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

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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:

Section 1. Paragraph d of section 10.10 of the local finance law, as added by chapter 341 of the laws of 2007, is amended to read as follows:

d. beginning with the fiscal year during which the municipality or school district is authorized to incur debt to finance the deficit, to and including the last fiscal year during which such debt or any debt incurred to refund such debt is outstanding, the chief executive officer or other individual or individuals responsible for the preparation of the tentative budget, or in the case of a town, the preliminary budget, shall submit the tentative or preliminary budget for the next succeeding fiscal year to the state comptroller and, in the case of a school district, also to the commissioner of education, no later than thirty days before the date scheduled for the governing board's vote on the adoption of the final budget or the last date on which the budget may be finally adopted, whichever is sooner. The state comptroller and, in the case of a school district, the commissioner of education, shall examine such proposed budget and make such recommendations as deemed appropriate thereon to the municipality or school district prior to the adoption of the budget, but no later than ten days before the date scheduled for the governing board's vote on the adoption of the final budget or the last 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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recommendations shall be made after examination into the estimates of revenues and expenditures of such municipality or school district. The governing board of the municipality or school district, no later than five days prior to the adoption of the budget, shall review any such recommendations and may make adjustments to its proposed budget consistent with any recommendations made by the state comptroller and, in the case of a school district, by the commissioner of education[, within fifteen days after receipt of any such recommendations]. Any recommendations that the board rejects shall be explained in writing to the state comptroller and, in the case of recommendations made by the commissioner of education, to the commissioner. The action or inaction of the state comptroller or the commissioner of education under this section shall not be construed to affect the legal validity of any budget of the municipality or school district nor to affect the powers or duties of the municipality or school district with respect to the local budget process, provided, however, that the municipality or school district may not issue bonds for any object or purpose unless and until adjustments to its proposed budget consistent with any recommendations made by the state comptroller and, in the case of a school district, by the commissioner of education, are made, or any such recommendations that are rejected have been explained in writing to the state comptroller and, in the case of school districts, the commissioner of education.

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

12. DEFICIENCY NOTES.

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

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

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