

10408

I N A S S E M B L Y

March 24, 2010

Introduced by M. of A. SILVER, FARRELL -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to the financial recovery act of 2010

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

1 Section 1. The state finance law is amended by adding a new article
2 3-A to read as follows:

3 ARTICLE III-A

4 FINANCIAL RECOVERY ACT OF 2010

5 SECTION 30. FINANCIAL RECOVERY ACT OF 2010.

6 S 30. FINANCIAL RECOVERY ACT OF 2010. 1. DEFINITIONS. AS USED IN THIS
7 ARTICLE THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING DEFINITIONS:

8 (A) "FISCAL RECOVERY PERIOD" MEANS THE FIVE CONSECUTIVE STATE FISCAL
9 YEARS WHICH SHALL COMMENCE WITH THE YEAR IN WHICH TRANSITION BONDS ARE
10 FIRST ISSUED.

11 (B) "BOARD" MEANS THE FINANCIAL REVIEW BOARD CREATED BY SUBDIVISION
12 TWO OF THIS SECTION.

13 (C) "QUARTERLY FINANCIAL PLAN" MEANS, COLLECTIVELY, THE INITIAL
14 CURRENT YEAR PLAN AND FIVE YEAR PLAN SUBMITTED TO THE FINANCIAL REVIEW
15 BOARD PURSUANT TO SUBDIVISION ONE-D OF SECTION TWENTY-TWO OF THIS CHAP-
16 TER AND EACH SUBSEQUENT QUARTERLY UPDATE THERETO.

17 (D) "TRANSITION BONDS" MEANS THE BONDS ISSUED PURSUANT TO SECTION
18 SIXTY-EIGHT-D OF THIS CHAPTER.

19 (E) "MODIFIED GAAP-BASIS" MEANS AN ACCRUAL ACCOUNTING SYSTEM OF
20 GOVERNMENT ACCOUNTING ADOPTED BY THE STATE OF NEW YORK FOR BUDGETING
21 UPON ADVICE OF THE BOARD AND THE STATE COMPTROLLER AND APPROVAL OF THE
22 DIRECTOR OF THE BUDGET, CHAIR OF THE SENATE FINANCE COMMITTEE AND CHAIR
23 OF THE ASSEMBLY WAYS AND MEANS COMMITTEE.

24 (F) "BUDGET IMBALANCE" MEANS EITHER A PROJECTED ANNUAL CASH-BASIS
25 IMBALANCE OR A SUBSTANTIAL LIKELIHOOD THAT A MODIFIED GAAP-BASIS IMBAL-
26 ANCE WILL EXIST AT THE END OF THE FISCAL RECOVERY PERIOD.

27 2. FINANCIAL RECOVERY REVIEW BOARD. THERE IS HEREBY CREATED THE FINAN-
28 CIAL RECOVERY REVIEW BOARD WHICH SHALL CONSIST OF FIVE MEMBERS WHO ARE

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

LBD16621-01-0

1 NOT OFFICERS OR EMPLOYEES OF THE STATE AND HAVE NO BUSINESS WITH THE
2 STATE.

3 (A) TWO MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, AND ONE MEMBER
4 EACH SHALL BE APPOINTED BY THE COMPTROLLER, THE TEMPORARY PRESIDENT OF
5 THE SENATE AND THE SPEAKER OF THE ASSEMBLY. EACH BOARD MEMBER SHALL BE A
6 PERSON RECOGNIZED AS HAVING BUSINESS OR PROFESSIONAL EXPERIENCE AND
7 AUTHORITY ON THE FIELDS OF BUDGETING, ACCOUNTING AND FINANCE. EACH
8 MEMBER SHALL SERVE FOR A RENEWABLE TERM OF FIVE YEARS AND MAY BE REMOVED
9 ONLY FOR CAUSE. MEMBERS OF THE BOARD SHALL RECEIVE NO COMPENSATION BUT
10 WILL BE ENTITLED TO REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES
11 INCURRED IN THE PERFORMANCE OF THEIR DUTIES UNDER THIS ARTICLE.

12 (B) THE BOARD MAY ACT ONLY BY A MAJORITY VOTE OF THE ENTIRE BOARD THEN
13 IN OFFICE.

