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

205

Third Extraordinary Session

I N S E N A T E

June 24, 2009

Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to municipal cooperative health benefit plans, a study of community rating and the provision of claims experience to a municipality (Part A); to amend the general municipal law and the highway law, in relation to mutual aid (Part B); to amend the public health law, in relation to the composition of county and part-county boards of health (Part C); to amend the general municipal law, in relation to purchasing requirements (Part D); to amend the public authorities law and the local finance law, in relation to authorizing certain bonds to be issued or purchased by the municipal bond bank agency (Part E); and to amend the civil practice law and rules, in relation to treating public and private defendants equally when considering the impact of collateral source payments in tort claims for personal injury, property damage or wrongful death; to amend the general obligations law, in relation to protecting parties to the settlement of a tort claim from certain unwarranted lien, reimbursement and subrogation claims; and to repeal certain provisions of the civil practice law and rules relating to collateral source payments (Part F)

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

Section 1. Each component of this act is wholly contained within a Part identified as Parts A through F. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding

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

LBD12121-02-9

section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Subsection (d) of section 3231 of the insurance law, as added by chapter 501 of the laws of 1992, is amended to read as follows:

(d) (1) Notwithstanding any other provision of this chapter to the contrary, no policy form subject to this section shall be issued or delivered, nor any insurance contract entered into, unless and until the insurer has filed with the superintendent a schedule of premiums, not to exceed twelve months in duration, to be paid under the policy forms and obtained the superintendent's approval thereof. The superintendent may refuse such approval if he or she finds that such premiums are excessive, inadequate, or unfairly discriminatory. The superintendent may consider the financial condition of such insurer in approving or disapproving any premium. In determining whether to approve the schedule of premiums filed, the superintendent shall, subject to the provisions of section three thousand two hundred thirty-three of this article, consider the prior experience of the insurer's community pool and the insurer's projections relating to claim costs, utilization and administrative expenses and shall not adjust the insurer's rates based upon the rates approved for other insurers.

(2) AN INSURER SHALL PROVIDE SPECIFIC CLAIMS EXPERIENCE TO A MUNICIPAL CORPORATION, AS DEFINED IN SUBSECTION (F) OF SECTION FOUR THOUSAND SEVEN HUNDRED TWO OF THIS CHAPTER, COVERED BY THE INSURER UNDER A COMMUNITY RATED POLICY WHEN THE MUNICIPAL CORPORATION REQUESTS ITS CLAIMS EXPERIENCE FOR PURPOSES OF FORMING OR JOINING A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN CERTIFIED PURSUANT TO ARTICLE FORTY-SEVEN OF THIS CHAPTER. NOTWITHSTANDING THE FORGOING PROVISIONS, NO INSURER SHALL BE REQUIRED TO PROVIDE MORE THAN THREE YEARS' CLAIMS EXPERIENCE TO A MUNICIPAL CORPORATION MAKING THIS REQUEST.

S 2. Subsection (d) of section 4317 of the insurance law, as added by chapter 501 of the laws of 1992, is amended to read as follows:

(d) (1) This section shall also apply to contracts issued to a group defined in subsection (c) of section four thousand two hundred thirty-five OF THIS CHAPTER, including but not limited to an association or trust of employers, if the group includes one or more member employers or other member groups which have fifty or fewer employees or members exclusive of spouses and dependents.

(2) A CORPORATION SHALL PROVIDE SPECIFIC CLAIMS EXPERIENCE TO A MUNICIPAL CORPORATION, AS DEFINED IN SUBSECTION (F) OF SECTION FOUR THOUSAND SEVEN HUNDRED TWO OF THIS CHAPTER, COVERED BY THE CORPORATION UNDER A COMMUNITY RATED CONTRACT WHEN THE MUNICIPAL CORPORATION REQUESTS ITS CLAIMS EXPERIENCE FOR PURPOSES OF FORMING OR JOINING A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN CERTIFIED PURSUANT TO ARTICLE FORTY-SEVEN OF THIS CHAPTER. NOTWITHSTANDING THE FOREGOING PROVISIONS, NO CORPORATION SHALL BE REQUIRED TO PROVIDE MORE THAN THREE YEARS' CLAIMS EXPERIENCE TO A MUNICIPAL CORPORATION MAKING THIS REQUEST.

S 3. Paragraph 2 of subsection (a) of section 4704 of the insurance law, as added by chapter 689 of the laws of 1994, is amended to read as follows:

(2) except for any plan that provided medical, surgical and hospital services on or before January first, nineteen hundred ninety-three pursuant to a municipal cooperation agreement, the number of municipal

corporations participating in the municipal cooperative health benefit plan shall be at least [five] THREE;

S 4. The superintendent of insurance shall order a study of the impact to the community rated health insurance market of allowing a public entity, as defined in paragraph 51 of subsection (a) of section 107 of the insurance law, with fifty or fewer employees to join with public entities with more than fifty employees to purchase health insurance coverage under experience rated policies. The study shall be performed by a member of the American academy of actuaries. The study shall be completed and a report submitted by September 1, 2010 to the governor, the superintendent of insurance, the temporary president of the senate and the speaker of the assembly.

S 5. The superintendent of insurance shall conduct a study of the impact of the reserve requirements established in section 4706 of the insurance law on municipal cooperative health benefit plans and provide recommendation for changes to such requirements. The study shall be completed and a report submitted to the governor, the temporary president of the senate and the speaker of the assembly by October 1, 2009.

S 6. This act shall take effect immediately.

PART B

Section 1. Section 99-r of the general municipal law, as amended by chapter 165 of the laws of 2008, is amended to read as follows:

S 99-r. Contracts for services. Notwithstanding any other provisions of law to the contrary, the governing board of any municipal corporation may enter into agreements and/or contracts with any state agency including any department, board, bureau, commission, division, office, council, committee, or officer of the state, whether permanent or temporary, or a public benefit corporation or public authority, or a soil and water conservation district, and any unit of the state university of New York, pursuant to and consistent with sections three hundred fifty-five and sixty-three hundred one of the education law within or without such municipal corporation to provide OR RECEIVE fuel, equipment, maintenance and repair, supplies, water supply, street sweeping or maintenance, sidewalk maintenance, RIGHT-OF-WAY MAINTENANCE, STORM WATER AND OTHER drainage, sewage disposal, LANDSCAPING, MOWING, or any other services of government. Such state agency, soil and water conservation district, or unit of the state university of New York, within the limits of any specific statutory appropriation authorized and made available therefor by the legislature or by the governing body responsible for the operation of such state agency, soil and water conservation district, or unit of the state university of New York may contract with any municipal corporation for such services as herein provided. Any such contract may be entered into by direct negotiations and shall not be subject to the provisions of section one hundred three of this chapter.

S 2. Section 10 of the highway law is amended by adding a new subdivision 46 to read as follows:

46. HAVE THE AUTHORITY TO ENTER INTO AGREEMENTS AND/OR CONTRACTS TO PROVIDE OR RECEIVE SERVICES PURSUANT TO SECTION NINETY-NINE-R OF THE GENERAL MUNICIPAL LAW UPON SUCH TERMS AND CONDITIONS AS DEEMED APPROPRIATE BY THE COMMISSIONER OR COMMISSIONER'S DESIGNEE.

S 3. Section 12 of the highway law, as amended by chapter 1110 of the laws of 1971, subdivision 2 as amended by chapter 249 of the laws of 1972, subdivision 2-a as added by chapter 568 of the laws of 1986 and subdivision 7 as added by chapter 691 of the laws of 1971, is amended to read as follows:

S 12. Commissioner [of transportation] to provide for maintenance, repair, and for control of snow and ice; roads and driveways on state lands. 1. The maintenance and repair of improved state highways in towns and incorporated villages, exclusive, however, of the cost of maintaining and repairing bridges having a span in excess of twenty feet shall be under the direct supervision and control of the commissioner [of transportation] and he OR SHE shall be responsible therefor. The cost of such maintenance and repair shall be borne wholly by the state and be paid from moneys appropriated therefor by the legislature. Such maintenance and repair may be done in the discretion of the commissioner either directly by the department [of transportation] or by contract awarded to the lowest responsible bidder at a public letting after due advertisement, and under such rules and regulations as the commissioner [of transportation] may prescribe. The commissioner [of transportation] shall also have the power to adopt such system as may seem expedient so that each section of such highways shall be effectively and economically preserved, maintained and repaired.

