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

3384

2009-2010 Regular Sessions

I N S E N A T E

March 18, 2009

Introduced by Sen. NOZZOLIO -- read twice and ordered printed, and when printed to be committed to the Committee on Cultural Affairs, Tourism, Parks and Recreation

AN ACT to amend the parks, recreation and historic preservation law, the canal law, the public authorities law, the transportation law, the public officers law and the state finance law, in relation to transferring powers to the office of parks, recreation and historic preservation; and to repeal certain provisions of the public authorities law and the canal law relating thereto

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

Section 1. The parks, recreation and historic preservation law is amended by adding a new article 4 to read as follows:

ARTICLE 4

CANAL CORPORATION

SECTION 4.01 CANAL CORPORATION.

4.02 BONDING OF CANAL CORPORATION.

S 4.01 CANAL CORPORATION. 1. THERE IS HEREBY CREATED A PUBLIC BENEFIT CORPORATION KNOWN AS THE "NEW YORK STATE CANAL CORPORATION" (HEREINAFTER, REFERRED TO AS THE "CANAL CORPORATION"). FOR THE PURPOSES OF THIS ARTICLE, THE TERM "CANAL CORPORATION" SHALL MEAN THE NEW YORK STATE CANAL CORPORATION CREATED PURSUANT TO THIS SECTION. THE CANAL CORPORATION IS SOLELY CREATED TO, AND SHALL HAVE ONLY THE POWER TO, OPERATE, MAINTAIN, CONSTRUCT, RECONSTRUCT, IMPROVE, DEVELOP, FINANCE, AND PROMOTE THE NEW YORK STATE CANAL SYSTEM.

2. THE CANAL CORPORATION AND ANY OF ITS PROPERTY, FUNCTIONS, AND ACTIVITIES SHALL HAVE ALL OF THE PRIVILEGES, IMMUNITIES, TAX EXEMPTIONS AND OTHER EXEMPTIONS OF THE OFFICE AND OF THE OFFICE'S PROPERTY, FUNCTIONS, AND ACTIVITIES. THE CANAL CORPORATION MAY DELEGATE TO ONE OR MORE OF ITS MEMBERS, OR ITS OFFICERS, AGENTS AND EMPLOYEES, SUCH DUTIES AND POWERS AS IT MAY DEEM PROPER.

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

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3. NO OFFICER OR MEMBER OF THE CANAL CORPORATION SHALL RECEIVE ANY ADDITIONAL COMPENSATION, EITHER DIRECT OR INDIRECT, OTHER THAN REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF HIS OR HER DUTIES, BY REASON OF HIS OR HER SERVING AS A MEMBER, DIRECTOR, OR TRUSTEE OF THE CANAL CORPORATION.

4. ALL OFFICERS, AGENTS AND EMPLOYEES OF THE CANAL CORPORATION SHALL BE SUBJECT TO THE PROVISIONS OF THE CIVIL SERVICE LAW WHICH SHALL APPLY TO THE CANAL CORPORATION AS A MUNICIPAL CORPORATION OTHER THAN A CITY. THE CANAL CORPORATION SHALL PARTICIPATE IN THE NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM.

5. THE FISCAL YEAR OF THE CANAL CORPORATION SHALL BE THE SAME AS THE FISCAL YEAR FOR THE OFFICE.

6. THE CANAL CORPORATION SHALL HAVE THE POWER TO: (A) OPERATE, MAINTAIN, CONSTRUCT, RECONSTRUCT, IMPROVE, DEVELOP, FINANCE, AND PROMOTE THE NEW YORK STATE CANAL SYSTEM AS DEFINED IN THE CANAL LAW;

(B) SUE AND BE SUED;

(C) HAVE A SEAL AND ALTER THE SAME AT PLEASURE;

(D) MAKE AND ALTER BY-LAWS FOR ITS ORGANIZATION AND INTERNAL MANAGEMENT AND MAKE RULES AND REGULATIONS GOVERNING THE USE OF ITS PROPERTY AND FACILITIES;

(E) APPOINT OFFICERS, AGENTS AND EMPLOYEES, WHO SHALL BE SUBJECT TO SECTION ONE HUNDRED THIRTY-EIGHT-A OF THE CANAL LAW, AND FIX THEIR COMPENSATION;