14 (C) THE BOARD SHALL HAVE AN EXECUTIVE DIRECTOR WHO SHALL BE AUTHORIZED
15 TO HIRE ADDITIONAL STAFF.

16 3. AUTHORITY OF THE FINANCIAL REVIEW BOARD. THE FINANCIAL REVIEW BOARD
17 CREATED BY SUBDIVISION TWO OF THIS SECTION SHALL, DURING THE REFERENCED
18 PERIODS, HAVE THOSE POWERS AND DUTIES AS ARE DESCRIBED AND DELINEATED
19 FOR EACH SUCH PERIOD:

20 (A) DURING THE FIRST STATE FISCAL YEAR OF THE FISCAL RECOVERY PERIOD,
21 UPON RECEIPT OF THE QUARTERLY FINANCIAL PLAN, THE BOARD SHALL, WITHIN
22 SEVEN DAYS, PROVIDE ADVICE TO THE DIRECTOR OF THE BUDGET, THE CHAIR OF
23 THE SENATE FINANCE COMMITTEE AND THE CHAIR OF THE ASSEMBLY WAYS AND
24 MEANS COMMITTEE, OR THEIR DESIGNEES, CONCERNING PRESENT "CASH-BASIS"
25 BALANCED BUDGET ISSUES AND INCREMENTAL STEPS IN MOVEMENT TOWARD ACHIEV-
26 ING A "GAAP-BASIS" BALANCED BUDGET BY THE END OF THE FISCAL RECOVERY
27 PERIOD.

28 (B) DURING THE SECOND THROUGH FIFTH STATE FISCAL YEARS OF THE FISCAL
29 RECOVERY PERIOD, UPON RECEIPT OF THE QUARTERLY FINANCIAL PLAN, THE BOARD
30 SHALL, WITHIN SEVEN DAYS, DETERMINE IF THE SUBMITTED QUARTERLY FINANCIAL
31 PLAN DISCLOSES A BUDGET IMBALANCE. IF THE BOARD DETERMINES THAT THE
32 CURRENT YEAR PORTION OF THE QUARTERLY FINANCIAL PLAN SUBMITTED DURING
33 EITHER THE FIRST OR THIRD QUARTER OF A STATE FISCAL YEAR DISCLOSES AN
34 IMBALANCE, IT SHALL BE EMPOWERED TO REQUIRE THAT THE FOLLOWING ACTIONS
35 BE UNDERTAKEN TO THE EXTENT NECESSARY TO RECTIFY THE IMBALANCE: (I) THE
36 BOARD WILL ADVISE THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE
37 AND THE SPEAKER OF THE ASSEMBLY OF THEIR FINDINGS AND WILL MAKE RECOM-
38 MENDATIONS CONCERNING ACTIONS TO RECTIFY SUCH IMBALANCE; (II) WITHIN
39 THIRTY DAYS, THE GOVERNOR WILL EITHER TAKE SUCH ACTIONS AS ARE WITHIN
40 HIS OR HER CONSTITUTIONAL POWERS TO RECTIFY SUCH IMBALANCE OR WILL
41 PROVIDE NOTIFICATION TO THE TEMPORARY PRESIDENT OF THE SENATE AND SPEAK-
42 ER OF THE ASSEMBLY THAT SUCH IMBALANCE CANNOT BE RECTIFIED BY EXECUTIVE
43 ACTION AND REQUIRES AMENDMENT OF EXISTING LEGISLATION INCLUDING BUT NOT
44 LIMITED TO APPROPRIATIONS; (III) UPON SUCH NOTIFICATION, THE GOVERNOR
45 AND THE LEGISLATURE SHALL ATTEMPT TO OBTAIN PASSAGE OF LEGISLATION WHICH
46 IS MUTUALLY AGREED UPON AS NECESSARY TO RECTIFY SUCH IMBALANCE; AND (IV)
47 IF PASSAGE OF SUCH LEGISLATION CANNOT BE ACHIEVED WITHIN THIRTY DAYS
48 FROM THE DATE UPON WHICH THE GOVERNOR PROVIDED NOTIFICATION TO THE
49 TEMPORARY PRESIDENT AND THE SPEAKER, THE DIRECTOR OF THE BUDGET, UPON
50 CONSULTATION WITH THE COMPTROLLER, THE CHAIR OF THE SENATE FINANCE
51 COMMITTEE AND THE CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, WILL
52 BE EMPOWERED TO EXERCISE HIS OR HER POWERS TO SEGREGATE BUDGETED APPRO-
53 PRIATIONS AS IF A SUFFICIENT PRO RATA REDUCTION TO RECTIFY SUCH IMBAL-
54 ANCE HAD BEEN IMPLEMENTED VIA AMENDMENTS TO ALL STATE FISCAL YEAR APPRO-
55 PRIATIONS EXCEPT APPROPRIATIONS REQUIRED TO PAY DEBT SERVICE OR

