution. No enumeration of powers in this or any other
55 general, special or local law shall operate to restrict the meaning of

1 this general grant of power or to exclude other powers comprehended
2 within this general grant;

3 9. To condemn in the name of the authority pursuant to the eminent
4 domain procedure law, any real property within the county and required
5 by the authority to carry out the powers granted by this title;

6 10. To plan, develop and construct projects and to pay the cost there-
7 of and to contract in relation thereto with municipalities or persons
8 within or without the county and to own and operate, maintain, repair,
9 improve, reconstruct, enlarge and extend, subject to the provisions of
10 this title, any of its projects acquired or constructed under this
11 title, and to sell, lease, mortgage, grant a security interest in,
12 pledge, encumber, or otherwise dispose of any project or part thereof to
13 any person, municipality or public corporation, subject to such condi-
14 tions and limitations as the authority may determine to be in the public
15 interest, and to apply for, hold and perform its obligations under any
16 permit, license, approval, or other legal entitlement which may be
17 required for its projects, services or exercise of powers;

18 11. To make rules, regulations and by-laws pertaining to and governing
19 the management and regulation of its affairs and, subject to agreements
20 with bondholders, the use of any project or other property of the
21 authority and the provision of any service by the authority, which
22 rules, regulations and by-laws and all amendments thereto, duly certi-
23 fied by the secretary of the authority, shall be filed in the office of
24 the authority and in the office of the clerk of the county, and to
25 provide for the enforcement of such rules, regulations and by-laws by
26 legal or equitable proceedings which are or may be provided or author-
27 ized by law. In addition, the county legislature shall have power to
28 prescribe that violations of specific rules, regulations and by-laws of
29 the authority shall constitute violations and provide for the enforce-
30 ment of violations thereof by civil penalties, including any such rules,
31 regulations and by-laws requiring the payment of fees or charges by any
32 person in connection with the service or availability or service by any
33 sewerage facility owned or under contract to the authority;

34 12. With the consent of the county executive, to use officers or
35 employees of the county and to pay a proper portion of the compensation
36 or costs for the services for such officers or employees;

37 13. To make contracts and to execute all necessary or convenient
38 agreements, documents and instruments, including evidences of indebt-
39 edness, negotiable or non-negotiable;

40 14. To enter on any lands, waterways or premises as in the judgment of
41 the authority shall be necessary for the purpose of making borings,
42 samples, surveys, soundings and examinations, including the examination
43 of any effluent source, and to accomplish any purpose authorized by this
44 title, any liability for which shall not exceed actual damages;

45 15. To enter upon streets, highways, bridges or public places for the
46 purpose of constructing a project or any part thereof, or any addition,
47 betterment or extension to the sewerage facilities of the authority.
48 Whenever the authority has entered upon and damaged any street, highway,
49 bridge or other public place the authority shall restore the same to its
50 former condition;

51 16. To accept, treat and dispose of the sewage and waste collected or
52 delivered to the authority sewer system;

53 17. To borrow money and to issue bonds and to fund or refund the same,
54 and to provide for the rights of the holders thereof;

55 18. To procure insurance, letters of credit, lines of credit, or other
56 credit enhancement with respect to its bonds or notes issued pursuant to

1 this title, or facilities for the payment of tenders of such bonds or
2 notes or facilities for the payment upon maturity of short-term notes
3 not renewed;

4 19. To enter into interest rate exchange or similar arrangements with
5 any person under such terms and conditions as the authority may deter-
6 mine including, without limitation, provisions as to default or early
7 termination and indemnification by the authority or any other party
8 thereto for loss of benefits as a result thereof;

9 20. To fix and collect, as more fully set forth in section nine of
10 this title, rates, rentals, fees and other charges for the use of the
11 sewerage facilities of, or services provided by, or any commodities
12 furnished by, the authority, and to contract with any municipality in
13 respect thereto, so as to provide revenues sufficient at all times to
14 pay, as the same shall become due, the principal and interest on the
15 bonds of the authority, together with the maintenance of proper reserves
16 therefor, in addition to paying, as the same shall become due, the
17 expenses of operating and maintaining the properties and business of the
18 authority and meeting all of its contractual and other obligations,
19 together with proper reserves for debt service, depreciation, mainte-
20 nance and contingencies and all other obligations and indebtedness of
21 the authority;

22 21. To enter into agreements, in its direction, to pay annual sums in
23 lieu of taxes to any municipality in respect to any real property which
24 is owned by the authority and located in such municipality, political
25 subdivision or taxing district;

26 22. To accept gifts, grants, loans or contributions from the United
27 States, the state or any agency or instrumentality of either of them, or
28 any municipality or from any person or public corporation, by bequest or
29 otherwise, and to expend the proceeds for any corporate purposes of the
30 authority;