(F) MAKE AND EXECUTE CONTRACTS AND ALL OTHER INSTRUMENTS NECESSARY OR CONVENIENT FOR THE EXERCISE OF ITS POWERS AND FUNCTIONS UNDER THIS CHAPTER;

(G) ACQUIRE, HOLD, AND DISPOSE OF REAL OR PERSONAL PROPERTY FOR ITS CORPORATE PURPOSES;

(H) ENGAGE THE SERVICES OF PRIVATE CONSULTANTS ON A CONTRACT BASIS FOR RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE;

(I) PROCURE INSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS ACTIVITIES, PROPERTIES, AND OTHER ASSETS, IN SUCH AMOUNT AND FROM SUCH INSURERS AS IT DEEMS DESIRABLE;

(J) INVEST ANY FUNDS OF THE CANAL CORPORATION, OR ANY OTHER MONIES UNDER ITS CUSTODY AND CONTROL NOT REQUIRED FOR IMMEDIATE USE OR DISBURSEMENT, AT THE DISCRETION OF THE CANAL CORPORATION, IN OBLIGATIONS OF THE STATE OR THE UNITED STATES GOVERNMENT OR OBLIGATIONS THE PRINCIPAL AND INTEREST OF WHICH ARE GUARANTEED BY THE STATE OR THE UNITED STATES GOVERNMENT, OR IN ANY OTHER OBLIGATIONS IN WHICH THE COMPTROLLER OF THE STATE IS AUTHORIZED TO INVEST PURSUANT TO SECTION NINETY-EIGHT-A OF THE STATE FINANCE LAW;

(K) PREPARE AND SUBMIT A CAPITAL PROGRAM PLAN PURSUANT TO SECTION TEN OF THE CANAL LAW;

(L) APPROVE AND IMPLEMENT THE NEW YORK STATE CANAL RECREATIONWAY PLAN SUBMITTED PURSUANT TO SECTION ONE HUNDRED THIRTY-EIGHT-C OF THE CANAL LAW. THE CANAL CORPORATION'S REVIEW AND APPROVAL OF THE CANAL RECREATIONWAY PLAN SHALL BE BASED UPON ITS CONSIDERATION OF A GENERIC ENVIRONMENTAL IMPACT STATEMENT PREPARED BY THE CANAL CORPORATION IN ACCORDANCE WITH ARTICLE EIGHT OF THE ENVIRONMENTAL CONSERVATION LAW AND THE REGULATIONS THEREUNDER. PRIOR TO THE IMPLEMENTATION OF ANY SUBSTANTIAL IMPROVEMENT BY THE CANAL CORPORATION ON CANAL LANDS, CANAL TERMINALS, OR CANAL TERMINAL LANDS, OR THE LEASE OF CANAL LANDS, CANAL TERMINALS, OR CANAL TERMINAL LANDS FOR SUBSTANTIAL COMMERCIAL IMPROVEMENT, THE CANAL CORPORATION, IN ADDITION TO ANY REVIEW TAKEN PURSUANT TO SECTION 14.09 OF THIS CHAPTER, SHALL CONDUCT A RECONNAISSANCE LEVEL SURVEY WITHIN THREE THOUSAND FEET OF SUCH LANDS TO BE IMPROVED OF THE TYPE, LOCATION,

AND SIGNIFICANCE OF HISTORIC BUILDINGS, SITES, AND DISTRICTS LISTED ON, OR WHICH MAY BE ELIGIBLE, FOR THE STATE OR NATIONAL REGISTERS OF HISTORIC PLACES. THE FINDINGS OF SUCH SURVEY SHALL BE USED TO IDENTIFY SIGNIFICANT HISTORICAL RESOURCES AND TO DETERMINE WHETHER THE PROPOSED IMPROVEMENTS ARE COMPATIBLE WITH SUCH HISTORIC BUILDINGS, SITES, AND DISTRICTS;

(M) ENTER ON ANY LANDS, WATERS, OR PREMISES FOR THE PURPOSE OF MAKING BORINGS, SOUNDINGS, AND SURVEYS; AND

(N) ACCEPT ANY GIFTS OR ANY GRANT OF FUNDS OR PROPERTY FROM THE FEDERAL GOVERNMENT OR FROM THE STATE OR ANY OTHER FEDERAL OR STATE PUBLIC BODY OR POLITICAL SUBDIVISION OR ANY OTHER PERSON AND TO COMPLY WITH THE TERMS AND CONDITIONS THEREOF.