1 APPROPRIATIONS FOR THE OPERATION OF THE LEGISLATIVE AND JUDICIAL BRANCH-
2 ES OF STATE GOVERNMENT.

3 (C) AFTER THE RECOVERY PERIOD AND UNTIL THE DEFEASANCE OF ALL TRANSI-
4 TION BONDS, THE BOARD SHALL RECEIVE AND REVIEW QUARTERLY FINANCIAL PLANS
5 AND PROVIDE BUDGETING ADVICE, AS THE BOARD MAY DEEM NECESSARY OR DESIRA-
6 BLE ON AN ONGOING BASIS TO THE DIRECTOR OF THE BUDGET, THE CHAIR OF THE
7 SENATE FINANCE COMMITTEE, AND THE CHAIR OF THE ASSEMBLY WAYS AND MEANS
8 COMMITTEE UNLESS THREE CONSECUTIVE QUARTERLY FINANCIAL PLANS DISCLOSE A
9 BUDGET IMBALANCE. IN THE EVENT THAT THERE ARE TWO CONSECUTIVE QUARTERS
10 OF BUDGET IMBALANCE, THE BOARD WILL BE EMPOWERED TO EXERCISE ALL OF THE
11 POWERS DESCRIBED IN PARAGRAPH (B) OF THIS SUBDIVISION UNTIL SUCH TIME AS
12 TWO CONSECUTIVE QUARTERLY FINANCIAL PLANS ARE DETERMINED TO BE NOT
13 IMBALANCED.

14 S 2. Section 24 of the state finance law is amended by adding a new
15 subdivision 6 to read as follows:

16 6. UNLESS DIRECTLY, EXPRESSLY AND SPECIFICALLY ADDRESSED BY PROPOSED
17 LEGISLATION SUBMITTED AS PART OF A SIMULTANEOUSLY-INTRODUCED BUDGET
18 BILL, NO APPROPRIATION OR REAPPROPRIATION SUBMITTED BY THE GOVERNOR IN A
19 BUDGET BILL MAY: (A) ALTER OR IMPAIR EXISTING STATUTORY OR DECISIONAL
20 LAW IN MORE THAN A MINOR INCIDENTAL MANNER; (B) DEPART SUBSTANTIALLY
21 FROM THE FORM OF APPROPRIATIONS HISTORICALLY AND CUSTOMARILY PROPOSED IN
22 EXECUTIVE BUDGETS SINCE THE NINETEEN HUNDRED TWENTY-SEVEN AMENDMENTS TO
23 THE STATE FINANCES ARTICLE OF THE CONSTITUTION; (C) DEVIATE FROM FAMIL-
24 IAR LINE-ITEM FORMAT; (D) AFFECT ANY CHANGE TO THE STRUCTURE OR ORGAN-
25 IZATION OF GOVERNMENT; OR (E) EXCEPT AS PROVIDED IN SECTION FORTY OF
26 THIS CHAPTER, AFFECT THE OPERATION OF EXISTING STATUTES BEYOND THE
27 FISCAL YEAR FOR WHICH SUCH APPROPRIATION OR REAPPROPRIATION IS PROPOSED.