31 23. To covenant and consent that the interest on any of its bonds or
32 notes issued pursuant to this title shall be includible, under the
33 United States Internal Revenue Code of 1986, as amended, or any subse-
34 quent corresponding internal revenue law of the United States, in gross
35 income of the holder of the bonds or notes to the same extent and in the
36 same manner that the interest on bills, bonds, notes or other obli-
37 gations of the United States is includible in the gross income of the
38 holders thereof under said Internal Revenue Code or any such subsequent
39 law;

40 24. To enter into contracts, and carry out the terms thereof, for the
41 wholesale provision of sewerage disposal with municipalities and private
42 individuals or corporations;

43 25. To enter into cooperative agreements with other authorities, muni-
44 cipalities, sewer districts and other public corporations for the inter-
45 connection of sewerage facilities, the exchange or interchange of
46 services and commodities and, within the service area, enter into
47 contracts for the construction and operation and maintenance of all or a
48 portion of the authority sewer system, upon such terms and conditions as
49 shall be determined to be reasonable including but not limited to the
50 reimbursement of all costs of such construction, or for any other lawful
51 purposes necessary or desirable to effect the purposes of this title;
52 and

53 26. To do all things necessary or convenient to carry out the powers
54 expressly given in this title.

55 § 1349-g. Advances on behalf of the authority; transfer of property to
56 authority. 1. The county or any other municipality may give, grant,

1 sell, convey, loan, license the use of or lease to the authority any
2 property or facility which is useful to the authority in order to carry
3 out its powers under this title; provided, however, that any such trans-
4 fer of property shall be upon such terms and conditions and subject to
5 the rights of the holders of any bonds, as the authority and the county
6 or other municipality may agree. The county or any other municipality
7 shall have the power to contract with the authority to carry out the
8 purposes and intent of this title.

9 2. Notwithstanding the provisions of any other law, general, special
10 or local to the contrary, real property acquired by the authority or the
11 county from the state may be used for any corporate purpose of the
12 authority.

13 § 1349-h. Charges by the authority; method of collection. 1. The
14 authority may fix, impose, and collect, on any equitable basis, rates,
15 rentals, fees and other charges for the use of the authority sewer
16 system or services provided by the authority, including the availability
17 of any of the foregoing from the authority. Such rates, rentals, fees
18 and other charges may be fixed, imposed, and collected from any person
19 to whom such sewerage facilities or services are provided by or made
20 available from the authority. In any instance where the county is or
21 would be required by law, to conduct a public hearing in connection with
22 a rate, rental, fee or other charge, the authority shall not establish,
23 fix, or revise any classification of user or service recipient, rate,
24 rental, fee or other charge unless and until the authority has held a
25 public hearing at which interested persons have had an opportunity to be
26 heard concerning the same; provided however, that if the county has
27 conducted a public hearing in connection with such rate, rental, fee or
28 other charge, the authority shall not be required to hold a public hear-
29 ing. Notice of any such public hearing shall be published at least ten
30 days before the date set therefor, in at least one newspaper of general
31 circulation in the county. Such notice shall set forth the date, time
32 and place of such hearing and shall include a brief description of the
33 matters to be considered at such meeting. A copy of the notice shall be
34 available for inspection by the public. At any such hearing, any inter-
35 ested persons shall have an opportunity to be heard concerning the
36 matters under consideration. Any decision by the authority at such
37 public hearing shall be in writing and be made available in the office
38 of the authority for public inspection during regular office hours.

39 2. Notwithstanding any other law to the contrary, all rates, rentals,
40 fees and other charges for the use of the authority sewer system or
41 services provided or made available by the authority may be imposed upon
42 all properties where services are made available, placed on the annual
43 tax rolls of the respective municipalities as a separate item under the
44 heading "sewer disposal charge," and collected and are paid to the
45 authority in the same manner as the real property taxes of the various
46 municipalities located within the county are collected and paid to such
47 municipalities. Such amounts, when collected by the several municipal
48 collectors or receivers of taxes, shall be paid over to the county. A
49 list of those properties within each respective municipality upon which
50 the sewer disposal charge shall be imposed for the upcoming year shall
51 be established on or before the first day of December in each year. All
52 rates, rentals, fees and other charges for the use or availability of
53 the authority sewer system or services provided by the authority shall
54 be a lien upon the real property upon which, or in connection with
55 which, services are provided or made available, as and from the first
56 date fixed for payment of such rates, rentals, fees and other charges.