7. (A) THE CANAL CORPORATION SHALL REVIEW THE BUDGET REQUEST SUBMITTED BY THE CANAL RECREATIONWAY COMMISSION PURSUANT TO SECTION ONE HUNDRED THIRTY-EIGHT-C OF THE CANAL LAW.

(B) THE CANAL CORPORATION, ON OR BEFORE THE FIRST DAY OF NOVEMBER, TWO THOUSAND NINE AND ON OR BEFORE THE FIFTEENTH DAY OF SEPTEMBER OF EACH YEAR THEREAFTER, SHALL SUBMIT TO THE DIRECTOR OF THE BUDGET A REQUEST FOR THE EXPENDITURE OF FUNDS AVAILABLE FROM THE NEW YORK STATE CANAL SYSTEM DEVELOPMENT FUND PURSUANT TO SECTION NINETY-TWO-U OF THE STATE FINANCE LAW OR AVAILABLE FROM ANY OTHER NON-FEDERAL SOURCES APPROPRIATED FROM THE STATE TREASURY.

(C) IN THE EVENT THAT THE REQUEST SUBMITTED BY THE CANAL CORPORATION TO THE DIRECTOR OF THE BUDGET DIFFERS FROM THE REQUEST SUBMITTED BY THE CANAL RECREATIONWAY COMMISSION TO THE CANAL CORPORATION, THEN THE REQUEST SUBMITTED BY THE CANAL CORPORATION TO THE DIRECTOR OF THE BUDGET SHALL SPECIFY THE DIFFERENCES AND SHALL SET FORTH THE REASONS FOR SUCH DIFFERENCES.

8. THE CANAL CORPORATION SHALL REVIEW THE RECOMMENDATIONS OF THE CANAL RECREATIONWAY COMMISSION CONCERNING THE FUTURE USE OF CANAL LANDS IN THE ADIRONDACK PARK ISSUED PURSUANT TO SECTION ONE HUNDRED THIRTY-EIGHT-B OF THE CANAL LAW, AND SHALL REPORT TO THE GOVERNOR AND THE LEGISLATURE NOT LATER THAN THE FIRST DAY OF OCTOBER, TWO THOUSAND ELEVEN, IDENTIFYING ANY PROPERTY NOT NEEDED FOR CANAL PURPOSES THAT MAY BE TRANSFERRED TO THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

9. THE CANAL CORPORATION SHALL HAVE THE POWER TO ISSUE BONDS, NOTES, OR OTHER OBLIGATIONS.

S 4.02 BONDING OF CANAL CORPORATION. 1. THE CANAL CORPORATION IS HEREBY AUTHORIZED, AS AN ADDITIONAL CORPORATE PURPOSE THEREOF, TO ISSUE ITS BONDS, NOTES AND OTHER OBLIGATIONS IN CONFORMITY WITH APPLICABLE PROVISIONS OF THE UNIFORM COMMERCIAL CODE FOR PURPOSES OF FINANCING THE CONSTRUCTION, RECONSTRUCTION, DEVELOPMENT AND IMPROVEMENT OF THE NEW YORK STATE CANAL SYSTEM.

2. THE CANAL CORPORATION MAY ISSUE BONDS, NOTES OR OTHER OBLIGATIONS PURSUANT TO SUBDIVISION ONE OF THIS SECTION IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING SIXTY MILLION DOLLARS PLUS A PRINCIPAL AMOUNT OF BONDS, NOTES OR OTHER OBLIGATIONS ISSUED (A) TO FUND ANY RELATED DEBT SERVICE RESERVE FUND, (B) TO PROVIDE CAPITALIZED INTEREST FOR A PERIOD NOT EXCEEDING SIX MONTHS, EXCEPT THAT WHERE THE PROCEEDS OF SUCH BONDS, NOTES OR OTHER OBLIGATIONS ARE EXPENDED ON A REVENUE-PRODUCING PROJECT, SUCH PERIOD SHALL BE THAT ALLOWABLE UNDER THE UNITED STATES INTERNAL REVENUE CODE OF NINETEEN HUNDRED EIGHTY-SIX, AS AMENDED, IN ORDER TO PRESERVE THE EXCLUSION OF INTEREST ON SUCH BONDS, NOTES OR OTHER OBLIGATIONS FROM FEDERAL INCOME TAXATION, AND (C) TO PROVIDE FEES AND OTHER CHARGES AND EXPENSES, INCLUDING UNDERWRITERS' DISCOUNTS, RELATED TO THE ISSUANCE OF SUCH BONDS, NOTES AND OTHER OBLIGATIONS AND THE MAINTENANCE