28 S 3. Subdivision 1 of section 22 of the state finance law, as amended
29 by chapter 762 of the laws of 1992, is amended and a new subdivision 1-d
30 is added to read as follows:

31 1. include (A) BOTH THE CURRENT YEAR PLAN AND A FIVE YEAR FINANCIAL
32 PLAN THAT EMPLOYS MODIFIED GENERALLY ACCEPTED ACCOUNTING PRINCIPLES,
33 IDENTIFIES CURRENT AND FUTURE YEAR FISCAL IMBALANCES, AND PROPOSES MEAS-
34 URES TO ADDRESS SUCH IMBALANCES; AND (B) a summary financial plan show-
35 ing for each of the governmental fund types: [(a)] (I) the disbursements
36 estimated to be made before the close of the current fiscal year and the
37 moneys estimated to be available from receipts and other sources there-
38 for; and [(b)] (II) the disbursements proposed to be made during the
39 ensuing fiscal year, and the moneys estimated to be available from
40 receipts and other sources therefor inclusive of any receipts which are
41 expected to result from proposed legislation which he OR SHE deems
42 necessary to provide receipts sufficient to meet such proposed disburse-
43 ments. For the purposes of this summary financial plan, disbursements
44 shall be presented by the following purposes: state purposes, local
45 assistance, capital projects, debt service, and general state charges;
46 receipts shall be presented for each fund type by each revenue source
47 which accounts for at least one per centum of all such receipts and
48 otherwise by categories of revenue sources; receipts and disbursements
49 for special revenue funds shall be presented separately for federal
50 funds and all other special revenue funds. Whenever receipts or
51 disbursements are proposed to be moved to a different fund type, each
52 significant amount so moved shall be identified.

53 1-D. PROVIDE THAT QUARTERLY UPDATES TO BOTH THE CURRENT YEAR AND THE
54 FIVE YEAR FINANCIAL PLANS REQUIRED BY PARAGRAPH (A) OF SUBDIVISION ONE
55 OF THIS SECTION SHALL BE SUBMITTED TO THE CHAIRS OF THE SENATE FINANCE
56 COMMITTEE AND THE ASSEMBLY WAYS AND MEANS COMMITTEE, AND TO THE MEMBERS

1 OF THE FINANCIAL RECOVERY REVIEW BOARD WITHIN TEN DAYS AFTER THE
2 COMMENCEMENT OF EACH QUARTER OF THE STATE FISCAL YEAR.

3 S 4. Subdivision 1 of section 67-a of the state finance law, as added
4 by chapter 59 of the laws of 2000, is amended to read as follows:

5 1. "State-supported debt" shall mean any bonds or notes, including
6 bonds or notes issued to fund reserve funds and costs of issuance,
7 issued by the state or a state public corporation for which the state is
8 constitutionally obligated to pay debt service or is contractually obli-
9 gated to pay debt service subject to an appropriation, except where the
10 state has a contingent contractual obligation. NOTWITHSTANDING THE
11 PROVISIONS OF THIS ARTICLE, ANY BONDS AND NOTES CONTRACTED UNDER THE
12 FINANCIAL RECOVERY ACT OF 2010 SHALL BE EXCLUDED FROM THE DEFINITION OF
13 "STATE-SUPPORTED DEBT".

14 S 5. Subdivision 2 of section 68-a of the state finance law, as
15 amended by section 56-a of part PP of chapter 56 of the laws of 2009, is
16 amended to read as follows:

17 2. "Authorized purpose" for purposes of this article and section nine-
18 ty-two-z of this chapter shall mean any purposes for which state-sup-
19 ported debt, as defined by section sixty-seven-a of this chapter, may or
20 has been issued except debt for which the state is constitutionally
21 obligated thereunder to pay debt service and related expenses, and
22 except (a) as authorized in paragraph (b) of subdivision one of section
23 three hundred eighty-five of the public authorities law, (b) as author-
24 ized for the department of health of the state of New York facilities as
25 specified in paragraph a of subdivision two of section sixteen hundred
26 eighty of the public authorities law, (c) state university of New York
27 dormitory facilities as specified in subdivision eight of section
28 sixteen hundred seventy-eight of the public authorities law, [and] (d)
29 as authorized for mental health services facilities by section nine-a of
30 section one of chapter three hundred ninety-two of the laws of nineteen
31 hundred seventy-three constituting the New York state medical care
32 facilities financing act, AND (E) AS AUTHORIZED FOR THE FINANCIAL RECOV-
33 ERY ACT OF 2010 BY SECTION THIRTY OF THIS CHAPTER. Notwithstanding the
34 provisions of clause (d) of this subdivision, for the period April
35 first, two thousand nine through March thirty-first, two thousand ten,
36 mental health services facilities, as authorized by section nine-a of
37 section one of chapter three hundred ninety-two of the laws of nineteen
38 hundred seventy-three constituting the New York state medical care
39 facilities financing act, shall constitute an authorized purpose.