1 Any such lien shall have the same priority and superiority as the lien
2 of the general tax of the county. All of the provisions of the tax law
3 of the state governing enforcement and collection of taxes or assess-
4 ments for special improvements not inconsistent herewith shall apply to
5 the collection of such rates, rentals, fees and other charges.

6 § 1349-i. Officers and employees. 1. Any individual who is an officer
7 or employee of the county employed by the county in a position funded by
8 the 'G' fund of the county budget as of the date of the formation of the
9 authority, shall remain an employee of the county and shall be assigned
10 to work in the same or similar capacity. Such individuals shall be
11 known as "legacy employees".

12 2. Both the county and the authority shall adhere to the terms of the
13 collective bargaining agreements applicable to the legacy employees.
14 Additionally, any benefits provided to the legacy employees as of the
15 effective date of this title, pursuant to county resolution, policy, or
16 past practices shall continue to be provided to the legacy employees.

17 3. All salaries, compensation, other remuneration, cost of benefits,
18 of any kind or type, provided to legacy employees by the county shall be
19 paid by the county, as currently, and shall be reimbursed by the author-
20 ity.

21 4. All personnel matters, including but not limited to, terms of
22 employment, such as promotions, demotions, other employment actions
23 related to vacancies, hiring, separations, retirement, etc. shall be
24 determined by an inter-agency agreement that is entered into between the
25 county and the authority after the creation of the authority. Any action
26 taken regarding the current county functions and positions when a vacan-
27 cy arises shall be addressed in an inter-agency agreement. There shall
28 be no bar on the authority at the time to create positions to fulfill
29 any functions when such county employee vacates a position.

30 § 1349-j. Obligation of public utilities. Wherever railroad tracks,
31 street railroad tracks, gas pipes, telephone wires, telegraph wires,
32 electric light or power wires, or conduits for carrying telephone, tele-
33 graph or electric wires, or other structures of any public service
34 corporation, extend in, along or across any part of the work authorized
35 by this title, it shall be and become the duty of the corporation owning
36 or using such tracks, pipes, wires or conduits, or other structures, to
37 make such changes in the same, at its own expense, as may be required
38 during the construction of the improvement provided for in this title,
39 and to construct or rebuild and maintain at its own expense its tracks,
40 pipes, wires or conduits and structures over or along the work by this
41 title authorized and constructed or in the process of construction in
42 pursuance thereof.

43 § 1349-k. Environmental applications, proceedings, approvals and
44 permits. 1. Any application in relation to the purposes of or contem-
45 plated by this title heretofore filed, or any proceeding heretofore
46 commenced, by the county or any agency thereof with the state department
47 of environmental conservation, the department of transportation or any
48 other state agency or instrumentality or with the United States environ-
49 mental protection agency or any other federal agency or instrumentality
50 shall inure to and for the benefit of the authority to the same extent
51 and in the same manner as if the authority had been a party to such
52 application or proceeding from its inception, and the authority shall be
53 deemed a party thereto, to the extent not prohibited by any federal law.
54 Any license, approval, permit or decision heretofore or hereafter issued
55 or granted pursuant to or as a result of any such application or
56 proceeding shall inure to the benefit of and be binding upon the author-

1 ity and shall be assigned and transferred by the municipalities served
2 by the authority or any agency thereof to the authority, unless such
3 assignment and transfer is prohibited by federal law.

4 2. All such applications, proceedings, licenses, approvals, permits
5 and decisions shall further inure to and be for the benefit of and be
6 binding upon any person leasing, acquiring, constructing, maintaining,
7 using or occupying any facility financed in whole or in part by the
8 authority.

9 § 1349-l. Governmental capacity of the authority and municipalities.
10 The county, other municipalities within the county and the authority in
11 carrying out the respective powers and duties under this title shall be
12 deemed to be acting in a governmental capacity. The construction, oper-
13 ation and maintenance of any project financed in whole or in part by the
14 authority shall be deemed to be the performance of an essential govern-
15 mental function by the authority acting in its governmental capacity,
16 whether such project shall be owned or operated by the authority or by
17 any person or other public corporation.

18 § 1349-m. Limited liability. Neither the members of the authority, nor
19 any municipality, officer or employee acting on behalf of the authority,
20 while acting within the scope of their authority, shall be subject to
21 any personal liability resulting from the construction, maintenance or
22 operation of any of the properties of the authority or from carrying out
23 any of the powers expressly given in this title; provided however, that
24 this section shall not be held to apply to any independent contractor.