OF SUCH RESERVES, ALL AS DETERMINED BY THE OFFICE, EXCLUDING BONDS, NOTES AND OTHER OBLIGATIONS ISSUED TO REFUND OUTSTANDING BONDS, NOTES AND OTHER OBLIGATIONS ISSUED PURSUANT TO THIS SECTION.

3. THE CANAL CORPORATION, IN ADDITION TO THE BONDS, NOTES AND OTHER OBLIGATIONS AUTHORIZED PURSUANT TO SUBDIVISION TWO OF THIS SECTION, MAY ISSUE BONDS, NOTES OR OTHER OBLIGATIONS PURSUANT TO SUBDIVISION ONE OF THIS SECTION IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING TEN MILLION DOLLARS FOR THE PURPOSE OF FUNDING CAPITAL CONSTRUCTION AND RECONSTRUCTION PROJECTS ON THE NEW YORK STATE CANAL SYSTEM WHICH ARE DEEMED BY THE AUTHORITY AS NECESSARY DUE TO THE EXISTENCE OF AN EMERGENCY INVOLVING DANGER TO LIFE, SAFETY OR PROPERTY WHICH REQUIRES IMMEDIATE ACTION. PROVIDED, HOWEVER, THAT NO SUCH BONDS, NOTES OR OTHER OBLIGATIONS SHALL BE ISSUED PURSUANT TO THIS SUBDIVISION UNTIL THE AUTHORITY HAS EXHAUSTED ITS AUTHORIZATION PURSUANT TO SUBDIVISION TWO OF THIS SECTION.

4. IN COMPUTING THE TOTAL PRINCIPAL AMOUNT OF BONDS, NOTES AND OTHER OBLIGATIONS THAT MAY AT ANY TIME BE ISSUED FOR ANY PURPOSE UNDER THIS SECTION, THE AMOUNT OF THE BONDS, NOTES OR OTHER OBLIGATIONS THAT CONSTITUTES INTEREST UNDER THE UNITED STATES INTERNAL REVENUE CODE OF NINETEEN HUNDRED EIGHTY-SIX, AS AMENDED, SHALL BE EXCLUDED.

5. ALL OF THE PROVISIONS OF THIS TITLE RELATING TO BONDS, NOTES AND OTHER OBLIGATIONS, WHICH ARE NOT INCONSISTENT WITH THIS SECTION, SHALL APPLY TO OBLIGATIONS AUTHORIZED BY THIS SECTION, INCLUDING BUT NOT LIMITED TO THE POWER TO ISSUE RENEWAL NOTES OR REFUNDING BONDS THEREOF.

S 2. Section 2 of the canal law is amended by adding a new subdivision 24 to read as follows:

24. "OFFICE" SHALL MEAN THE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION.

S 3. Section 5 of the canal law, as amended by chapter 335 of the laws of 2001, is amended to read as follows:

S 5. Transfer of powers and duties relating to canals and canal lands to the [New York state thruway authority] OFFICE. The powers and duties of the commissioner of transportation relating to the New York state canal system as set forth in articles one through and including fourteen, except article seven, of this chapter, and except properties in use on the effective date of this article in support of highway maintenance, equipment management and traffic signal operations of the department of transportation, are hereby transferred to and merged with the [authority] OFFICE, to be exercised by the [authority] OFFICE on behalf of the people of the state of New York. In addition, the commissioner of transportation and the [chairman of the authority] COMMISSIONER OF THE OFFICE may, in their discretion, enter into an agreement or agreements transferring the powers and duties of the commissioner of transportation relating to any or all of the bridges and highways as set forth in article seven of this chapter, to be exercised by the [authority] OFFICE on behalf of the people of the state of New York, and shall enter into an agreement or agreements for the financing, construction, reconstruction or improvement of lift and movable bridges on the canal system. [Such powers shall be in addition to other powers enumerated in title nine of article two of the public authorities law. All of the provisions of title nine of article two of such law which are not inconsistent with this chapter shall apply to the actions and duties of the authority pursuant to this chapter.] The [authority] OFFICE shall be deemed to be the state in exercising the powers and duties transferred pursuant to this section but for no other purposes.