2. The maintenance of state highways shall include the control of snow and ice on such highways or any parts thereof, as the commissioner [of transportation] may deem to be necessary to provide reasonable passage and movement of vehicles over such highways. The commissioner [of transportation] is authorized also to erect snow fences at suitable locations. The work of such control of snow and ice may be done by any municipality which for the purposes of this section shall include only a county, city, town or village. The governing board or body of any such municipality and the commissioner [of transportation] are hereby authorized to enter into an agreement for the performance of the work of such control of snow and ice upon such terms, rules and regulations as may be deemed by the commissioner [of transportation] to be for the best interest of the public. Such agreement may provide for periodic payments based upon a percentage of the estimated total cost. Any agreement authorized by this subdivision shall be for a term of [three] UP TO FIVE years and at the expiration of [each] THE year PRECEDING THE LAST YEAR of the term specified in the agreement, as such term may be extended as herein provided, the municipality shall notify the commissioner either (a) that it requests, with the approval of the commissioner, that the term of the agreement be extended for [one year] A SPECIFIED TERM OF UP TO FIVE YEARS or (b) it intends not to extend the agreement and such agreement shall expire at the end of the term. If the municipality fails to notify the commissioner as herein provided, it shall be deemed that the municipality intends not to extend the agreement. SUCH AGREEMENT MAY BE TERMINATED DURING THE SPECIFIED TERM PROVIDED THE MUNICIPALITY SHALL NOTIFY THE COMMISSIONER EIGHTEEN MONTHS PRIOR TO SUCH TERMINATION. If any such agreement expires, a new agreement between the commissioner and a municipality may be entered into for a term of [three] UP TO FIVE years, with extended term or terms upon notification as above provided. Whenever the commissioner shall deem the work of control of snow and ice by any municipality to be inadequate or unsatisfactory according to the terms of any such agreement, he OR SHE may, by official order to be filed in [his office] THE DEPARTMENT, and by filing a certified copy thereof in the office of the department of state, cancel said agreement, and the payments thereunder provided by the state shall cease; whereupon the commissioner may carry out the work of control of snow and ice. The official order provided in this subdivision shall become effective at

the expiration of five days after the commissioner shall mail a certified copy thereof to the clerk or other official who performs related duties in such municipality. The governing board or body of any such municipality is authorized to appropriate such sum as it deems necessary to enable such municipality to perform the terms of such agreement. The work of such control of snow and ice may be done by any of the methods provided in subdivision one of this section for the work of maintenance and repair, or by a combination of such methods. Any county is hereby authorized to enter into a contract with another municipality located within the same county for the performance of the work of such control of snow and ice as a subcontractor under any agreement with the commissioner [of transportation] as such agreement is hereinbefore provided. Moneys received by a county under the terms of any agreement authorized by this subdivision shall be credited to the fund from which moneys were appropriated to enable the county to perform the terms of such agreement. Moneys so received by a town shall be credited to the highway fund. Moneys so received by a city or village shall be credited to the general fund.

2-a. (a) Except as provided hereafter the state shall indemnify and hold harmless such municipalities for any and all liability for damages for personal injury, injury to property or wrongful death for losses arising from or occasioned by the manner of performance of the functions under any agreement with a municipality for the control of snow and ice pursuant to this section.

(b) In no event shall the state be obligated to defend or indemnify such municipality, in any action, proceeding, claim or demand arising out of the actual operation of an insured vehicle or vehicle subject to self-insurance while engaged in the operation of snow and ice control functions under such agreement.

(c) The municipality shall be entitled to representation by the attorney general in any claim described in paragraph (a) of this subdivision, provided, however, that the municipality shall be entitled to itself defend any such action, proceeding, claim or demand whenever the attorney general determines, based upon his investigation and review of the facts and circumstances of the case that representation by the attorney general would be inappropriate, or whenever a court of competent jurisdiction determines that a conflict of interest exists and that the municipality is entitled to be separately represented. Whenever the municipality is entitled to defend the action itself, the state shall reimburse the municipality for any and all costs and expenses, including, but not limited to, counsel fees and disbursements.

(d) The state shall indemnify and save harmless such municipality in the amount of any judgment obtained against such municipality in any state or federal court on any claim described in paragraph (a) of this subdivision, or in the amount of any settlement of such claim, or shall pay such judgment or settlement; provided, however, that the act or omission from which such judgment or settlement arose occurred while the municipality was acting within the scope of its functions for control of snow and ice; provided, further, that no stipulation of settlement of any such action, proceeding, claim or demand shall be made or executed without approval of the attorney general and of the commissioner [of transportation] or his designee. Payment of any claim made pursuant to settlement shall not exceed the sum of fifty thousand dollars. Nothing herein shall authorize the state to indemnify or save harmless with respect to punitive or exemplary damages.

(e) The duty to defend or indemnify and save harmless prescribed by this subdivision shall be conditioned upon (i) delivery to the attorney general or an assistant attorney general at the office of the department of law located in Albany or New York city and by delivery to the commissioner [of transportation] or his designee a copy of any claim, summons, complaint, process, notice, demand or other pleading within ten days after such municipality is served with such document and (ii) the full cooperation of the municipality in the defense of such action, proceeding, claim or demand and in the defense of any action, proceeding, claim or demand against the state based upon the same act or omission, and in the prosecution of any appeal.

(f) The benefits of this subdivision shall inure only to such municipalities and shall not enlarge or diminish the rights of any other party nor shall any provision of this subdivision be construed to effect, alter or repeal any provision of the workers' compensation law.

(g) This subdivision shall not in any way affect the obligation of any claimant to give notice to the state under section ten of the court of claims act or any other provision of law.

(h) The provisions of this subdivision shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any insurance agreement.

(i) Except as otherwise specifically provided in this subdivision, the provisions of this subdivision shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity available to or conferred upon any unit, entity, officer or employee of the state or municipality or any other level of government, or any right to defense and indemnification provided for any governmental officer or employee by, in accordance with, or by reason of, any other provision of state or federal statutory or common law.

3. The commissioner [of transportation] shall have the power to purchase (a) materials for such maintenance and repair, except where such work is done by contract, and to contract for the delivery thereof at convenient intervals along such highways, and (b) equipment and appliances that he may deem necessary to carry out the provisions of this section. Any municipality, acting by and through its authorized official, is hereby empowered to rent its machinery, tools, equipment, and storage space, to the state, acting by and through the commissioner [of transportation], for the purpose of such control of snow and ice upon such terms and at such rate as may be agreed between the municipality and the commissioner [of transportation]. Notwithstanding the provisions of any general, special or local law or of any charter, the governing board or body of any such municipality is hereby authorized to sell such machinery, tools and equipment to the state, acting by and through the commissioner [of transportation], for the purposes of this section and without competitive bidding or other limitation or restriction provided in any general, special or local law or of any charter, and the commissioner [of transportation], may, upon approval by the state comptroller and the state commissioner of general services, purchase such machinery, tools and equipment from any such municipality as herein provided.

4. Whenever funds therefor are made available, the commissioner [of transportation] shall have power to acquire for the state, by purchase, or by appropriation through the procedure described in section thirty of this chapter, property for the purpose of storing, maintaining or processing construction and maintenance supplies, material or equipment and for the purpose of providing, erecting and maintaining offices for

department personnel and structures for storing, maintaining or processing construction and maintenance materials or equipment.

5. Whenever a state highway has been constructed at a greater width than that provided in the original plans, upon petition of a village, as provided in sections forty-six and forty-seven OF THIS CHAPTER, or upon petition of a town or county, as provided in sections forty-eight, forty-nine, or fifty-nine OF THIS CHAPTER, or whenever such highway has been widened by a town or county under a permit granted as provided in, or under conditions and regulations prescribed pursuant to section fifty-two OF THIS CHAPTER, the additional width of pavement shall be deemed to be a part of the highway and shall be maintained by the commissioner [of transportation] as provided herein, but in no case where any such highway has been widened as provided above, shall the state be responsible for the maintenance of any curb or of any paved gutter or paved shoulder, provided, however, that on any highway maintained by the state the commissioner shall have authority to clean any pavement or paved gutter or repair any unpaved shoulder or unpaved gutter outside of the pavement maintained by the state, where necessary for the protection of such pavement.

6. Whenever the head of any state department having jurisdiction or control over lands owned and occupied by the state, requests the commissioner [of transportation] to maintain and to repair any road and driveway which is located on, over and across such lands, the commissioner [of transportation] is, notwithstanding the provisions of any general, special or local law, authorized to grant such request by his official order therefor. Such official order shall contain a general description of any such road and driveway. A certified copy of such official order shall be filed by the commissioner [of transportation] in the office of (a) the state department having jurisdiction or control over such lands, and (b) the department of audit and control. Thereupon any such road and driveway shall be maintained and repaired under the direct supervision and control of the commissioner [of transportation] in the same manner as is provided in this section for the maintenance and repair of improved state highways in towns and in incorporated villages.

7. Whenever the head of any state department, agency, institution or public benefit corporation having jurisdiction or control over the lands owned and occupied by the state or such department, agency, institution or public benefit corporation requests the commissioner to construct, reconstruct, and/or maintain any loop or peripheral roadway which is or is to be located on, around, over, or across such lands, notwithstanding the provisions of any general, special or local law, the commissioner is authorized to grant such request and undertake such construction, reconstruction and/or maintenance. Before undertaking the work of construction, reconstruction and/or maintenance of such roadways, the commissioner and the head of the state department, agency, institution or public benefit corporation shall enter into a written agreement, subject to the approval of the director of the budget, providing the funds therefor, or reimbursement by such state department, agency, institution or public benefit corporation of the funds therefor, including all costs incurred by the department in connection with such construction, reconstruction and/or maintenance. Where such loop or peripheral roadway is to be constructed, reconstructed and/or maintained on lands occupied by either the state university of New York or the state university construction fund, both the state university of New York and the state university construction fund shall be parties to such agreement. Such roadway shall be constructed, or reconstructed, to

mutually agreeable standards, in the same manner as state highways are constructed or reconstructed pursuant to this chapter. The maintenance of such roadway shall be in the same manner as provided for state highways in this chapter. If such a maintenance agreement extends for a period greater than one year, the funds shall be made available for, or reimbursed, on an annual basis. The head of such state department, agency, institution or public benefit corporation may terminate such maintenance agreement upon six months written notice to the commissioner making provision for the department [of transportation] to be reimbursed for all costs incurred by such department up to such termination date. In connection with the maintenance of such a roadway the commissioner shall cause an official order to be issued therefor. Such official order shall contain a general description of such roadway. A certified copy of such official order shall be filed by the commissioner in the office of the head of the state department, agency, institution or public benefit corporation making such request for maintenance and with the department of audit and control.