25 § 1349-n. Bonds of the authority. 1. The authority shall have the
26 power and is hereby authorized from time to time to issue bonds or notes
27 in such principal amounts as it may determine to be necessary to pay the
28 cost of any project or for any other corporate purpose, including inci-
29 dental expenses in connection therewith. The authority shall have power
30 and is hereby authorized to enter into such agreements and perform such
31 acts as may be required under any applicable federal legislation to
32 secure a federal guarantee of any bonds. The authority shall have power
33 from time to time to refund any bonds by the issuance of new bonds
34 whether the bonds to be refunded have or have not matured, and may issue
35 bonds partly to refund bonds then outstanding and partly for any other
36 corporate purpose. Bonds issued by the authority may be general obli-
37 gations secured by the faith and credit of the authority or may be
38 special obligations payable solely out of particular revenues or other
39 moneys as may be designated in the proceedings of the authority under
40 which the bonds shall be authorized to be issued and subject to any
41 agreements with the holders of outstanding bonds pledging any particular
42 revenues or moneys. The authority may also enter into loan agreements,
43 lines of credit and other security agreements and obtain for or on its
44 behalf letters of credit in each case for securing its bonds or to
45 provide direct payment of any costs which the authority is authorized to
46 pay.

47 2. Bonds shall be authorized by resolution of the authority, be in
48 such denominations, bear such date or dates and mature at such time or
49 times as such resolution shall provide, except that notes and any
50 renewals thereof shall mature within five years from the date of the
51 original issuance and bonds and any renewals thereof shall mature within
52 thirty years from the date of the original issuance of any such bonds or
53 notes. The bonds and notes shall be subject to such terms of redemption,
54 bear interest at such rate or rates payable at such times, be in regis-
55 tered form, be executed in such manner, be payable in such medium of
56 payment at such place or places, and be subject to such terms and condi-

1 tions as such resolution may provide. Bonds may be sold at public or
2 private sale for such price or prices as the authority shall determine.
3 Bonds of the authority shall not be sold by the authority at private
4 sale unless such sale and the terms thereof have been approved in writ-
5 ing by the state comptroller where such sale is not to be to such comp-
6 troller, or by the state director of the budget where such sale is to
7 said comptroller. The authority may pay all expenses, premiums and
8 commissions which it may deem necessary or advantageous in connection
9 with the issuance and sale of bonds.

10 3. Any resolution or resolutions authorizing bonds or any issue of
11 bonds may contain provisions which may be a part of the contract with
12 the holders of the bonds thereby authorized as to:

13 (a) pledging all or any part of the revenues, other moneys or property
14 of the authority to secure the payment of the bonds, including but not
15 limited to, any assets, contracts, investment securities, earnings or
16 proceeds of any grant to the authority received from any private or
17 public source, subject to such agreements with bondholders as may then
18 exist;

19 (b) the setting aside of reserves and the creation of sinking funds
20 and the regulation and disposition thereof;

21 (c) limitations on the purpose to which the proceeds from the sale of
22 bonds may be applied;

23 (d) the rates, rents, fees and other charges to be fixed and collected
24 by the authority and the amount to be raised in each year thereby and
25 the use and disposition of revenues;

26 (e) limitations on the right of the authority to restrict and regulate
27 the use of a project or part thereof in connection with which bonds are
28 issued;

29 (f) limitations on the issuance of additional bonds, the terms upon
30 which additional bonds may be issued and secured and the refunding of
31 outstanding or other bonds;

32 (g) the procedure, if any, by which the terms of any contract with
33 bondholders may be amended or abrogated, the amount of bonds the holders
34 of which must consent thereto, and the manner in which such consent may
35 be given;

36 (h) the creation of special funds into which any revenues or moneys
37 may be deposited;

38 (i) the terms and provisions of any trust, deed or indenture securing
39 the bonds under which the bonds may be issued;

40 (j) vesting in a trustee or trustees such properties, rights, powers
41 and duties in trust as the authority may determine, which may include
42 any or all of the rights, powers and duties of the trustees appointed by
43 the bondholders pursuant to section thirteen hundred forty-nine-i of
44 this title and limiting or abrogating the rights of the bondholders to
45 appoint a trustee under such section or limiting the rights, duties and
46 powers of the trustee;

47 (k) defining the acts or omissions to act which may constitute a
48 default in the obligations and duties of the authority to the bondhold-
49 ers and providing for the rights and remedies of the bondholders in the
50 event of such default, including as a matter of right the appointment of
51 a receiver, provided, however, that such rights and remedies shall not
52 be inconsistent with the general laws of the state and other provisions
53 of this title;

54 (l) limitations on the power of the authority to sell or otherwise
55 dispose of any project or any part thereof;

1 (m) limitations on the amount of revenues and other moneys to be
2 expended for operating, administrative or other expenses of the authori-
3 ty;

4 (n) the payment of the proceeds of bonds, revenues and other moneys to
5 a trustee or other depository and for the method of disbursement thereof
6 with such safeguards and restrictions as the authority may determine;
7 and

8 (o) any other matters of like or different character which in any way
9 affect the security or protection of the bonds or the rights and reme-
10 dies of bondholders.

