S T A T E O F N E W Y O R K

10746

I N A S S E M B L Y

April 19, 2010

Introduced by M. of A. ALESSI -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the public lands law and the state finance law, in relation to disposition of proceeds from the sale of public lands and personal property of the state for the purpose of reducing state-sponsored debt

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision a of section 21 of the public lands law, as amended by chapter 706 of the laws of 1977, is amended to read as follows:

a. The commissioner of general services is authorized, in his discretion, to sell and convey at public or private sale, upon such terms and conditions as he may deem proper, all the right, title and interest of the state in and to certain strips of abandoned canal lands or Onondaga salt springs reservation land, which strips adjoin the old beds of the Erie canal and Oswego canal and side-cut canals, which beds were heretofore conveyed by the people of the state of New York and in which said strips of land there remains a right, title or interest in the people of the state of New York. Any such private sale, if made, shall be to the state's grantee or to the successor to the title or interest of the beds so previously granted by the state and shall be for a consideration not less than the appraised value of the said right, title or interest. ALL MONEYS CONSTITUTING THE PROCEEDS OF ANY SUCH DISPOSITION OF SUCH STATE-OWNED REAL PROPERTY SHALL BE PAID, FIRST TO REPAY ANY EXPENDITURES MADE BY THE OFFICE OF GENERAL SERVICES FROM MONEYS APPROPRIATED TO SAID OFFICE IN THE FIRST INSTANCE FOR THE ADMINISTRATION, MANAGEMENT, UTILIZATION AND DISPOSITION OF REAL PROPERTY OF THE STATE AND ANY RIGHTS OR INTERESTS THEREIN, AND ANY BALANCE OF SUCH MONEYS REMAINING AFTER REPAYMENT OF THE FIRST INSTANCE EXPENDITURES SHALL BE PAID INTO THE STATE TREASURY THROUGH THE OFFICE OF GENERAL SERVICES TO THE CREDIT OF THE STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THE STATE FINANCE LAW.

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

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S 2. Section 23 of the public lands law, as amended by chapter 170 of the laws of 1994, is amended to read as follows:

S 23. Disposition of moneys received from sale of certain state lands and sand and gravel thereon. All moneys received by the commissioner of general services from the sale of sand and gravel on, or from the sale of, any land of the state, or from the grant of rights or easements therein or thereover, not including land under water provision with respect to which is made in section seventy-five of this chapter, and not including abandoned canal lands provision with respect to which is made under article four of this chapter and not including certain detached parcels of forest preserve lands with respect to which provision is made in section twenty-four of this chapter, shall be paid, less any refunds made pursuant to section twenty-six of this law, and less any sum required to be deposited to the credit of the environmental protection fund provision with respect to which is made by chapter six hundred ten of the laws of nineteen hundred ninety-three, into the state treasury through the office of general services to the credit of the [capital construction] STATE-SUPPORTED DEBT REDUCTION fund established by section [ninety-three] SEVENTY-THREE of the state finance law. All such moneys received during a month, less any refunds, shall be so paid on or before the fifteenth day of the succeeding month.

S 3. The second undesignated paragraph of section 24 of the public lands law, as amended by chapter 79 of the laws of 1976, is amended to read as follows:

All sales shall be subject to and governed by the provisions of sections thirty-three, thirty-five, thirty-seven, thirty-seven-a, thirty-eight, thirty-eight-a and thirty-nine of this chapter, being general provisions governing the sale of unappropriated state lands. All moneys derived by the commissioner from such sales, not including any refunds made pursuant to section twenty-six of this law, shall be paid first to repay any expenditures made by the office of general services with relation to forest preserve lands from moneys appropriated to said office in the first instance for the administration, management, utilization and disposition of real property of the state and any rights or interests therein, and any balance of such moneys remaining after repayment of the first instance expenditures shall be paid through the office of general services into a special fund of the state treasury, provided for that purpose [by] IN SECTION SEVENTY-THREE OF the state finance law and known as the [forest preserve expansion] STATE-SUPPORTED DEBT REDUCTION fund, and shall be expended only as provided in that law. All of such moneys received during any month shall be so paid on or before the fifteenth day of the succeeding month.