S 4. This act shall take effect immediately.

PART C

Section 1. Section 351 of the public health law, subdivision 1 as amended by chapter 83 of the laws of 1975, is amended to read as follows:

S 351. County or part-county health commissioner, PUBLIC HEALTH DIRECTOR OR COUNTY HEALTH DIRECTOR; appointment; compensation. 1. The board of health of each county and part-county health district OR OTHER BODY HAVING THE POWERS AND DUTIES OF A BOARD OF HEALTH OF A COUNTY OR PART-COUNTY HEALTH DISTRICT or the county executive in those counties where the county charter provides that said commissioner is to be appointed by the county executive shall appoint a county health commissioner, COUNTY HEALTH DIRECTOR OR, WHEN AUTHORIZED UNDER THE STATE SANITARY CODE, PUBLIC HEALTH DIRECTOR; except, however,

(A) that the boards of health of not more than three county or part-county health districts OR OTHER BODIES HAVING THE POWERS AND DUTIES OF A BOARD OF HEALTH OF A COUNTY OR PART-COUNTY HEALTH DISTRICT may appoint the same person to serve as county health commissioner, COUNTY HEALTH DIRECTOR OR, WHEN AUTHORIZED BY THE STATE SANITARY CODE, PUBLIC HEALTH DIRECTOR for said health districts, if the total population of health districts is not in excess of one hundred fifty thousand according to the latest federal decennial census, provided the approval of the commissioner is obtained[.]; OR

[The] (B) THE board of health OR OTHER BODY HAVING THE POWERS AND DUTIES OF A BOARD OF HEALTH OF A COUNTY OR PART-COUNTY HEALTH DISTRICT of any county health district with a population of less than thirty-five thousand [population] according to the latest federal decennial census may appoint the same person employed by a contiguous county or part-county health district to serve as county health commissioner, COUNTY HEALTH DIRECTOR OR, WHEN AUTHORIZED BY THE STATE SANITARY CODE, PUBLIC HEALTH DIRECTOR without regard to the total population of both health districts, provided the approval of the commissioner is obtained.

[2.] THE COMMISSIONER SHALL PERIODICALLY REVIEW HIS OR HER DETERMINATION TO ENSURE SUCH EMPLOYMENT OF THE SAME COUNTY HEALTH DIRECTOR, DIRECTOR OF PUBLIC HEALTH OR COUNTY HEALTH COMMISSIONER CONTINUES TO SERVE THE INTEREST OF PUBLIC HEALTH AND MAY TERMINATE HIS OR HER APPROVAL AT HIS OR HER DISCRETION.

2. IF THE COMMISSIONER HAS APPROVED THE APPOINTMENT OF THE SAME PERSON TO SERVE AS THE COUNTY COMMISSIONER OF HEALTH OR PUBLIC HEALTH DIRECTOR OF MORE THAN ONE COUNTY OR PART-COUNTY HEALTH DISTRICT PURSUANT TO SUBDIVISION ONE OF THIS SECTION, THEN DURING THE CONTINUATION OF SUCH APPROVAL THE COMMISSIONER MAY ALSO AUTHORIZE THE SAME MEMBERS TO BE APPOINTED TO THE BOARD OF HEALTH OF EACH RESPECTIVE HEALTH DISTRICT, NOTWITHSTANDING THEIR RESIDENCY IN THE OTHER COUNTY.

3. ANY BOARDS OF HEALTH OR OTHER BODIES HAVING THE POWERS AND DUTIES OF A BOARD OF HEALTH OF A COUNTY OR PART-COUNTY HEALTH DISTRICT HAVING THE SAME MEMBERS SHALL ANNUALLY SUBMIT SUCH INFORMATION AND REPORTS REGARDING THE EFFECT OF SUCH EMPLOYMENT ON ADMINISTRATION OF THE RESPECTIVE HEALTH DISTRICTS AND THE PROVISION OF PUBLIC HEALTH SERVICES AS THE COMMISSIONER MAY REQUIRE. THE COMMISSIONER SHALL USE SUCH INFORMATION IN DETERMINING WHETHER SUCH COMMON MEMBERSHIP CONTINUES TO SERVE THE INTEREST OF PUBLIC HEALTH.

4. The county health commissioner OR PUBLIC HEALTH DIRECTOR shall possess such qualifications for office as are prescribed in the sanitary code.

[3.] 5. The county health commissioner OR PUBLIC HEALTH DIRECTOR shall serve for a term of six years and shall not be removed during the term for which he OR SHE shall have been appointed, except upon written charges after a hearing and upon notice.

[4.] 6. The county health commissioner OR PUBLIC HEALTH DIRECTOR shall receive such compensation as may be fixed by the board of supervisors OR, IF THE COMMISSIONER'S APPROVAL HAS BEEN OBTAINED FOR THE EMPLOYMENT OF THE SAME PERSON AS THE COUNTY HEALTH COMMISSIONER OR PUBLIC HEALTH DIRECTOR PURSUANT TO SUBDIVISION ONE OF THIS SECTION, BY THE BOARDS OF SUPERVISORS.

S 2. This act shall take effect immediately.

PART D

Section 1. Subdivision 1 of section 103 of the general municipal law, as amended by chapter 741 of the laws of 2005, is amended to read as follows:

1. Except as otherwise expressly provided by an act of the legislature or by a local law adopted prior to September first, nineteen hundred fifty-three, all contracts for public work involving an expenditure of more than [twenty] THIRTY-FIVE thousand dollars and all purchase contracts involving an expenditure of more than ten thousand dollars, shall be awarded by the appropriate officer, board or agency of a political subdivision or of any district therein including but not limited to a soil conservation district, to the lowest responsible bidder furnishing the required security after advertisement for sealed bids in the manner provided by this section. In any case where a responsible bidder's gross price is reducible by an allowance for the value of used machinery, equipment, apparatus or tools to be traded in by a political subdivision, the gross price shall be reduced by the amount of such allowance, for the purpose of determining the low bid. In cases where two or more responsible bidders furnishing the required security submit identical bids as to price, such officer, board or agency may award the contract to any of such bidders. Such officer, board or agency may, in his or its discretion, reject all bids and readvertise for new bids in the manner provided by this section. For purposes of this section, "sealed bids", as that term applies to purchase contracts, shall include bids submitted in an electronic format, provided that the governing

board of the political subdivision or district, by resolution, has authorized the receipt of bids in such format. Submission in electronic format may not, however, be required as the sole method for the submission of bids. Bids submitted in an electronic format shall be transmitted by bidders to the receiving device designated by the political subdivision or district. Any method used to receive electronic bids shall comply with article three of the state technology law, and any rules and regulations promulgated and guidelines developed thereunder and, at a minimum, must (a) document the time and date of receipt of each bid received electronically; (b) authenticate the identity of the sender; (c) ensure the security of the information transmitted; and (d) ensure the confidentiality of the bid until the time and date established for the opening of bids. The timely submission of an electronic bid in compliance with instructions provided for such submission in the advertisement for bids and/or the specifications shall be the responsibility solely of each bidder or prospective bidder. No political subdivision or district therein shall incur any liability from delays of or interruptions in the receiving device designated for the submission and receipt of electronic bids.

S 2. This act shall take effect immediately, provided, however that the amendments to subdivision 1 of section 103 of the general municipal law made by section one of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith.

PART E

Section 1. Section 2431 of the public authorities law is amended by adding a new closing paragraph to read as follows:

IT IS FURTHER DECLARED TO BE IN THE PUBLIC INTEREST AND IT IS THE POLICY OF THE STATE TO PROVIDE A MEANS BY WHICH A MUNICIPALITY IN THE STATE CAN TAKE ADVANTAGE OF THE OPPORTUNITIES FOR BORROWING TO PROVIDE FOR PUBLIC IMPROVEMENTS AFFORDED BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND TO DO SO BY AUTHORIZING A STATE INSTRUMENTALITY TO BORROW MONEY AND USE THE PROCEEDS TO PURCHASE OBLIGATIONS ISSUED BY A MUNICIPALITY UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, THEREBY RESULTING IN EFFICIENCIES AND INTEREST RATE SAVINGS TO THE MUNICIPALITY.