S 4. Section 6 of the canal law, as added by chapter 766 of the laws of 1992, subdivisions 1, 3 and 4 and paragraph (b) of subdivision 6 as amended by chapter 335 of the laws of 2001, is amended to read as follows:

S 6. Transfer of canal lands and other assets. 1. The jurisdiction of the commissioner of transportation over the New York state canal system and over all state assets, equipment and property, both tangible and intangible, owned or used in connection with the planning, development, construction, reconstruction, maintenance and operation of the New York state canal system, as set forth in articles one through and including fourteen, except article seven, of this chapter, and except properties in use on the effective date of this article in support of highway maintenance, equipment management and traffic signal operations of the department of transportation are hereby transferred without consideration to the [authority] OFFICE, to be held by the [authority] OFFICE in the name of the people of the state of New York. In addition the commissioner of transportation and the [chairman of the authority] COMMISSIONER OF THE OFFICE may, in their discretion, enter into an agreement or agreements transferring jurisdiction over any or all of the bridges and highways set forth in article seven of this chapter, and any or all state assets, equipment and property, both tangible and intangible, owned or used in connection with the planning, development, construction, reconstruction, maintenance and operation of such bridges and highways, which shall be transferred without consideration to the [authority] OFFICE, to be held by [the authority] SUCH OFFICE through the corporation in the name of the people of the state of New York. Any other rights and obligations resulting from or arising out of the planning, development, construction, reconstruction, operation or maintenance of the New York state canal system shall be deemed assigned to and shall be exercised by the [authority] OFFICE through the corporation, except that the [authority] OFFICE may designate the commissioner of transportation to be its agent for the operation and maintenance of the New York state canal system, provided that such designation shall have no force or effect after March thirty-first, nineteen hundred ninety-three. Such canal system shall remain the property of the state and under its management and control as exercised by and through the [authority,] OFFICE through the corporation which shall be deemed to be the state for the purposes of such management and control of the canals but for no other purposes.

2. The department of transportation shall deliver to the [authority] OFFICE all books, policies, procedures, papers, plans, maps, records, equipment and property of such department pertaining to the functions transferred pursuant to this article.

3. All rules, regulations, acts, determinations, orders and decisions of the commissioner of transportation and of the department of transportation pertaining to the functions transferred pursuant to this article in force at the time of such transfer shall continue in force and effect as rules, regulations, acts, determinations, orders and decisions of the [authority] OFFICE and corporation until duly modified or abrogated by such [authority] OFFICE and corporation.

4. Any business or other matters undertaken or commenced by the commissioner of transportation or the department of transportation, including executed contracts, permits and other agreements, pertaining to or connected with the functions, powers, obligations and duties transferred pursuant to this article, and in effect on the effective date hereof, shall be conducted and completed by the [authority] OFFICE

through the corporation in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the commissioner of transportation or the department of transportation.

5. No existing rights or remedies of the state, including the [authority] OFFICE, shall be lost, impaired or affected by reason of this article.

6. (a) No action or proceeding pending on the effective date of this article, brought by or against the commissioner of transportation or the department of transportation shall be affected by this article. Any liability arising out of any act or omission occurring prior to the effective date of the transfer of powers and duties authorized herein of the officers, employees or agents of the department of transportation, or any other agency of the state, other than the [authority] OFFICE, in the performance of their obligations or duties under [the canal law] THIS CHAPTER, any other law of the state or any federal law, or pursuant to a contract entered into prior to the effective date of such transfer shall remain a liability of the department of transportation or such other agency of the state and not of the [authority] OFFICE.