40 S 6. The state finance law is amended by adding a new section 68-d to
41 read as follows:

42 S 68-D. ISSUANCE OF BONDS AND NOTES; FINANCIAL RECOVERY ACT OF 2010.

43 1. NOTWITHSTANDING ARTICLE FIVE-B OF THIS CHAPTER, THE AUTHORITIES SET
44 FORTH IN SUBDIVISION ONE OF SECTION SIXTY-EIGHT-A OF THIS ARTICLE SHALL
45 HAVE THE POWER AND ARE HEREBY AUTHORIZED FROM TIME TO TIME TO ISSUE
46 REVENUE BONDS IN SUCH PRINCIPAL AMOUNTS SUBJECT TO THE PROVISION OF
47 PARAGRAPH A OF SUBDIVISION ONE OF SECTION TWENTY-TWO OF THIS CHAPTER.
48 THE STATE SHALL HAVE THE POWER TO ENTER INTO AGREEMENTS WITH AUTHORIZED
49 ISSUERS TO ISSUE BONDS AND NOTES TO ADDRESS IMBALANCES IN A FISCAL YEAR.

50 2. THE AUTHORIZED ISSUER MAY ISSUE IN ANY FISCAL YEAR BONDS AND NOTES
51 FOR THE EMERGENCY OR EXTRAORDINARY FACTORS OR FACTORS UNANTICIPATED AT
52 THE TIME OF ADOPTION OF THE BUDGET FOR THE FISCAL YEAR IN WHICH SUCH
53 BORROWING IS TO BE MADE THAT GAVE RISE TO THE NEED FOR THE ISSUANCE OF
54 BONDS AND NOTES.

1 3. THE AMOUNT OF BONDS AND NOTES ISSUED IN EACH OF THE THREE FISCAL
2 YEARS DURING THE FIVE YEAR PLAN SHALL BE ELIMINATED AS SOON AS PRACTICA-
3 BLE.

4 4. THE NET PROCEEDS OF THE BONDS AND ANY EARNINGS THEREON SHALL NEVER
5 BE PLEDGED TO, NOR MADE AVAILABLE FOR, PAYMENT OF THE BONDS OR ANY
6 INTEREST OR REDEMPTION PRICE THEREON OR ANY OTHER DEBT OR OBLIGATION OF
7 THE AUTHORIZED ISSUERS. THE NET PROCEEDS OF THE BONDS SHALL BE DEPOSITED
8 AS DIRECTED BY THE DIRECTOR OF THE BUDGET TO THE FINANCIAL RECOVERY ACT
9 BOND PROCEEDS FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-H OF THIS
10 CHAPTER AS SPECIFIED IN, OR OTHERWISE PROVIDED FOR BY, THE SALE AGREE-
11 MENT, AND SHALL BE USED BY THE STATE (EITHER DIRECTLY OR BY REIMBURSE-
12 MENT OF THE GENERAL FUND) FOR ANY OF THE FOLLOWING PURPOSES: (I) FOR
13 HEALTH CARE PURPOSES, (II) FOR ANY OF ITS CAPITAL PURPOSES OR FOR ANY OF
14 ITS CAPITAL PROGRAMS, (III) FOR PAYMENT OF DEBT SERVICE ON ANY OF ITS
15 OUTSTANDING BONDS OR ON ANY STATE SUPPORTED BONDS, NOTES OR OTHER OBLI-
16 GATIONS OR IN RESPECT OF DEBT SERVICE ON ANY OUTSTANDING BONDS, NOTES
17 OR OTHER OBLIGATIONS OF LOCAL GOVERNMENTS, SCHOOL DISTRICTS OR PUBLIC
18 BENEFIT CORPORATIONS FOR WHICH STATE AID IS APPLICABLE OR REQUIRED TO BE
19 PAID OR FOR WHICH THERE IS A CONTRACT SUBJECT TO STATE APPROPRIATION
20 PROVIDED THAT SUCH BONDS, NOTES OR OTHER OBLIGATIONS FUNDED CAPITAL
21 PROJECTS OR PROGRAMS, (IV) FOR OTHER GRANTS TO LOCAL GOVERNMENTS, SCHOOL
22 DISTRICTS OR PUBLIC BENEFIT CORPORATIONS, OR (V) TO PROVIDE A REVENUE
23 RESOURCE FOR PERSONAL SERVICE EXPENSES OF THE STATE AND GENERAL STATE
24 CHARGES.