11 4. In addition to the powers herein conferred upon the authority to
12 secure its bonds, the authority shall have power in connection with the
13 issuance of bonds to enter into such agreements as the authority may
14 deem necessary, consistent or desirable concerning the use of disposi-
15 tion of its revenues or other moneys or property, including the mortgag-
16 ing of any property and the entrusting, pledging or creation of any
17 other security interest in any such revenues, moneys or property and the
18 doing of any act (including refraining from doing any act) which the
19 authority would have the right to do in the absence of such agreements.
20 The authority shall have power to enter into amendments of any such
21 agreements within the powers granted to the authority by this title and
22 to perform such agreements. The provisions of any such agreements may be
23 made a part of the contract with the holders of bonds of the authority.

24 5. Any provision of the uniform commercial code to the contrary
25 notwithstanding, any pledge of or other security interest in revenues,
26 moneys, accounts, contract rights, general intangibles or other personal
27 property made or created by the authority shall be valid, binding and
28 perfected from the time when such pledge is made or other security
29 interest attaches without any physical delivery of the collateral or
30 further act, and the lien of any such pledge or other security interest
31 shall be valid, binding and perfected against all parties having claims
32 of any kind in tort, contract or otherwise against the authority irre-
33 spective of whether or not such parties have notice thereof. No instru-
34 ment by which such a pledge or security is created nor any financing
35 statement need be recorded or filed.

36 6. Whether or not the bonds are of such form and character as to be
37 negotiable instruments under the terms of the uniform commercial code,
38 the bonds are hereby made negotiable instruments within the meaning of
39 and for all the purposes of the uniform commercial code, subject only to
40 the provisions of the bonds for registration.

41 7. Neither the members of the authority nor any person executing bonds
42 shall be liable personally thereon or be subject to any personal liabil-
43 ity or accountability by reason of the issuance thereof.

44 8. The authority, subject to such agreements with bondholders as then
45 may exist, shall have power out of any moneys available therefor to
46 purchase bonds of the authority, which shall thereupon be cancelled, at
47 a price not exceeding (a) if the bonds are then redeemable, the redemp-
48 tion price then applicable, plus accrued interest to the next interest
49 payment date or (b) if the bonds are not then redeemable, the redemption
50 price applicable on the first date after such purchase upon which the
51 bonds become subject to redemption plus accrued interest to the next
52 interest payment date.

53 § 1349-o. Remedies of bondholders. Subject to any resolution or resol-
54 utions adopted pursuant to subdivision three of section thirteen hundred
55 forty-nine-n of this title:

1 1. In the event that the authority shall default in the payment of
2 principal of or interest on any issue of bonds after the same shall
3 become due, whether at maturity or upon call for redemption, and such
4 default shall continue for a period of thirty days, or in the event that
5 the authority shall fail or refuse to comply with the provisions of this
6 title or shall default in any agreement made with the holders of any
7 issue of bonds, the holders of twenty-five percent in aggregate princi-
8 pal amount of the bonds of such issue then outstanding, by instrument or
9 instruments tiled in the office of the clerk of the county and proved or
10 acknowledged in the same manner as deed to be recorded, may appoint a
11 trustee to represent the holders of such bonds for the purpose herein
12 provided.

13 2. Such trustee may and, upon written request of the holders of twen-
14 ty-five per centum in principal amount of such bonds outstanding, shall
15 in such trustee's own name:

16 (a) by action or proceeding in accordance with the civil practice law
17 and rules, enforce all rights of the bondholders, including the right to
18 require the authority to collect rents, rates, fees and charges adequate
19 to carry out any agreement as to, or pledge of, such rents, rates, fees
20 and charges and to require the authority to carry out any other agree-
21 ments with the holders of such bonds to perform its duties under this
22 title;

23 (b) bring an action or proceeding upon such bonds;

24 (c) by action or proceeding, require the authority to account as if it
25 were the trustee of an express trust for the holders of such bonds;

26 (d) by action or proceeding, enjoin any acts or things which may be
27 unlawful or in violation of the rights of the holders of such bonds; and

28 (e) declare all such bonds due and payable, and if all defaults shall
29 be made good, then with the consent of the holders of twenty-five per
30 centum of the principal amount of such bonds then outstanding, to annul
31 such declaration and its consequences.

32 3. Such trustee shall in addition to the foregoing have and possess
33 all of the powers necessary or appropriate for the exercise of any func-
34 tions specifically set forth herein or incident to the general represen-
35 tation of bondholders in the enforcement and protection of their rights.