S 2. Subdivisions 2, 3 and 10 of section 2432 of the public authorities law, as amended by section 67 of part H of chapter 83 of the laws of 2002, are amended, and two new subdivisions 25 and 26 are added to read as follows:

(2) "Bonds" and "Notes". The bonds and notes, including any special program bonds [and], special school purpose bonds, AND RECOVERY ACT BONDS, respectively issued by the agency pursuant to this title. Bonds and notes shall not include any tax lien collateralized securities issued pursuant to this title.

(3) "Municipal Bond". A bond or note or evidence of debt payable from any local revenues, including taxes, assessments and rents, which a municipality may lawfully issue to finance local improvements and public purposes, INCLUDING LOCAL ARRA BONDS, but does not include (a) any bond or note or evidence of debt issued by any other state or any public body or municipal corporation thereof, (b) any special program agreement, or (c) any special school purpose agreement or any special school deficit program agreement.

(10) "Debt Service Reserve Fund Requirement". With respect to any debt service reserve fund created by section [two thousand four] TWENTY-FOUR

hundred thirty-nine of this title relating to bonds other than special program bonds or special school purpose bonds or special school deficit program bonds OR RECOVERY ACT BONDS, as of any particular date of computation, an amount of money equal to the greatest of the respective amounts, for the then current or any succeeding calendar year, of annual debt service payments required to be made to the agency on all municipal bonds purchased with the proceeds of bonds which bonds are secured by such debt service reserve fund, such annual debt service payments for any calendar year being an amount of money equal to the aggregate of (a) all interest payable during such calendar year on all municipal bonds purchased by the agency and then outstanding on said date of computation which are secured by such debt service reserve fund, plus (b) the principal amount of all municipal bonds purchased by the agency and then outstanding on said date of computation which mature during such calendar year and are secured by such debt service reserve fund; and with respect to any debt service reserve fund created by section [two thousand four] TWENTY-FOUR hundred thirty-nine of this title relating to an issue or issues of special program bonds or special school purpose bonds or special school deficit program bonds OR RECOVERY ACT BONDS, such amount as shall be determined by the agency.

(25) "RECOVERY ACT BONDS". AN ISSUE OF BONDS OF THE AGENCY, ALL OR A PORTION OF THE PROCEEDS OF WHICH ARE USED TO PURCHASE LOCAL ARRA BONDS.

(26) "LOCAL ARRA BONDS". A MUNICIPAL BOND ISSUED TO FINANCE OR REFINANCE PURPOSES ELIGIBLE, IN WHOLE OR IN PART, FOR SUBSIDIES OR TAX CREDITS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.

S 3. Section 2434 of the public authorities law is amended by adding a new subdivision 7-b to read as follows:

(7-B) TO ACQUIRE AND CONTRACT TO ACQUIRE LOCAL ARRA BONDS, AND TO ENTER INTO ARRANGEMENTS WITH A MUNICIPALITY FOR THE PURCHASE OF ITS LOCAL ARRA BONDS;

S 4. Subdivisions 1 and 2 of section 2435 of the public authorities law, subdivision 1 as amended by chapter 346 of the laws of 1974, subdivision 2 as added by chapter 902 of the laws of 1972, are amended to read as follows:

1. The agency may purchase, and contract to purchase, municipal bonds from municipalities at such price or prices, upon such terms and conditions and in such manner, not inconsistent with the provisions of the local finance law, as the agency shall deem advisable; provided, however, that the average interest rate payable on all municipal bonds (taken as a group) purchased with the proceeds of an issue of bonds shall equal or exceed the interest rate on such issue of bonds[; and provided further, however, that the]. THE agency shall not purchase the municipal bonds of any municipality if (I) the aggregate principal amount thereof, together with the aggregate principal balances of the municipal bonds of such municipality then outstanding and held by the agency, exceed an amount equal to ten percent of the aggregate principal amount of the statutory authorization at the time for the issuance of bonds and notes, as provided in section twenty-four hundred thirty-eight of this title, and [the agency shall not purchase the municipal bonds of any municipality if] (II) the aggregate principal amount thereof exceeds an amount equal to fifty percent of the aggregate principal amount of all municipal bonds proposed to be so purchased at the time; PROVIDED, HOWEVER, THAT THIS SENTENCE SHALL NOT APPLY TO LOCAL ARRA BONDS.

2. The agency shall require as a condition of purchase of municipal bonds from municipalities that each such municipality shall agree (i) to pledge its full faith and credit for the payment of the principal of and

interest on such municipal bonds, (ii) to make annual appropriations for amounts required for the payment of such principal and interest, and (iii) if at any time the municipality fails to make the required appropriation to pay such principal and interest, or fails to make the payment of the required principal and interest, the provisions of section twenty-four hundred [and] thirty-six AND/OR TWENTY-FOUR HUNDRED THIRTY-SIX-B of this title shall take effect. All municipalities selling municipal bonds to the agency are hereby authorized to make and carry out the agreements with the agency required in this subdivision.

S 5. The public authorities law is amended by adding a new section 2436-b to read as follows:

S 2436-B. LOCAL ARRA BONDS. (1) THE AGENCY MAY PURCHASE LOCAL ARRA BONDS USING THE PROCEEDS OF RECOVERY ACT BONDS, SUBJECT TO THE PROVISIONS OF THIS SECTION AND TO ANY OTHER PROVISION OF LAW APPLICABLE TO THE MUNICIPALITY AND BONDS IT ISSUES, INCLUDING ANY DEBT LIMITATION APPLICABLE TO THE MUNICIPALITY THAT ISSUED THE LOCAL ARRA BOND, AS WELL AS TO THE OTHER PROVISIONS OF THIS TITLE. TO THE EXTENT THAT ANY SUCH OTHER PROVISION OF LAW CONFLICTS WITH A PROVISION OF THIS SECTION, THE PROVISION OF THIS SECTION SHALL CONTROL, EXCEPT AS OTHERWISE STATED.

(2) SUBJECT TO THE PROVISIONS OF THIS SECTION:

(A) LOCAL ARRA BONDS ISSUED BY A COUNTY, EXCEPT A COUNTY WHOLLY WITHIN A CITY, MAY BE ADDITIONALLY SECURED BY A PLEDGE TO THE AGENCY OF ITS AVAILABLE COUNTY SALES TAX REVENUES SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION.

(B) LOCAL ARRA BONDS ISSUED BY A CITY MAY BE ADDITIONALLY SECURED BY A PLEDGE TO THE AGENCY OF ITS AVAILABLE CITY SALES TAX REVENUES OR ITS AVAILABLE MORTGAGE RECORDING TAX REVENUES, OR BOTH SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION.

(C) LOCAL ARRA BONDS ISSUED BY A TOWN MAY BE ADDITIONALLY SECURED BY A PLEDGE TO THE AGENCY OF ITS AVAILABLE MORTGAGE RECORDING TAX REVENUES SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION.

(D) LOCAL ARRA BONDS ISSUED BY A VILLAGE MAY BE ADDITIONALLY SECURED BY A PLEDGE TO THE AGENCY OF ITS AVAILABLE MORTGAGE RECORDING TAX REVENUES SUBJECT TO THE PROVISIONS OF SUBDIVISION FIVE OF THIS SECTION.

(3) (A) NOTHING CONTAINED IN THIS TITLE SHALL LIMIT THE RIGHT AND OBLIGATIONS OF A MUNICIPALITY TO COMPLY WITH THE PROVISIONS OF ANY EXISTING CONTRACT WITH OR FOR THE BENEFIT OF THE HOLDERS OF ANY OF ITS OTHER BONDS, NOTES OR OTHER OBLIGATIONS.

(B) NOTHING CONTAINED IN THIS TITLE SHALL BE CONSTRUED TO LIMIT THE POWER OF A MUNICIPALITY TO DETERMINE, FROM TIME TO TIME, WITHIN AVAILABLE FUNDS FOR THE MUNICIPALITY, THE PURPOSES FOR WHICH EXPENDITURES ARE TO BE MADE BY THE MUNICIPALITY AND THE AMOUNTS OF SUCH EXPENDITURES.

(C) NOTHING CONTAINED IN THIS TITLE SHALL ALTER, LIMIT, MODIFY OR IMPAIR THE RIGHT OF ANY SCHOOL DISTRICT OR OF ANY CITY, TOWN, OR VILLAGE WITHIN A COUNTY TO RECEIVE FROM THE COUNTY NET COLLECTIONS, AS AUTHORIZED BY SECTION TWELVE HUNDRED SIXTY-TWO OF THE TAX LAW OR OTHER APPLICABLE PROVISION OF PART FOUR OF ARTICLE TWENTY-NINE OF THE TAX LAW OR BY AN UNCONSOLIDATED STATE LAW THAT NOTWITHSTANDS SUCH PROVISION OF THE TAX LAW, FROM THE COUNTY'S SALES AND COMPENSATING USE TAXES IMPOSED PURSUANT TO THE AUTHORITY OF SUBPART B OF PART ONE OF ARTICLE TWENTY-NINE OF THE TAX LAW. FURTHER, NOTHING CONTAINED IN THIS TITLE SHALL ALTER, LIMIT, MODIFY OR IMPAIR THE RIGHT OF ANY CITY OR TOWN WITHIN A COUNTY TO RECEIVE FROM THE COUNTY THE NET AMOUNT OF MORTGAGE RECORDING TAX REVENUES IMPOSED BY SUBDIVISION ONE OF SECTION TWO HUNDRED FIFTY-THREE OF THE TAX LAW, AS AUTHORIZED BY SUBDIVISION THREE OF SECTION TWO HUNDRED SIXTY-ONE OF THE TAX LAW.