S 4. Section 25 of the public lands law, as amended by chapter 141 of the laws of 1988, is amended to read as follows:

S 25. Sale or exchange of real property owned by the state and devoted to the use of the organized militia. Upon the filing with the commissioner of general services by the adjutant general of his certificate in writing of his determination that certain real property owned by the state and devoted to the use of the organized militia of the state is no longer needed or adapted for such use and consenting that the same be sold or exchanged by the commissioner pursuant to the provisions of this section, the commission, if such certificate and consent be approved by the director of the budget and be accompanied by, annexed to, or endorsed upon an accurate map and description of such real property, may sell or exchange such real property in accordance with and subject to the terms, if any, of such consent. All sales of any such property

shall be in accordance with the procedure specified in article three of this chapter for the sale of unappropriated state lands. Upon compliance by the purchaser with the terms of sale, or, in the case of an exchange of lands, with the terms of the order of the commissioner authorizing such exchange, the sale or exchange shall be consummated by the issuance of letters patent granting the state-owned real property. All moneys constituting the proceeds of any such disposition of such state-owned real property shall be paid, less any refunds made pursuant to the provisions of section twenty-six of this [law] ARTICLE, first to repay any expenditures made by the office of general services from moneys appropriated to said office in the first instance for the administration, management, utilization and disposition of real property of the state and any rights or interests therein, and any balance of such moneys remaining after repayment of the first instance expenditures shall be paid into the state treasury through the office of general services to the credit of the [capital projects] STATE-SUPPORTED DEBT REDUCTION fund established by section [ninety-three] SEVENTY-THREE of the state finance law.

S 5. Section 38 of the public lands law, as added by chapter 557 of the laws of 1929, is amended to read as follows:

S 38. Payment on resale. The purchaser shall complete the sale, immediately, by paying into the treasury THROUGH THE OFFICE OF GENERAL SERVICES TO THE CREDIT OF THE STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THE STATE FINANCE LAW the amount due on the land and receiving a patent, or by executing a proper bond and receiving a new certificate of the sale.

S 6. Section 59-a of the public lands law, as amended by chapter 79 of the laws of 1976, is amended to read as follows:

S 59-a. Disposition of proceeds. The proceeds from a sale or grant of such lands shall be applied first to repay any expenditures made by the office of general services from moneys appropriated to said office in the first instance for the administration, management, utilization and disposal of real property of the state and any rights or interests therein and any balance of such moneys remaining after repayment of the first instance expenditures shall be applied to the cost of the improvement which renders such lands no longer necessary, and the expenses incurred by the attorney general for searches and examination of the title to such lands shall be deemed an item of the cost of improvement. Any surplus from the sale of abandoned lands above the cost of the entire improvement shall be [applied to the sinking fund for the payment of the improvement bonds] PAID INTO THE STATE TREASURY THROUGH THE OFFICE OF GENERAL SERVICES TO THE CREDIT OF THE STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THE STATE FINANCE LAW.

S 7. Subdivisions 1, 4 and 7 of section 167 of the state finance law, subdivisions 1 and 7 as added by chapter 83 of the laws of 1995 and subdivision 4 as amended by chapter 137 of the laws of 2008, is amended to read as follows:

1. The head of a state agency having custody or control of such property, except vehicles, may: (a) dispose of such property in accordance with applicable express statutory provisions, (b) reuse such property within the same state agency, (c) use the property in part payment on a new item which may include, but shall not be limited to, use as a trade-in or use in a guaranteed brokerage arrangement, (d) with the consent of the commissioner, place such property in the custody or control of the office of general services for reuse by other state agencies or for

other disposition, or (e) where the fair market value of such property is less than an amount established from time to time by the commissioner, dispose of such property by such means as the head of such state agency deems to be in the best interest of the state. Records of each disposition shall be retained by the state agency disposing of such property and shall be subject to audit. Where personal property has been purchased from special funds, a state agency, upon designation of the source of funds from which such property was purchased, may condition the disposal of such property on the reimbursement of such special fund in the amount of the fair market value of such property. All proceeds realized on sale or other transfer and not otherwise authorized to be deposited in a special fund, shall be deposited in the [general fund of the state] STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THIS CHAPTER.