36 4. The supreme court shall have jurisdiction of any action or proceed-
37 ing by the trustee on behalf of such bondholders. The venue of any such
38 action or proceeding shall be laid in the county.

39 5. Before declaring the principal of bonds due and payable, the trus-
40 tee shall first give thirty days' notice in writing to the authority.

41 6. Any such trustee, whether or not the issue of bonds represented by
42 such trustee has been declared due and payable, shall be entitled as of
43 right to the appointment of a receiver of any part or parts of the
44 project, the revenues of which are pledged for the security of the bonds
45 of such issue, and such receiver may enter and take possession of such
46 part or parts of the project and, subject to any pledge or agreement
47 with holders of such bonds, shall take possession of all moneys and
48 other property derived from such part or parts of the project and
49 proceed with any construction thereon or the acquisition of any proper-
50 ty, real or personal, in connection therewith that the authority is
51 under obligation to do, and to operate, maintain and reconstruct such
52 part or parts of the project and collect and receive all revenues there-
53 after arising therefrom subject to any pledge thereof or agreement with
54 bondholders relating thereto and perform the public duties and carry out
55 the agreements and obligations of the authority under the direction of
56 the court. In any suit, action or proceeding by the trustee the fees,

1 counsel fees and expenses of the trustee and of the receiver, if any,
2 shall constitute taxable disbursements and all costs and disbursements
3 allowed by the court shall be a first charge on any revenues derived
4 from the project.

5 7. The county is authorized to pledge to and agree with the holders of
6 the bonds that the county will not limit or impair the rights hereby
7 vested in the authority to purchase, construct, maintain, operate,
8 repair, improve, increase, enlarge, extend, reconstruct, renovate, reha-
9 ilitate or dispose of any project, or any part or parts thereof, for
10 which bonds or notes of the authority shall have been issued, to estab-
11 lish and collect rates, rents, fees and other charges referred to in
12 this title and to fulfill the terms of any agreements made with the
13 holders of the bonds or notes or with any public corporation or person
14 with reference to such project or part thereof, or in any way impair the
15 rights and remedies of the bondholders, until the bonds, together with
16 interest thereon, with interest on any unpaid installments of interest
17 and all costs and expenses in connection with any action or proceeding
18 by or on behalf of the bondholders are fully met and discharged.

19 § 1349-p. State, county and municipalities not liable on bonds of the
20 authority. Neither the state, county nor any other municipality or
21 public corporation shall be liable on the bonds of the authority and
22 such bonds shall not be a debt of the state, county or any other munici-
23 pality or public corporation, and such bonds shall contain, on the face
24 thereof, a statement to such effect.

25 § 1349-q. Moneys of the authority. All moneys of the authority from
26 whatever source derived shall be paid to the treasurer of the authority
27 and shall be deposited forthwith in interest bearing accounts in a bank
28 or banks in the state designated by the governing body. The moneys in
29 such accounts shall be paid out by the treasurer, upon requisition by
30 the governing body or of such other person or persons as the governing
31 body may authorize to make such requisitions. All deposits of such
32 moneys shall be secured by obligations of the United States and the
33 state of New York of a market value equal at all times to the amount on
34 deposit and all banks and trust companies are authorized to give such
35 security for such deposits. The authority shall have power, notwith-
36 standing the provisions of this section, to contract with the holders of
37 any bonds, as to the custody, collection, security, investment and
38 payment of any moneys of the authority or any moneys held in trust or
39 otherwise for the payment of bonds or in any way to secure bonds, and to
40 carry out any such contract notwithstanding that such contract may be
41 inconsistent with the provisions of this section. Moneys held in trust
42 or otherwise for the payment of bonds, or in any way to secure bonds,
43 and deposits of such moneys may be secured in the same manner as moneys
44 of the authority and all banks and trust companies are authorized to
45 give such security for such deposits. Any moneys of the authority not
46 required for immediate use or disbursement may, at the discretion of the
47 authority, be invested in those obligations specified pursuant to the
48 provisions of section ninety-eight-a of the state finance law, as
49 amended from time to time. Subject to the provisions of any contract
50 with bondholders and with the approval of the comptroller, the authority
51 shall prescribe a system of accounts.

52 § 1349-r. Bonds and notes as legal investment. The bonds of the
53 authority are hereby made securities in which all public officials and
54 bodies of the state and all municipalities, all insurance companies and
55 associations and other persons carrying on an insurance business, all
56 banks, bankers, trust companies, savings banks and savings associations,

1 including savings and loan associations, investment companies and other
2 persons carrying on a banking business, and administrators, guardians,
3 executors, trustees and other fiduciaries and all other persons whatso-
4 ever, who are now or may hereafter be authorized to invest in bonds or
5 notes, or other obligations of the state may properly and legally invest
6 funds including capital in their control or belonging to them. The bonds
7 and notes are also hereby made securities which may be deposited with
8 and may be received by all public officers and bodies of this state and
9 all municipalities for any purposes for which the deposit of bonds or
10 notes or other obligations of this state is now or hereafter may be
11 authorized.