(D) THE AGENCY'S RECOVERY ACT BONDS SECURED BY PAYMENTS OF PRINCIPAL AND INTEREST DUE WITH RESPECT TO LOCAL ARRA BONDS SHALL NOT BE A DEBT OF EITHER THE STATE OR ANY MUNICIPALITY, AND NEITHER THE STATE NOR ANY MUNICIPALITY SHALL BE LIABLE THEREON, NOR SHALL THEY BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE AGENCY; AND SUCH RECOVERY ACT BONDS SHALL CONTAIN ON THE FACE THEREOF A STATEMENT TO SUCH EFFECT.

(E) SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH HOLDERS OF BONDS, NOTES OR OTHER OBLIGATIONS, PROCEEDS OF RECOVERY ACT BONDS TO BE PAID TO A MUNICIPALITY TO PURCHASE ITS LOCAL ARRA BONDS SHALL BE PAID TO THE MUNICIPALITY AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEY OF THE AGENCY.

(F) NOTHING CONTAINED IN THIS TITLE SHALL BE CONSTRUED TO CREATE A DEBT OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. ANY PROVISION WITH RESPECT TO STATE AID SHALL BE DEEMED EXECUTORY ONLY TO THE EXTENT OF MONEYS AVAILABLE, AND NO LIABILITY SHALL BE INCURRED BY THE STATE BEYOND THE MONEYS AVAILABLE FOR THAT PURPOSE, AND ANY PAYMENT TO BE MADE BY THE COMPTROLLER OF STATE AID IS SUBJECT TO ANNUAL APPROPRIATION OF STATE AID BY THE STATE LEGISLATURE.

(G) NOTHING CONTAINED IN THIS TITLE SHALL BE DEEMED TO RESTRICT THE RIGHT OF THE STATE TO AMEND, REPEAL, MODIFY, OR OTHERWISE ALTER ANY PROVISION OF LAW RELATING TO STATE AID TO MUNICIPALITIES. THE AGENCY SHALL INCLUDE IN ANY RESOLUTION, CONTRACT, OR AGREEMENT WITH HOLDERS OF ITS BONDS, NOTES OR OTHER OBLIGATIONS A PROVISION WHICH STATES THAT NO DEFAULT OCCURS AS A RESULT OF THE STATE'S EXERCISING ITS RIGHT TO AMEND, REPEAL, MODIFY, OR OTHERWISE ALTER ANY PROVISION OF LAW RELATING TO STATE AID TO MUNICIPALITIES.

(4) (A) A MUNICIPALITY MAY COVENANT AND AGREE THAT THE MUNICIPALITY WILL NOT LIMIT, ALTER OR IMPAIR THE RIGHTS HEREBY VESTED IN THE AGENCY TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH HOLDERS OF THE AGENCY'S RECOVERY ACT BONDS, THE PROCEEDS OF WHICH WERE USED TO PURCHASE THE MUNICIPALITY'S LOCAL ARRA BONDS, SUCH HOLDERS PURSUANT TO THIS TITLE, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF SUCH HOLDERS OR THE SECURITY FOR SUCH BONDS, UNTIL SUCH BONDS, TOGETHER WITH THE INTEREST THEREON AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDING BY OR ON BEHALF OF SUCH HOLDERS, ARE FULLY PAID AND DISCHARGED. NOTHING CONTAINED IN THIS TITLE SHALL BE DEEMED TO RESTRICT ANY RIGHT OF THE MUNICIPALITY TO AMEND, MODIFY, REPEAL OR OTHERWISE ALTER ANY LOCAL LAWS, ORDINANCES OR RESOLUTIONS IMPOSING OR RELATING TO TAXES OR FEES, OR APPROPRIATIONS RELATING TO SUCH TAXES OR FEES, OR SETTING ASIDE OR ALLOCATING AND APPLYING, PAYING OR USING NET COLLECTIONS PURSUANT TO THE AUTHORITY OF PART FOUR OF ARTICLE TWENTY-NINE OF THE TAX LAW OR PURSUANT TO THE AUTHORITY OF ANY OTHER PROVISION OF STATE LAW THAT NOTWITHSTANDS A PROVISION OF SUCH PART, SO LONG AS, AFTER GIVING EFFECT TO SUCH AMENDMENT, MODIFICATION OR OTHER ALTERATION, THE AGGREGATE AMOUNT AS THEN PROJECTED BY THE MUNICIPALITY OF (I) SALES AND COMPENSATING USE TAXES IMPOSED BY THE MUNICIPALITY PURSUANT TO THE AUTHORITY OF SUBPART B OF PART ONE OF ARTICLE TWENTY-NINE OF THE TAX LAW (TO THE EXTENT THAT THE MUNICIPALITY IS AUTHORIZED TO IMPOSE SUCH TAXES AND IS IMPOSING THEM AT THE TIME IT ISSUES ITS LOCAL ARRA BONDS); AND (II) ALL SUCH NET COLLECTIONS TO BE SET ASIDE OR TO BE ALLOCATED AND APPLIED, PAID OR USED BY THE MUNICIPALITY PURSUANT TO THE AUTHORITY OF PART FOUR OF ARTICLE TWENTY-NINE OF THE TAX LAW OR PURSUANT TO ANY OTHER PROVISION OF STATE LAW THAT NOTWITHSTANDS A PROVISION OF SUCH PART FOUR DURING EACH OF THE AGENCY'S FISCAL YEARS FOLLOWING THE EFFECTIVE DATE OF SUCH AMENDMENT, MODIFICATION OR OTHER ALTERATION SHALL BE NOT LESS THAN TWO HUNDRED PERCENT OF MAXIMUM ANNUAL DEBT SERVICE ON THE MUNICIPALITY'S LOCAL ARRA

BONDS THEN OUTSTANDING. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION, A MUNICIPALITY THAT IMPOSES SALES AND COMPENSATING USE TAXES AT THE TIME IT ISSUES LOCAL ARRA BONDS FURTHER AGREES THAT IT SHALL CONTINUE TO IMPOSE SUCH TAXES DURING THE TIME SUCH BONDS ARE OUTSTANDING AT THE MAXIMUM RATE AUTHORIZED THEREFOR, WITHOUT REGARD TO ANY ADDITIONAL RATE, PROVIDED THAT ANY INCREASE IN THE RATE OF SUCH TAXES TO SATISFY THIS OBLIGATION SHALL COMPLY WITH THE APPLICABLE PROVISIONS OF SUBPART B OF PART ONE OF ARTICLE TWENTY-NINE OF THE TAX LAW.

(B) ANY SUCH AGREEMENT WITH A MUNICIPALITY MAY BE PLEDGED BY THE AGENCY TO SECURE ITS RECOVERY ACT BONDS USED TO PURCHASE LOCAL ARRA BONDS ISSUED BY THAT MUNICIPALITY AND MAY NOT BE MODIFIED THEREAFTER EXCEPT AS PROVIDED BY THE TERMS OF THE PLEDGE OR SUBSEQUENT AGREEMENTS WITH THE HOLDERS OF SUCH RECOVERY ACT BONDS.

(C) THE AGENCY SHALL NOT INCLUDE WITHIN ANY RESOLUTION, CONTRACT OR AGREEMENT WITH HOLDERS OF RECOVERY ACT BONDS ANY PROVISION WHICH PROVIDES THAT A DEFAULT OCCURS AS A RESULT OF A MUNICIPALITY EXERCISING ITS RIGHT TO AMEND, MODIFY, REPEAL OR OTHERWISE ALTER SUCH TAXES, FEES OR APPROPRIATIONS OR SUCH NET COLLECTIONS. NOTHING IN THIS TITLE SHALL BE DEEMED TO OBLIGATE A MUNICIPALITY TO MAKE ANY PAYMENTS OR IMPOSE ANY TAXES OR SET ASIDE OR ALLOCATE AND APPLY, PAY OR USE NET COLLECTIONS PURSUANT TO THE AUTHORITY OF PART FOUR OF ARTICLE TWENTY-NINE OF THE TAX LAW OR PURSUANT TO THE AUTHORITY OF AN UNCONSOLIDATED STATE LAW THAT NOTWITHSTANDS A PROVISION OF SUCH PART; EXCEPT THAT A MUNICIPALITY SHALL IMPOSE TAXES PURSUANT TO THE AUTHORITY OF SUBPART B OF PART ONE OF ARTICLE TWENTY-NINE OF THE TAX LAW AT THE MAXIMUM RATE AUTHORIZED THEREFOR, WITHOUT REGARD TO ANY ADDITIONAL RATE, PROVIDED THAT ANY INCREASE IN THE RATE OF SUCH TAXES TO SATISFY THIS OBLIGATION SHALL COMPLY WITH THE APPLICABLE PROVISIONS OF SUBPART B OF PART ONE OF ARTICLE TWENTY-NINE OF THE TAX LAW.