25 5. SUCH BONDS SHALL NOT BE SUBJECT TO THE REQUIREMENTS OF ARTICLE
26 ONE-A OF THE PUBLIC AUTHORITIES LAW.

27 6. BONDS OR NOTES ISSUED PURSUANT TO THIS SECTION SHALL NOT EXCEED TEN
28 YEARS IN MATURITY.

29 7. SUCH BONDS OR NOTES AMOUNT ISSUED SHALL NOT EXCEED MORE THAN TEN
30 PERCENT OF THE FIVE YEAR CUMULATIVE DEFICIT PURSUANT TO PARAGRAPH (A) OF
31 SUBDIVISION ONE OF SECTION TWENTY-TWO OF THIS CHAPTER AND SHALL NOT
32 EXCEED TWO BILLION DOLLARS IN ANY GIVEN YEAR.

33 8. THE STATE SHALL NOT ENTER INTO AGREEMENTS WITH AUTHORIZED ISSUERS
34 TO BORROW TO FINANCE STATE OPERATING DEFICITS DURING THE FIVE YEAR PLAN
35 EXCEPT PURSUANT TO THIS SECTION.

36 9. NO ADDITIONAL BORROWING TO FINANCE STATE OPERATING DEFICITS SHALL
37 BE INCURRED AFTER THE FIRST THREE YEARS OF THE FIVE YEAR FISCAL PLAN
38 PURSUANT TO PARAGRAPH A OF SUBDIVISION ONE OF SECTION TWENTY-TWO OF THIS
39 CHAPTER.

40 S 7. The state finance law is amended by adding a new section 92-h to
41 read as follows:

42 S 92-H. FINANCIAL RECOVERY ACT BOND PROCEEDS FUND. 1. THERE IS HEREBY
43 ESTABLISHED IN THE SOLE CUSTODY OF THE STATE COMPTROLLER A FUND TO BE
44 KNOWN AS THE FINANCIAL RECOVERY ACT BOND PROCEEDS FUND.

45 2. SUCH FUND SHALL CONSIST OF THE NET PROCEEDS, AS SUCH TERM IS
46 DEFINED IN SECTION SIXTY-EIGHT-D OF THIS CHAPTER FOR THE FINANCIAL
47 RECOVERY ACT, OF THE SALE OF BONDS, NOTES, CERTIFICATES OF PARTICIPATION
48 OR OTHER EVIDENCE OF INDEBTEDNESS ISSUED BY AUTHORIZED ISSUERS PURSUANT
49 TO SUBDIVISION ONE OF SECTION SIXTY-EIGHT-A OF THIS CHAPTER, ALL INTER-
50 EST EARNED BY SUCH NET PROCEEDS AND ALL OTHER MONEYS CREDITED OR TRANS-
51 FERRED THERETO FROM ANY OTHER FUND PURSUANT TO LAW.

52 3. NO MONEYS IN SUCH FUND SHALL BE EXPENDED FROM SUCH FUND UNTIL THE
53 STATE COMPTROLLER DETERMINES THAT LEGISLATIVE PASSAGE OF THE BUDGET HAS
54 OCCURRED FOR THE CURRENT STATE FISCAL YEAR IN ACCORDANCE WITH THE
55 PROVISIONS OF SUBDIVISION THREE OF SECTION FIVE OF THE LEGISLATIVE LAW.

1 4. ALL MONIES SHALL REMAIN IN SUCH FUND UNLESS OTHERWISE DIRECTED BY
2 STATUTE.
3 S 8. Severability clause. If any clause, sentence, paragraph, subdivi-
4 sion, section or part of this title shall be adjudged by any court of
5 competent jurisdiction to be invalid, such judgment shall not affect,
6 impair, or invalidate the remainder thereof but shall be confined in its
7 operation to the clause, sentence, paragraph, subdivision, section or
8 part thereof directly involved in the controversy in which such judgment
9 shall have been rendered. It is hereby declared to be the intent of the
10 legislature that this act would have been enacted even if such invalid
11 provisions had not been included herein.
12 S 9. This act shall take effect immediately.