(b) Notwithstanding any provision to the contrary contained in paragraph (a) of this subdivision, the state shall indemnify and hold harmless the [authority] OFFICE and corporation for any and all claims, damages, or liabilities, whether or not caused by negligence, including civil and criminal fines, arising out of or relating to any generation, processing, handling, transportation, storage, treatment, or disposal of solid or hazardous wastes in the canal system by any person or entity other than the [authority] OFFICE occurring prior to the effective date of the transfer of powers and duties authorized [herein] IN THIS PARAGRAPH. Such indemnification shall extend to, without limitation, any releases into land, water or air, including but not limited to releases as defined under the federal comprehensive environmental response compensation and liability act of nineteen hundred eighty, occurring or existing prior to the effective date of this section; provided that the [authority] OFFICE shall cooperate in the investigation and remediation of hazardous waste and other environmental problems.

S 5. Subdivisions 1 and 3 of section 55 of the canal law, as amended by chapter 335 of the laws of 2001, are amended to read as follows:

1. The corporation is hereby authorized, after review and comment by the commission as to consistency with the canal recreationway plan approved pursuant to section one hundred thirty-eight-c of this chapter and section [three hundred eighty-two of the public authorities law] 4.01 OF THE PARKS, RECREATION AND HISTORIC PRESERVATION LAW, to enter into leases of canal lands, canal terminals, and canal terminal lands which are consistent with the canal recreationway plan. Such review and comment shall be provided within the time period set forth in the procedures of the commission established pursuant to section one hundred thirty-eight-b of this chapter which shall be no more than sixty days.

3. Leases of canal lands, canal terminals and canal terminal lands shall be for purposes which are consistent with the New York state canal recreationway plan approved pursuant to section one hundred thirty-eight-c of this chapter and section [three hundred eighty-two of the public authorities law] 4.01 OF THE PARKS, RECREATION AND HISTORIC PRESERVATION LAW.

S 6. Paragraph a of subdivision 1 and subdivision 2 of section 138-a of the canal law, paragraph a of subdivision 1 as amended by chapter 243 of the laws of 1993 and subdivision 2 as added by chapter 766 of the laws of 1992, are amended to read as follows:

a. [the chairman of the authority,] the commissioner of transportation, the commissioner of the office of parks, recreation and historic preservation and the commissioner of environmental conservation, or their representatives;

2. The chairperson of the commission shall be the [chairman of the authority] COMMISSIONER OF THE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION. The members of the commission may elect a secretary and other necessary officers to serve for such a period as the members shall decide.

S 7. Paragraph g of subdivision 1 and clause (v) of paragraph a of subdivision 3 of section 138-c of the canal law, as amended by chapter 335 of the laws of 2001, are amended to read as follows:

g. provisions which give guidance to the [authority] OFFICE with respect to managing water levels in reservoirs to provide water to the canal system and retain water for recreational purposes;

(v) is inconsistent with the findings of the generic environmental impact statement undertaken pursuant to section [three hundred eighty-two of the public authorities law] 4.01 OF THE PARKS, RECREATION AND HISTORIC PRESERVATION LAW.

S 8. Subdivisions 10, 11, 12 and 13 of section 351 of the public authorities law, subdivision 10 as added by chapter 766 of the laws of 1992, subdivision 11 as added and subdivision 12 as amended by chapter 583 of the laws of 1993, subdivision 13 as added by chapter 138 of the laws of 1997, are amended to read as follows:

10. [The term "New York state canal system" shall mean all of the canals, canal lands, feeder canals, reservoirs, canal terminals, canal terminal lands and other property under the jurisdiction of the authority pursuant to article one-A of the canal law.

11.] The term "Tappan Zee ferry service" shall mean a high speed ferry service for use by commuters and others between Rockland county, Westchester county and the city of New York. It shall include all real property, buildings, terminals, vessels, structures and other facilities related thereto as the authority may determine.

12. The term "thruway system" shall mean: (a) the thruway; AND (b) [the New York state canal system; and (c)] the Tappan Zee ferry service.

[13. The term "canal corporation" shall mean the New York state canal corporation created pursuant to section three hundred eighty-two of this title.]