(5) (A) IF A MUNICIPALITY FAILS TO PAY TO THE AGENCY ANY PRINCIPAL OR INTEREST DUE ON ITS LOCAL ARRA BONDS SECURED BY A PLEDGE OF ITS AVAILABLE LOCAL SALES AND USE TAX REVENUES OR ITS AVAILABLE MORTGAGE RECORDING TAX REVENUES, OR BOTH, AS DESCRIBED IN SUBDIVISION TWO OF THIS SECTION, THE CHAIRMAN OF THE AGENCY SHALL NOTIFY THE COMPTROLLER IN WRITING THAT SUCH MUNICIPALITY HAS FAILED TO MEET ITS OBLIGATIONS. SUCH NOTICE SHALL SET FORTH IN DETAIL THE TERM, AMOUNT, INTEREST RATE, AND PAYMENT SCHEDULE OF THE LOCAL ARRA BONDS IN DEFAULT, AND THE EXACT AMOUNTS OF PRINCIPAL AND INTEREST DUE FROM SUCH MUNICIPALITY IN DEFAULT. THE AGENCY SHALL PROVIDE A COPY OF SUCH NOTICE TO THE CHIEF FISCAL OFFICER OF SUCH MUNICIPALITY IN DEFAULT AND, IN THE CASE OF A DEFAULT BY A CITY, TOWN, OR VILLAGE WITH RESPECT TO LOCAL ARRA BONDS SECURED BY MORTGAGE RECORDING TAX REVENUES, ALSO TO THE CHIEF FISCAL OFFICER OF THE COUNTY IN WHICH THE CITY, TOWN, OR VILLAGE IS LOCATED. THE AGENCY SHALL PROVIDE SUCH NOTICE TO THE COMPTROLLER AT LEAST THIRTY DAYS PRIOR TO THE DATE THAT THE COMPTROLLER IS EXPECTED TO WITHHOLD AND PAY OVER LOCAL SALES AND USE TAX REVENUES TO THE AGENCY.

(B) UPON THE COMPTROLLER RECEIVING SUCH COMPLETE, CERTIFIED WRITTEN NOTICE FROM THE AGENCY, THE COMPTROLLER SHALL, NOTWITHSTANDING ANY PROVISION OF SECTION TWELVE HUNDRED SIXTY-ONE OF THE TAX LAW TO THE CONTRARY, PAY TO THE AGENCY, ON OR BEFORE THE FIFTEENTH DAY OF EACH MONTH, ALL OR A PORTION OF THE LOCAL SALES AND USE TAX REVENUES DUE THE MUNICIPALITY IN DEFAULT, UNTIL THE AMOUNT CERTIFIED IN DEFAULT HAS BEEN EXTINGUISHED. THE COMPTROLLER SHALL MAKE SUCH PAYMENTS TO THE AGENCY ONLY OUT OF NET COLLECTIONS NOT OTHERWISE PLEDGED, REQUIRED TO BE INTERCEPTED OR OTHERWISE ENCUMBERED BY PROVISIONS OF LAW IN EFFECT IMMEDIATE-

LY PRIOR TO THE DATE THE MUNICIPALITY'S LOCAL ARRA BONDS SECURED BY A PLEDGE AUTHORIZED BY THIS SECTION SHALL HAVE BEEN ISSUED.

(C) UPON RECEIVING SUCH COMPLETE, CERTIFIED WRITTEN NOTICE FROM THE AGENCY, THE CHIEF FISCAL OFFICER OF A COUNTY, NOTWITHSTANDING THE PROVISIONS OF SECTION TWO HUNDRED SIXTY-ONE OF THE TAX LAW, SHALL PAY OVER TO THE COMPTROLLER, THE NET AMOUNT OF MORTGAGE RECORDING TAX REVENUES IMPOSED BY SUBDIVISION ONE OF SECTION TWO HUNDRED FIFTY-THREE OF THE TAX LAW DUE TO THE CITY, TOWN, OR VILLAGE IN DEFAULT. THE CHIEF FISCAL OFFICER OF THE COUNTY SHALL CONTINUE TO MAKE THOSE PAYMENTS TO THE COMPTROLLER UNTIL THE AGENCY SENDS CERTIFIED NOTICE TO THE OFFICER AND TO THE COMPTROLLER THAT THE CITY OR TOWN IS NO LONGER IN DEFAULT. THE COMPTROLLER SHALL PAY TO THE AGENCY, ON OR BEFORE THE FIFTEENTH DAY OF EACH MONTH, ALL OR A PORTION OF THE MORTGAGE RECORDING TAX REVENUES RECEIVED FROM THE CHIEF FISCAL OFFICER OF THE COUNTY, UNTIL THE AMOUNT CERTIFIED IN DEFAULT HAS BEEN EXTINGUISHED.

(D) SUCH PAYMENTS BY THE COMPTROLLER TO THE AGENCY SHALL BE MADE ON ACCOUNT OF, AND FOR THE BENEFIT OF, THE MUNICIPALITY IN DEFAULT. IF SO REQUESTED BY THE AGENCY, AS INDICATED IN ITS CERTIFIED NOTICE TO THE COMPTROLLER, THE COMPTROLLER SHALL MAKE SUCH PAYMENTS TO A TRUSTEE PURSUANT TO AN INDENTURE FOR HOLDERS OF THE RECOVERY ACT BONDS ISSUED BY THE AGENCY THAT WERE USED TO PURCHASE THE MUNICIPALITY'S LOCAL ARRA BONDS IN DEFAULT. SUCH PAYMENTS BY THE COMPTROLLER ON BEHALF OF SUCH MUNICIPALITY SHALL BE APPLIED BY THE AGENCY OR, IF PAID DIRECTLY TO THE TRUSTEE, BY SUCH TRUSTEE, TO CURE THAT MUNICIPALITY'S DEFAULT. TO THE EXTENT THE COMPTROLLER MAKES ANY SUCH PAYMENT TO THE AGENCY OR TO SUCH A TRUSTEE, THE MUNICIPALITY'S DEFAULT SHALL BE CURED.

(E) THE COMPTROLLER SHALL NOT BE RESPONSIBLE FOR ANY INACCURACY IN THE AMOUNT OF SUCH PAYMENTS BASED UPON THE NOTICE FURNISHED BY THE AGENCY. THE COMPTROLLER SHALL NOT BE REQUIRED TO MAKE PAYMENTS UNDER THIS SUBDIVISION WHICH ARE GREATER THAN THE AMOUNTS OF LOCAL SALES AND USE TAX REVENUES DUE THE MUNICIPALITY, AS CERTIFIED TO THE COMPTROLLER BY THE COMMISSIONER OF TAXATION AND FINANCE AS PROVIDED IN SUBDIVISION (C) OF SECTION TWELVE HUNDRED SIXTY-ONE OF THE TAX LAW (SUBJECT TO THE LIMITATION IN PARAGRAPH (B) OF THIS SUBDIVISION), OR WHICH ARE GREATER THAN THE AMOUNT OF NET MORTGAGE RECORDING TAX REVENUES PAID TO THE COMPTROLLER BY THE CHIEF FISCAL OFFICER OF THE COUNTY. AFTER THE COMPTROLLER MAKES ANY PAYMENTS OF NET COLLECTIONS REQUIRED UNDER THIS SECTION, THE COMPTROLLER SHALL PAY ANY BALANCE OF NET COLLECTIONS DUE SUCH MUNICIPALITY TO SUCH MUNICIPALITY IN THE MANNER PROVIDED IN SUBDIVISION (C) OF SECTION TWELVE HUNDRED SIXTY-ONE OF THE TAX LAW OR OTHER APPLICABLE LAW. THE COMPTROLLER SHALL BE REQUIRED TO MAKE PAYMENTS UNDER THIS SECTION FOR ONLY SO LONG AS THE MUNICIPALITY IS IN DEFAULT AS CERTIFIED IN THE AGENCY'S NOTICE TO THE COMPTROLLER.

(F) THE AUTHORITY IN THIS SECTION TO WITHHOLD LOCAL SALES AND USE TAX REVENUES AND MORTGAGE RECORDING TAX REVENUES AND PAY THEM OVER TO THE AGENCY SHALL BE IN ADDITION TO THE STATE AID GUARANTY SET FORTH IN SECTION TWENTY FOUR HUNDRED THIRTY-SIX OF THIS TITLE; AND THE AGENCY MAY CERTIFY THAT EITHER OR BOTH REVENUE SOURCES MAY BE WITHHELD TO THE EXTENT NECESSARY TO SATISFY THE MUNICIPALITY'S UNMET OBLIGATIONS TO THE AGENCY.