12 § 1349-s. Agreement with the state. The state does hereby pledge to
13 and agree with the holders of any bonds or notes issued by the authority
14 pursuant to this title that the state will not alter or limit the rights
15 hereby vested in the authority to purchase, construct, maintain, oper-
16 ate, repair, improve, increase, enlarge, extend, reconstruct, renovate,
17 rehabilitate or dispose of any project, or any part or parts thereof,
18 for which bonds of the authority shall have been issued, to establish
19 and collect rates, rents, fees and other charges referred to in this
20 title to fulfill the terms of any agreement made with or for the benefit
21 of the holders of bonds or notes or with any public corporation or
22 person with reference to such project or part thereof, or in any way to
23 impair the rights and remedies of bondholders until the bonds or notes,
24 together with the interest thereon, including interest on any unpaid
25 installments of interest and all costs and expenses in connection with
26 any action or proceeding by or on behalf of such holders, are fully met
27 and discharged, provided, however, that this section shall not be
28 construed to limit in any manner, the ability of the state to alter,
29 amend or enforce laws or regulations to protect public health and the
30 environment. The authority is authorized to include this pledge and
31 agreement of the state in any agreement with bondholders.

32 § 1349-t. Exemption from taxes, assessments and certain fees. 1. It
33 is hereby determined that the creation of the authority and the carrying
34 out of its corporate purposes is in all respects for the benefit of the
35 people of the county within the boundaries of the service area and the
36 state and is a public purpose and the authority shall be regarded as
37 performing a governmental function in the exercise of the powers
38 conferred upon it by this title and shall not be required to pay any
39 taxes, special ad valorem levies or special assessments upon any proper-
40 ty owned by it or under its jurisdiction, control or supervision or upon
41 its activities or any filing, recording, or transfer fees or taxes in
42 relation to instruments filed, recorded or transferred by it or on its
43 behalf. The construction, use, occupation or possession of any property
44 owned by the authority including improvements thereon, by any person or
45 public corporation under a lease, lease and sublease or any other agree-
46 ment shall not operate to abrogate or limit the foregoing exemption,
47 notwithstanding that the lessee, user, occupant or person in possession
48 shall claim ownership for federal income tax purposes. Mortgages made or
49 financed, directly or indirectly, by the authority shall be exempt from
50 the mortgage recording taxes imposed by article eleven of the tax law.
51 The authority shall be deemed a public authority for the purposes of
52 section four hundred twelve of the real property tax law.

53 2. Any bonds issued pursuant to this title together with the income
54 therefrom as well as the property of the authority shall be exempt from
55 taxes, except for transfer and estate taxes. The revenues, moneys and
56 all other property and all transactions and activities of the authority

1 shall be exempt from all taxes and governmental fees or charges, whether
2 imposed by the state or any municipality, including without limitation
3 real estate taxes, franchise taxes, sales taxes or other excise taxes.
4 The state hereby covenants with the purchasers and with all subsequent
5 holders and transferees of bonds issued by the authority pursuant to
6 this title, in consideration of the acceptance of any payment of the
7 bonds, that the bonds of the authority issued pursuant to this title and
8 the income therefrom and all revenues, moneys, and other property
9 pledged to secure the payment of such bonds shall at all times be free
10 from taxation except for transfer and estate taxes.

11 § 1349-u. Obligations of contracts not impaired. All contracts of the
12 county in respect of the prior sewer district or any part thereof shall
13 be binding upon the authority with the same force and effect as though
14 such contracts had been expressly assumed by the authority and such
15 contracts shall inure to the benefit of the authority with the same
16 force and effect as though such contracts had been expressly assigned to
17 the authority.

18 § 1349-v. Construction contracts. 1. All contracts or orders for work,
19 material or supplies performed or furnished in connection with
20 construction shall be awarded by the authority pursuant to resolution of
21 the governing body except as hereinafter provided. In any construction
22 contract, the authority may provide a program for the payment of damages
23 for delays and incentive awards in order to encourage timely project
24 completion. An action, suit or proceeding contesting the validity of a
25 contract awarded pursuant to this section, or the validity of the proce-
26 dures relating to such award, shall be governed by the provisions of
27 subdivision six of section one hundred twenty-w of the general municipal
28 law and the term "municipality" as used in such subdivision six shall
29 mean the authority.