S 9. Section 355 of the public authorities law, as amended by chapter 138 of the laws of 1997, is amended to read as follows:

S 355. Officers and employees; transfer, promotion and seniority. 1. Officers and employees of state departments[,] OR agencies[, or the canal corporation] may be transferred to the authority and officers, agents and employees of the authority may be transferred to state departments, agencies[, or the canal corporation, without examination and without loss of any civil service status or rights. No such transfer from the authority or canal corporation] to any state department, agency, or division may, however, be made except with the approval of the head of the state department, agency, or division involved and the director of the budget and in compliance with the rules and regulations of the state civil service commission.

2. Promotions from positions in state departments and agencies to positions in the authority [or canal corporation], and vice versa, may be made from interdepartmental promotion lists resulting from promotion examinations in which employees of the authority, [employees of the

canal corporation,] and employees of the state are eligible to participate.

3. In computing seniority for purposes of promotion or for purposes of suspension or demotion upon the abolition of positions in the service of the authority or in the service of the state, in the case of an employee of the authority a period of prior employment in the service of the state shall be counted in the same manner as though such period of employment had been in the service of the authority, and in the case of an employee of the state a period of prior employment in the service of the authority shall be counted in the same manner as though such period of employment had been in the service of the state. For the purposes of the establishment and certification of preferred lists, employees suspended from the authority shall be eligible for reinstatement in the service of the state, and employees suspended from the service of the state shall be eligible for reinstatement in the service of the authority, in the same manner as though the authority were a department of the state. [All provisions contained within this subdivision shall apply to the canal corporation in the same manner that they apply to the authority.]

S 10. Paragraph (a) of subdivision 1 of section 384 of the public authorities law, as amended by chapter 634 of the laws of 1996, is amended to read as follows:

(a) The authority is hereby authorized and directed, as an additional corporate purpose thereof, to enter into contracts or agreements with any private person or corporation or with the state or local governments or with other public corporations to finance, construct, reconstruct, improve or develop the following transportation projects subject to the limitations prescribed by this section: (i) the projects, or portions thereof, known as the inner harbor project and the intermodal transportation project located in Onondaga county, including but not limited to, the consolidation of the Syracuse canal terminal and the planning, design and construction of an intermodal transportation facility, provided, however, that prior to proceeding with the inner harbor project, the authority and the city of Syracuse shall enter into a memorandum of understanding regarding the undertaking of such project; (ii) the project, or portions thereof, known as the horizons waterfront development project generally located in and around Erie county, and the New York state canal system generally located along the Erie canal in Erie and Niagara counties; and (iii) the project, or portions thereof, known as the Stewart airport access project located in Orange county to provide direct access to Stewart international airport from interstate eighty-four in the vicinity of the airport. [Notwithstanding the provisions of article VI-A and section one hundred thirty-eight-c of the canal law and paragraph (m) of subdivision seven of section three hundred eighty-two of this chapter, the New York state thruway authority, or the subsidiary corporation thereof, is authorized to enter into an agreement with the city of Syracuse for the leasing of the land comprising the inner harbor project in Onondaga county.] Any projects for the construction, reconstruction or improvement of property or structures undertaken pursuant to this section shall be in full compliance with title thirteen of article twenty-seven of the environmental conservation law and shall be deemed public works for the purposes of section two hundred twenty of the labor law and section one hundred three of the general municipal law, except that any contracts let by the authority for the construction, reconstruction or improvement of such projects shall be subject to section three hundred fifty-nine of this

title. For the purposes of article fifteen-A of the executive law only, the authority shall be deemed a state agency as that term is used in such article and its contracts for such projects as provided in this article shall be deemed state contracts within the meaning set forth in such article.

S 11. Subdivisions 9 and 10 of section 481 of the transportation law, as added by section 1 of part A of chapter 60 of the laws of 2005, are amended to read as follows:

9. "Canal corporation" shall mean the New York state canal corporation created pursuant to section [three hundred eighty-two of the public authorities law] 4.01 OF THE PARKS, RECREATION AND HISTORIC PRESERVATION LAW.

10. "Canal system" shall mean the "New York state canal system", as such term is defined by subdivision [ten] ONE of section [three hundred fifty-one of the public authorities] TWO OF THE CANAL law.

S 12. Sections 382 and 383 of the public authorities law are REPEALED.