(G) ANY WITHHOLDING OF REVENUES PURSUANT TO THIS SUBDIVISION OR STATE AID PURSUANT TO SECTION TWENTY-FOUR HUNDRED THIRTY-SIX OF THIS TITLE WITH RESPECT TO LOCAL ARRA BONDS SHALL BE MADE IN CONSULTATION WITH THE DIRECTOR OF THE BUDGET OF THE STATE; PROVIDED, HOWEVER, SUCH CONSULTATION SHALL NOT DELAY OR OTHERWISE ADVERSELY AFFECT THE AGENCY'S RIGHT TO RECEIVE TIMELY PAYMENT OF SUCH REVENUES AND/OR STATE AID.

(6) WHEN USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

(A) "SALES AND COMPENSATING USE TAXES" MEANS TAXES IMPOSED BY A COUNTY OR CITY PURSUANT TO THE AUTHORITY OF SUBPART B OF PART ONE OF ARTICLE TWENTY-NINE OF THE TAX LAW.

(B) "NET COLLECTIONS" SHALL HAVE THE SAME MEANING AS IN SUBDIVISION (F) OF SECTION TWELVE HUNDRED SIXTY-TWO OF THE TAX LAW.

(C) "COUNTY SALES TAX REVENUES" MEANS NET COLLECTIONS SET ASIDE FOR COUNTY PURPOSES PURSUANT TO SUBDIVISION (A) OF SECTION TWELVE HUNDRED SIXTY-TWO OF THE TAX LAW OR OTHER APPLICABLE PROVISION OF PART FOUR OF ARTICLE TWENTY-NINE OF THE TAX LAW, FROM A COUNTY'S SALES AND COMPENSATING USE TAXES.

(D) "CITY SALES TAX REVENUES" MEANS NET COLLECTIONS FROM A CITY'S SALES AND COMPENSATING USE TAXES.

(E) "MUNICIPALITY" MEANS MUNICIPALITY AS DEFINED IN PARAGRAPH ONE OF SECTION 2.00 OF THE LOCAL FINANCE LAW.

(F) "LOCAL SALES AND USE TAX REVENUES" MEANS ANY OF THE TAX REVENUES DEFINED IN PARAGRAPH (C) OR (D) OF THIS SUBDIVISION, OR ANY COMBINATION OF THEM, AS THE CASE MAY BE.

(G) "SECURE" MEANS A PLEDGE OF SALES AND COMPENSATING USE TAXES OR MORTGAGE RECORDING TAXES FOR THE PURPOSES OF DEFAULT BY A MUNICIPALITY AS A RESULT OF A FAILURE TO PAY DEBT SERVICE ON ITS LOCAL ARRA BONDS.

S 6. Subdivision 5 of section 2437 of the public authorities law, as amended by section 73 of part H of chapter 83 of the laws of 2002, is amended to read as follows:

(5) Any bonds or notes of the agency other than special program bonds, special school purpose bonds [or], special school deficit program bonds OR RECOVERY ACT BONDS shall be sold at public sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. Any special program bonds, special school purpose bonds [or], special school deficit program bonds OR RECOVERY ACT BONDS shall be sold at public or private sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof provided, however, that special program bonds relating to a special program agreement entered for the purpose described in paragraph (b) of subdivision one of section twenty-four hundred thirty-five-a of this title shall be sold on or before June thirtieth, two thousand one. No special program bonds, special school purpose bonds [or], special school deficit program bonds, OR RECOVERY ACT BONDS of the agency may be sold by the agency at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

S 7. Subdivision 1 of section 2438 of the public authorities law, as amended by section 24 of part A4 of chapter 58 of the laws of 2006, is amended to read as follows:

(1) The agency shall not issue bonds and notes in an aggregate principal amount at any one time outstanding exceeding one billion dollars, excluding tax lien collateralized securities, special school purpose bonds, special school deficit program bonds, special program bonds issued to finance the reconstruction, rehabilitation or renovation of an educational facility pursuant to the provisions of subdivision (b) of

section sixteen of chapter six hundred five of the laws of two thousand, special program bonds issued to finance the cost of a project for design, reconstruction or rehabilitation of a school building pursuant to the provisions of section fourteen of the city of Syracuse and the board of education of the city school district of the city of Syracuse cooperative school reconstruction act, RECOVERY ACT BONDS and bonds and notes issued to refund outstanding bonds and notes.

S 8. Section 2442 of the public authorities law, as amended by chapter 203 of the laws of 2000, is amended to read as follows:

S 2442. Agreement of the state. (1) The state of New York does hereby pledge to and agree with the holders of any bonds, notes or tax lien collateralized securities issued under this title that the state will not limit or alter the rights hereby vested in the agency to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders until such bond, notes or tax lien collateralized securities together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. The agency is authorized to include this pledge and agreement of the state in any agreement with the holders of such bonds, notes or tax lien collateralized securities. NOTHING CONTAINED IN THIS TITLE SHALL BE DEEMED TO RESTRICT ANY RIGHT OF THE STATE TO AMEND, MODIFY, REPEAL OR OTHERWISE ALTER (A) ANY PROVISION OF LAW RELATING TO STATE AID, OR (B) STATUTES IMPOSING OR RELATING TO TAXES OR FEES, OR (C) APPROPRIATIONS RELATING THERETO.

(2) THE AGENCY SHALL NOT INCLUDE WITHIN ANY RESOLUTION, CONTRACT OR AGREEMENT WITH HOLDERS OF THE BONDS, NOTES OR OTHER OBLIGATIONS ISSUED UNDER THIS TITLE ANY PROVISION WHICH PROVIDES THAT A DEFAULT OCCURS AS A RESULT OF THE STATE EXERCISING ITS RIGHT TO AMEND, MODIFY, OR REPEAL OR OTHERWISE ALTER (A) ANY PROVISION OF LAW RELATING TO STATE AID; OR (B) STATUTES IMPOSING OR RELATING TO TAXES OR FEES, OR (C) APPROPRIATIONS RELATING THERETO. NOTHING IN THIS TITLE SHALL BE DEEMED TO OBLIGATE THE STATE TO MAKE ANY PAYMENTS OR IMPOSE ANY TAXES TO SATISFY THE DEBT SERVICE OBLIGATIONS OF THE AGENCY.

S 9. Section 85.80 of the local finance law, as amended by chapter 777 of the laws of 1978, is amended to read as follows:

S 85.80 Authority for municipality or emergency financial control board to file petition under federal statute. A municipality or its emergency financial control board in addition to, or in lieu of, filing a petition under this title, or the city of New York or the New York state financial control board, may file any petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Nothing contained in this title shall be construed to limit the authorization granted by this section. HOWEVER, NO MUNICIPALITY SHALL FILE ANY PETITION AUTHORIZED BY THIS SECTION FOR SO LONG AS ITS LOCAL ARRA BONDS, AS DEFINED IN SECTION TWENTY-FOUR HUNDRED THIRTY-TWO OF THE PUBLIC AUTHORITIES LAW, PURCHASED BY THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND SECURED BY ITS PLEDGE OF TAX REVENUES PURSUANT TO THE AUTHORITY OF SECTION TWENTY-FOUR HUNDRED THIRTY-SIX-B OF THE PUBLIC AUTHORITIES LAW REMAIN OUTSTANDING.

S 10. Subdivision 1 of section 51 of the public authorities law is amended by adding a new paragraph m to read as follows:

M. STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY FOR BONDS ISSUED PURSUANT TO SECTION TWO THOUSAND FOUR HUNDRED THIRTY-SIX-B OF THIS CHAPTER

S 11. Section 51 of the public authorities law is amended by adding a new subdivision 3-a to read as follows:

3-A. THE BOARD SHALL NOT APPROVE RECOVERY ACT BONDS APPLICATIONS PROVIDED BY THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY UNLESS THE BOARD FINDS SUFFICIENT INTEREST RATE AND OTHER SAVINGS TO EACH PARTICIPATING MUNICIPALITY.

S 12. Section 2976 of the public authorities law is amended by adding a new subdivision 4 to read as follows:

4. THE PROVISIONS OF SUBDIVISIONS ONE AND TWO OF THIS SECTION SHALL NOT APPLY TO RECOVERY ACT BONDS ISSUED BY THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY IN CONNECTION WITH LOCAL AMERICAN RECOVERY AND REINVESTMENT ACT PURSUANT TO SECTION TWO THOUSAND FOUR HUNDRED THIRTY-SIX-B OF THIS CHAPTER.

S 13. This act shall take effect immediately.

PART F

Section 1. Subdivisions (a) and (b) of section 4545 of the civil practice law and rules are REPEALED.

