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I N A S S E M B L Y

March 23, 2012

Introduced by M. of A. MAGNARELLI -- (at request of the State Comptroller) -- read once and referred to the Committee on Local Governments

AN ACT to amend the local finance law, in relation to making technical amendments to the time frame within which a governing board of the municipality or school district authorized to incur debt to finance a deficit may make adjustments to its proposed budget; updating the list of types of obligations which may be issued by municipalities, school districts or district corporations; and to amend chapter 386 of the laws of 2010, amending the local finance law relating to the private sale of bonds, in relation to eliminating the expiration and repeal of such provisions

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

1 Section 1. Paragraph d of section 10.10 of the local finance law, as
2 added by chapter 341 of the laws of 2007, is amended to read as follows:
3 d. beginning with the fiscal year during which the municipality or
4 school district is authorized to incur debt to finance the deficit, to
5 and including the last fiscal year during which such debt or any debt
6 incurred to refund such debt is outstanding, the chief executive officer
7 or other individual or individuals responsible for the preparation of
8 the tentative budget, or in the case of a town, the preliminary budget,
9 shall submit the tentative or preliminary budget for the next succeeding
10 fiscal year to the state comptroller and, in the case of a school
11 district, also to the commissioner of education, no later than thirty
12 days before the date scheduled for the governing board's vote on the
13 adoption of the final budget or the last date on which the budget may be
14 finally adopted, whichever is sooner. The state comptroller and, in the
15 case of a school district, the commissioner of education, shall examine
16 such proposed budget and make such recommendations as deemed appropriate
17 thereon to the municipality or school district prior to the adoption of
18 the budget, but no later than ten days before the date scheduled for the
19 governing board's vote on the adoption of the final budget or the last
20 date on which the budget must be adopted, whichever is sooner. Such

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

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1 recommendations shall be made after examination into the estimates of
2 revenues and expenditures of such municipality or school district. The
3 governing board of the municipality or school district, no later than
4 five days prior to the adoption of the budget, shall review any such
5 recommendations and may make adjustments to its proposed budget consist-
6 ent with any recommendations made by the state comptroller and, in the
7 case of a school district, by the commissioner of education[, within
8 fifteen days after receipt of any such recommendations]. Any recommenda-
9 tions that the board rejects shall be explained in writing to the state
10 comptroller and, in the case of recommendations made by the commissioner
11 of education, to the commissioner. The action or inaction of the state
12 comptroller or the commissioner of education under this section shall
13 not be construed to affect the legal validity of any budget of the muni-
14 cipality or school district nor to affect the powers or duties of the
15 municipality or school district with respect to the local budget proc-
16 ess, provided, however, that the municipality or school district may not
17 issue bonds for any object or purpose unless and until adjustments to
18 its proposed budget consistent with any recommendations made by the
19 state comptroller and, in the case of a school district, by the commis-
20 sioner of education, are made, or any such recommendations that are
21 rejected have been explained in writing to the state comptroller and, in
22 the case of school districts, the commissioner of education.

23 S 2. Paragraph a of section 20.00 of the local finance law is amended
24 by adding a new subdivision 12 to read as follows:

25 12. DEFICIENCY NOTES.

26 S 3. Section 14 of chapter 386 of the laws of 2010, amending the local
27 finance law relating to the private sale of bonds, is amended to read as
28 follows:

29 S 14. This act shall take effect immediately[; provided, however, that
30 the provisions of sections two, three, four and five of this act shall
31 expire June 1, 2012 when upon such date the provisions of such sections
32 shall be deemed repealed].

33 S 4. This act shall take effect immediately; provided, however, if
34 section three of this act shall become a law on or after June 1, 2012
35 such section shall take effect immediately and shall be deemed to have
36 been in full force and effect on and after June 1, 2012.