S 13. Subdivision 21 of section 2 of the canal law, as added by chapter 442 of the laws of 1996, and as renumbered by chapter 335 of the laws of 2001, is amended to read as follows:

21. "Corporation" shall mean the New York state canal corporation[, a subsidiary of the New York state thruway authority, created pursuant to section three hundred eighty-two of the public authorities law].

S 14. Section 359-a of the public authorities law, as added by chapter 140 of the laws of 2002, is amended to read as follows:

S 359-a. Procurement contracts. For the purposes of section twenty-eight hundred seventy-nine of this chapter as applied to the authority [or the canal corporation], the term "procurement contract" shall mean any written agreement for the acquisition of goods or services of any kind by the authority [or the canal corporation] in the actual or estimated amount of fifteen thousand dollars or more.

S 15. Paragraph (i) of subdivision 1 of section 19 of the public officers law, as added by chapter 115 of the laws of 2000, is amended to read as follows:

(i) For purposes of this section, the term "employee" shall include directors, officers and employees of the thruway authority [and its subsidiary, the canal corporation]. In those cases where the definition of the term "employee" provided in this paragraph is applicable, the term "state", as utilized in subdivisions two, three, and four of this section, shall mean the thruway authority when the employee is a director, officer, or employee of the thruway authority[, or its subsidiary, the canal corporation, when the employee is a director, officer, or employee of the canal corporation].

S 16. Subdivision 1 of section 19 of the public officers law is amended by adding a new paragraph (j) to read as follows:

(J) FOR THE PURPOSES OF THIS SECTION, THE TERM "EMPLOYEE" SHALL INCLUDE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE CANAL CORPORATION PURSUANT TO SECTION 4.01 OF THE PARKS, RECREATION AND HISTORIC PRESERVATION LAW.

S 17. Subdivision 18 of section 2 of the canal law is REPEALED.

S 18. Subdivisions 2 and 5 of section 92-u of the state finance law, subdivision 2 as added by chapter 766 of the laws of 1992 and subdivision 5 as amended by chapter 483 of the laws of 1996, are amended to read as follows:

2. Such fund shall consist of all revenues received from the operation of the New York state canal system as defined in section [three hundred fifty-one of the public authorities law and section] two of the canal

law, including payments on leases for use of canal lands, terminals and terminal lands, tolls received for lock and lift bridge passage, payments for hydroelectric easements and sales, for purchase of other abandoned canal lands, payments for any permits and leases for use of the water and lands of the system and payments for use of dry docks and other moneys made available to the fund from any other source other than a grant, loan or other inter-corporate transfer of funds of the [New York state thruway authority] OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION, and any income earned by, or incremental to, the fund due to investment thereof, or any repayment of any moneys advanced by the fund.

5. Moneys of the fund, following appropriation by the legislature, shall be available to the [New York state thruway authority and shall be expended by such authority or subsidiary corporation thereof] OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION only for the maintenance, construction, reconstruction, development or promotion of the canal system; provided, however, that in the initial years, expenditures of moneys of the fund for the development and/or promotion of the canal system shall be accorded a priority by [the authority or subsidiary corporation thereof] SUCH OFFICE. In addition, moneys of the fund may be used for the purposes of interpretive signage and promotion for appropriate historically significant Erie canal lands and related sites. Moneys shall be paid out of the fund by the state comptroller on certificates issued by the director of the budget.

S 19. Paragraph (a) of subdivision 1 of section 365 of the public authorities law, as amended by chapter 766 of the laws of 1992, is amended to read as follows:

(a) Subject to the provisions of section three hundred sixty-six of this title, the authority shall have the power and is hereby authorized from time to time to issue its negotiable notes and bonds in conformity with applicable provisions of the uniform commercial code in such principal amount as, in the opinion of the authority, shall be necessary to provide sufficient moneys for achieving the corporate purposes thereof, including construction, reconstruction and improvement of the thruway sections and connections, and highway connections herein described, [the New York state canal system subject to the provisions of section three hundred eighty-three of this title,] together with suitable facilities and appurtenances, the payment of all indebtedness to the state, the cost of acquisition of all real property, the expense of maintenance and operation, interest on notes and bonds during construction and for a reasonable period thereafter, establishment of reserves to secure notes or bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

S 20. 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.