30 2. The person whose bid or proposal is accepted shall give security
31 for the faithful performance of the contract, and such other security as
32 the authority may require, and may be required to maintain any
33 construction done under the contract for such period as shall be stipu-
34 lated, all in the manner prescribed and required by the authority and
35 the sufficiency of such security shall, in addition to the justification
36 and acknowledgement, be approved by the authority. All bids or proposals
37 shall be publicly opened by the governing body or its duly authorized
38 agent. If the person whose bid or proposal has been accepted after
39 advertising shall neglect or refuse to accept the contract within five
40 days after written notice that the contract has been awarded to such
41 person on such person's bid or proposal or if such person accepts but
42 does not execute the contract and give proper security, the authority
43 shall have the right to declare such person's deposit forfeited. In case
44 any work shall be abandoned by any contractor, the authority may, if it
45 determines that the public interest is thereby served, adopt on behalf
46 of the authority any or all subcontracts made by such contractor for
47 such work and all such subcontractors shall be bound by such adoption if
48 made. No bid or proposal shall be accepted from or any contract awarded
49 to any person or corporation who is in arrears to the authority or the
50 county upon any obligation of the authority or of the county. Every
51 contract shall be executed in duplicate, one copy of which shall be held
52 by the authority and one copy of which shall be delivered to the
53 contractor. The authority may adopt, utilize, ratify and confirm any
54 request for proposals, invitation for sealed bids, plans, specifications
55 and notices heretofore or hereafter published by the county with respect
56 to any proposed project. The provisions of this section shall supersede

1 any inconsistent provisions of the general municipal law, or any other
2 general, special or local law, or the charter of the county. The author-
3 ity shall be deemed an authority for the purpose of section twenty-eight
4 hundred seventy-eight of this chapter. For the purposes of article
5 fifteen-A of the executive law only, the authority shall be deemed a
6 state agency as that term is used in such article, and its contracts for
7 design, construction, services and materials shall be deemed state
8 contracts within the meaning of that term as set forth in such article.

9 3. A project labor agreement shall be included in a project, provided
10 that, based upon a study done by or for the authority, the authority
11 determines that its interest in obtaining the best work at the lowest
12 possible price, preventing favoritism, fraud and corruption, and other
13 considerations such as the impact of delay, the possibility of cost
14 savings advantages, and any local history of labor unrest, are best met
15 by requiring a project labor agreement. The authority shall conduct such
16 a study and a project labor agreement shall be performed consistent with
17 the provisions of section two hundred twenty-two of the labor law.

18 4. If a project labor agreement is not utilized for construction on a
19 project (a) the authority shall not utilize an alternative project
20 delivery contract for a project; and (b) the contract for a project
21 shall be let to the lowest responsible bidder.

22 § 1349-w. Actions against the authority. The authority shall be
23 subject to section fifty-e of the general municipal law for a notice of
24 claim and the service of such notice of claim.

25 § 1349-x. Audit and annual report. In conformity with the provisions
26 of section five of article ten of the constitution, the accounts of the
27 authority shall be subject to the supervision of the comptroller and an
28 annual audit shall be performed by an independent certified accountant.
29 The authority shall annually submit to the governor and comptroller and
30 to the chairs of the senate finance and assembly ways and means commit-
31 tees a detailed report pursuant to the provisions of section twenty-
32 eight hundred of this chapter, and a copy of such report shall be filed
33 with the clerk of each town and village in the service area.

34 § 1349-y. Separability clause. If any section, clause or provision in
35 this title shall be held by a competent court to be unconstitutional or
36 ineffective in whole or in part, to the extent that it is not unconsti-
37 tutional or ineffective, it shall be valid and effective, and no other
38 section, clause or provision shall on account thereof be deemed invalid
39 or ineffective.

40 § 1349-z. Effect of inconsistent provisions. In so far as the
41 provisions of this title are inconsistent with the provisions of any
42 other act, general or special, or of any charter, local law, ordinance
43 or resolution of any municipality, the provisions of this title shall be
44 controlling. Nothing contained in this section shall be held to supple-
45 ment or otherwise expand the powers or duties of the authority otherwise
46 set forth in this title. Except as specifically provided for in this
47 title, in the performance of any of its functions, powers and duties,
48 the authority shall be subject to all applicable general or special laws
49 of the state, the county charter, and any local law, ordinance or resol-
50 ution of the county.

51 § 3. This act shall take effect on the one hundred eightieth day after
52 it shall have become a law. Effective immediately, the addition, amend-
53 ment and/or repeal of any rule or regulation necessary for the implemen-
54 tation of this act on its effective date are authorized to be made and
55 completed on or before such effective date.