4. (a) Prior to the public sale of surplus state personal property and if the commissioner has determined that personal property of the state shall be sold, the office of general services must first offer to sell such property to municipalities of the state. The availability of surplus personal property, and the offer to sell such property, shall be advertised to municipalities on the office of general services' website for a minimum of seven days. A municipality shall immediately advise the commissioner whether or not the municipality wishes to acquire such personal property. If it wishes to acquire such personal property, a municipality shall have thirty days to arrange delivery of such property and to conclude the negotiation of the sale. If two or more municipalities notify the commissioner of their wish to acquire such personal property, such personal property shall be sold to the highest offer complying with the terms of the sale as set by the commissioner. All proceeds of such sales shall be deposited to the credit of the [general fund of the state] STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THIS CHAPTER unless otherwise required by law. A record of each sale shall be retained and shall be subject to audit. After the thirty day period for municipalities to arrange delivery of such property and to conclude the negotiation of the sale, the property may be disposed of pursuant to paragraph (b) of this subdivision. For the purposes of this section, "municipality" shall mean a city, county, town or village.

(b) Where the commissioner has determined that there are no interested municipalities pursuant to paragraph (a) of this subdivision, the availability of such property shall be advertised at least once prior to sale in a local newspaper. Such advertisement shall identify the property, the place where the terms of sale may be obtained and the date upon which offers will be received. In cases of emergency or special circumstances, such notice may be waived if at least three separate and independent offers are solicited and obtained. Notwithstanding the provisions of this section, where the property will be sold by public auction over the internet, such notice may be waived if notification of the availability of such property is provided on the office of general services' website five business days prior to sale. Every such sale shall be made to the highest offer complying with the terms of sale and all proceeds of such sales shall be deposited to the credit of the [general fund of the state] STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THIS CHAPTER unless otherwise required by law. A record of each sale shall be retained and shall be subject to audit.

7. The commissioner shall have the power, at the request of a former governor or head of a state department or agency, or the surviving spouse of such a former official, to sell to such former official, or to his or her surviving spouse, selected articles of furniture, in use by such former official at the termination of his services as governor or head of a state department or agency in the private offices of the governor in the executive chamber or in the office occupied by such former head of a state department or agency, for the reasonable value thereof as articles of furniture as determined by the commissioner, depositing any moneys received from such sale in the state treasury THROUGH THE OFFICE OF GENERAL SERVICES TO THE CREDIT OF THE STATE-SUPPORTED DEBT REDUCTION FUND ESTABLISHED BY SECTION SEVENTY-THREE OF THIS CHAPTER; provided, however, that a written request therefor, specifying the articles to be purchased, be submitted to the commissioner within ninety days after the termination of such service.

S 8. The state finance law is amended by adding a new section 73 to read as follows:

S 73. STATE-SUPPORTED DEBT REDUCTION FUND. 1. THERE IS HEREBY ESTABLISHED IN THE CUSTODY OF THE STATE COMPTROLLER A FUND TO BE KNOWN AS THE STATE-SUPPORTED DEBT REDUCTION FUND.

2. SUCH FUND SHALL CONSIST OF ALL MONIES CREDITED OR TRANSFERRED THERETO FROM PROCEEDS REALIZED FROM THE SALE OF PUBLIC LANDS AND PERSONAL PROPERTY OF THE STATE PURSUANT TO SECTIONS TWENTY-ONE, TWENTY-THREE, TWENTY-FOUR, TWENTY-FIVE, THIRTY-EIGHT, AND FIFTY-NINE-A OF THE PUBLIC LANDS LAW, AND SECTION ONE HUNDRED SIXTY-SEVEN OF THIS CHAPTER, AND ANY OTHER FUND OR SOURCE PURSUANT TO LAW.

3. THE MONIES IN SUCH FUND SHALL BE AVAILABLE TO BE USED FOR THE PURPOSE OF REDUCING STATE-SUPPORTED DEBT, AS DEFINED IN SECTION SIXTY-SEVEN-A OF THIS CHAPTER. THE COMPTROLLER SHALL DESIGNATE THE ALLOCATION OF SUCH MONIES.

S 9. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however, that effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.