S 2. Subdivision (c) of section 4545 of the civil practice law and rules, as added by chapter 220 of the laws of 1986, is amended to read as follows:

[(c)] (A) Actions for personal injury, injury to property or wrongful death. In any action brought to recover damages for personal injury, injury to property or wrongful death, where the plaintiff seeks to recover for the cost of medical care, dental care, custodial care or rehabilitation services, loss of earnings or other economic loss, evidence shall be admissible for consideration by the court to establish that any such past or future cost or expense was or will, with reasonable certainty, be replaced or indemnified, in whole or in part, from any collateral source [such as insurance (], except for life insurance[), social security (except those benefits provided under title XVIII of the social security act), workers' compensation or employee benefit programs (except such collateral sources entitled by law to liens against any recovery of the plaintiff)] AND THOSE PAYMENTS AS TO WHICH THERE IS A STATUTORY RIGHT OF REIMBURSEMENT. If the court finds that any such cost or expense was or will, with reasonable certainty, be replaced or indemnified from any SUCH collateral source, it shall reduce the amount of the award by such finding, minus an amount equal to the premiums paid by the plaintiff for such benefits for the two-year period immediately preceding the accrual of such action and minus an amount equal to the projected future cost to the plaintiff of maintaining such benefits. In order to find that any future cost or expense will, with reasonable certainty, be replaced or indemnified by the collateral source, the court must find that the plaintiff is legally entitled to the continued receipt of such collateral source, pursuant to a contract or otherwise enforceable agreement, subject only to the continued payment of a premium and such other financial obligations as may be required by such agreement. ANY COLLATERAL SOURCE DEDUCTION REQUIRED BY THIS SUBDIVISION SHALL BE MADE BY THE TRIAL COURT AFTER THE RENDERING OF THE JURY'S VERDICT. THE PLAINTIFF MAY PROVE HIS OR HER LOSSES AND EXPENSES AT THE TRIAL IRRESPECTIVE OF WHETHER SUCH SUMS WILL LATER HAVE TO BE DEDUCTED FROM THE PLAINTIFF'S RECOVERY.

S 3. Subdivision (d) of section 4545 of the civil practice law and rules is relettered subdivision (b).

S 4. Subdivision (e) of rule 4111 of the civil practice law and rules is REPEALED.

S 5. Subdivision (f) of rule 4111 of the civil practice law and rules, as amended by chapter 100 of the laws of 1994, is relettered subdivision (e) and amended to read as follows:

(e) Itemized verdict in certain actions. In an action brought to recover damages for personal injury, injury to property or wrongful death, which is not subject to [subdivisions] SUBDIVISION (d) [and (e)] of this rule, the court shall instruct the jury that if the jury finds a verdict awarding damages, it shall in its verdict specify the applicable elements of special and general damages upon which the award is based and the amount assigned to each element including, but not limited to, medical expenses, dental expenses, loss of earnings, impairment of earning ability, and pain and suffering. Each element shall be further itemized into amounts intended to compensate for damages that have been incurred prior to the verdict and amounts intended to compensate for damages to be incurred in the future. In itemizing amounts intended to compensate for future damages, the jury shall set forth the period of years over which such amounts are intended to provide compensation. In actions in which article fifty-A or fifty-B of this chapter applies, in computing said damages, the jury shall be instructed to award the full amount of future damages, as calculated, without reduction to present value.

S 6. Subdivision (b) of section 4213 of the civil practice law and rules, as separately amended by chapters 485 and 682 of the laws of 1986, is amended to read as follows:

(b) Form of decision. The decision of the court may be oral or in writing and shall state the facts it deems essential. In [a medical, dental or podiatric malpractice action or in an action against a public employer or a public employee who is subject to indemnification by a public employer with respect to such action or both, as such terms are defined in subdivision (b) of section forty-five hundred forty-five, for personal injury or wrongful death arising out of an injury sustained by a public employee while acting within the scope of his public employment or duties, and in] any [other] action brought to recover damages for personal injury, injury to property, or wrongful death, a decision awarding damages shall specify the applicable elements of special and general damages upon which the award is based and the amount assigned to each element, including but not limited to medical expenses, dental expenses, podiatric expenses, loss of earnings, impairment of earning ability, and pain and suffering. In a medical, dental or podiatric malpractice action, [and in any other action brought to recover damages for personal injury, injury to property, or wrongful death, each element shall be further itemized into amounts intended to compensate for damages which have been incurred prior to the decision and amounts intended to compensate for damages to be incurred in the future. In itemizing amounts intended to compensate for future damages, the court shall set forth the period of years over which such amounts are intended to provide compensation. In computing said damages, the court shall award the full amount of future damages, as calculated, without reduction to present value] COMMENCED ON OR AFTER JULY TWENTY-SIXTH, TWO THOUSAND THREE, THE COURT'S DECISION AS TO FUTURE DAMAGES SHALL BE ITEMIZED IN ACCORDANCE WITH SUBDIVISION (D) OF RULE FORTY-ONE HUNDRED ELEVEN OF THIS CHAPTER. IN ANY ACTION BROUGHT TO RECOVER DAMAGES FOR PERSONAL INJURY, INJURY TO PROPERTY OR WRONGFUL DEATH, OTHER THAN A MEDICAL, DENTAL OR PODIATRIC MALPRACTICE ACTION COMMENCED ON OR AFTER JULY TWEN-

TY-SIXTH, TWO THOUSAND THREE, THE COURT'S DECISION AS TO FUTURE DAMAGES SHALL BE ITEMIZED IN ACCORDANCE WITH SUBDIVISION (E) OF RULE FORTY-ONE HUNDRED ELEVEN OF THIS CHAPTER.

S 7. Section 5-101 of the general obligations law is amended by adding a new subdivision 4 to read as follows:

4. AS USED IN SECTION 5-335 OF THIS ARTICLE, THE TERM "BENEFIT PROVIDER" MEANS ANY INSURER, HEALTH MAINTENANCE ORGANIZATION, HEALTH BENEFIT PLAN, PREFERRED PROVIDER ORGANIZATION, EMPLOYEE BENEFIT PLAN OR OTHER ENTITY WHICH PROVIDES FOR PAYMENT OR REIMBURSEMENT OF HEALTH CARE EXPENSES, HEALTH CARE SERVICES, DISABILITY PAYMENTS, LOST WAGE PAYMENTS OR ANY OTHER BENEFITS UNDER A POLICY OF INSURANCE OR CONTRACT WITH AN INDIVIDUAL OR GROUP.

S 8. The general obligations law is amended by adding a new section 5-335 to read as follows:

S 5-335. LIMITATION OF NON-STATUTORY REIMBURSEMENT AND SUBROGATION CLAIMS IN PERSONAL INJURY AND WRONGFUL DEATH ACTIONS. (A) WHEN A PLAINTIFF SETTLES WITH ONE OR MORE DEFENDANTS IN AN ACTION FOR PERSONAL INJURIES, MEDICAL, DENTAL, OR PODIATRIC MALPRACTICE, OR WRONGFUL DEATH, IT SHALL BE CONCLUSIVELY PRESUMED THAT THE SETTLEMENT DOES NOT INCLUDE ANY COMPENSATION FOR THE COST OF HEALTH CARE SERVICES, LOSS OF EARNINGS OR OTHER ECONOMIC LOSS TO THE EXTENT THOSE LOSSES OR EXPENSES HAVE BEEN OR ARE OBLIGATED TO BE PAID OR REIMBURSED BY A BENEFIT PROVIDER, EXCEPT FOR THOSE PAYMENTS AS TO WHICH THERE IS A STATUTORY RIGHT OF REIMBURSEMENT. BY ENTERING INTO ANY SUCH SETTLEMENT, A PLAINTIFF SHALL NOT BE DEEMED TO HAVE TAKEN AN ACTION IN DEROGATION OF ANY NONSTATUTORY RIGHT OF ANY BENEFIT PROVIDER THAT PAID OR IS OBLIGATED TO PAY THOSE LOSSES OR EXPENSES; NOR SHALL A PLAINTIFF'S ENTRY INTO SUCH SETTLEMENT CONSTITUTE A VIOLATION OF ANY CONTRACT BETWEEN THE PLAINTIFF AND SUCH BENEFIT PROVIDER.

EXCEPT WHERE THERE IS A STATUTORY RIGHT OF REIMBURSEMENT, NO PARTY ENTERING INTO SUCH A SETTLEMENT SHALL BE SUBJECT TO A SUBROGATION CLAIM OR CLAIM FOR REIMBURSEMENT BY A BENEFIT PROVIDER AND A BENEFIT PROVIDER SHALL HAVE NO LIEN OR RIGHT OF SUBROGATION OR REIMBURSEMENT AGAINST ANY SUCH SETTLING PARTY, WITH RESPECT TO THOSE LOSSES OR EXPENSES THAT HAVE BEEN OR ARE OBLIGATED TO BE PAID OR REIMBURSED BY SAID BENEFIT PROVIDER.

(B) THIS SECTION SHALL NOT APPLY TO A SUBROGATION CLAIM FOR RECOVERY OF ADDITIONAL FIRST-PARTY BENEFITS PROVIDED PURSUANT TO ARTICLE FIFTY-ONE OF THE INSURANCE LAW. THE TERM "ADDITIONAL FIRST-PARTY BENEFITS", AS USED IN THIS SUBDIVISION, SHALL HAVE THE SAME MEANING GIVEN IT IN SECTION 65-1.3 OF TITLE 11 OF THE CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK AS OF THE EFFECTIVE DATE OF THIS STATUTE.

S 9. This act shall take effect immediately and shall apply to all actions and proceedings commenced on or after such date; provided, however, that sections four through eight of this act shall also apply to any action or proceeding which was commenced prior to such effective date where, as of such date, either (a) a trial of the issues has not yet commenced, or (b) the parties have not yet entered into a stipulation of settlement.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through F of this act shall be as specifically set forth in the last section of such Parts.