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

6365

I N S E N A T E

February 1, 2012

Introduced by Sen. LIBOUS -- (at request of the State Comptroller) -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the legislative law and the state finance law, in relation to contents of the state budget and the capital financing and program plan; to amend the legislative law, in relation to joint budget conference committees; to amend the state finance law, in relation to the rainy day reserve fund; and to amend the legislative law, in relation to report on the budget (Part A); to amend the state finance law, in relation to establishing the New York state capital asset/infrastructure council (Part B); to amend the state finance law, in relation to limitations on state-funded debt; to repeal article 5-B of the state finance law relating to limitations on state-supported debt; and providing for the repeal of certain provisions of such law upon expiration thereof (Part C)

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

Section 1. This act enacts into law major components of legislation which are necessary to implement the comptroller's 2011 mandate for fiscal reform act. Each component is wholly contained within a Part identified as Parts A through C. 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 a 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 section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

S 1-a. Short title. This act shall be known and may be cited as "the comptroller's 2011 mandate for fiscal reform act".

PART A

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

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Section 1. Subdivision 3 of section 53 of the legislative law, as added by chapter 762 of the laws of 1992, is amended to read as follows:

3. a date, SUBJECT TO THE PROVISIONS OF SECTION TWENTY-THREE OF THE STATE FINANCE LAW, for the production of a forecast or forecasts on receipts which shall constitute an evaluation developed by the fiscal committees of each house, jointly or separately, of the receipts likely to be available to the state absent passage of any new revenue measures. Such forecast or forecasts shall also contain an evaluation of the receipts likely to be available to the state upon passage of any revenue measure submitted and proposed by the governor pursuant to section three of article seven of the state constitution; and

S 2. Subdivision 5 of section 4 of the state finance law, as amended by section 16 of part PP of chapter 56 of the laws of 2009, is amended to read as follows:

5. No money or other financial resources shall be transferred or temporarily loaned from one fund to another without specific statutory authorization for such transfer or temporary loan AND ALL SUCH TRANSFER AUTHORIZATIONS MUST INCLUDE SPECIFIC AMOUNTS TO BE TRANSFERRED AND IDENTIFICATION OF THE SPECIFIC FUND OR ACCOUNTS FROM WHICH MONEY OR OTHER FINANCIAL RESOURCES IS TRANSFERRED FROM AND THE SPECIFIC FUNDS OR ACCOUNTS MONEY OR OTHER FINANCIAL RESOURCES ARE TRANSFERRED TO, except that money or other financial resources of a fund may be temporarily loaned to the general fund during the state fiscal year provided that such loan shall be repaid in full no later than (a) four months after it was made or (b) by the end of the same fiscal year in which it was made, whichever period is shorter, so that an accurate accounting and reporting of the balance of financial resources in each fund may be made. THE DIRECTOR OF THE BUDGET SHALL REPORT THE EFFECT OF AUTHORIZED TRANSFERS ON PROGRAMS AND ACTIVITIES ASSOCIATED WITH FUNDS IN WHICH MONEY OR OTHER FINANCIAL RESOURCES ARE TRANSFERRED TO OTHER FUNDS OR ACCOUNTS. The comptroller is hereby authorized to temporarily loan money from the general fund or any other fund to the fund/accounts that are authorized to receive a loan. Such loans shall be limited to the amounts immediately required to meet disbursements, made in pursuance of an appropriation by law and authorized by a certificate of approval issued by the director of the budget with copies thereof filed with the comptroller and the chair of the senate finance committee and the chair of the assembly ways and means committee. The director of the budget shall not issue such a certificate unless he or she shall have determined that the amounts to be so loaned are receivable on account. When making loans, the comptroller shall establish appropriate accounts and if the loan is not repaid by the end of the month, provide on or before the fifteenth day of the following month to the director of the budget, the chair of the senate finance committee and the chair of the assembly ways and means committee, an accurate accounting and report of the financial resources of each such fund at the end of such month. Within ten days of the receipt of such accounting and reporting, the director of the budget shall provide the comptroller and the chair of the senate finance committee and the chair of the assembly ways and means committee an expected schedule of repayment by fund and by source for each outstanding loan. Repayment shall be made by the comptroller from the first cash receipt of this fund.

S 3. Subdivision 1 of section 22 of the state finance law, as amended by chapter 762 of the laws of 1992, is amended to read as follows:

1. include a summary financial plan showing for each of the governmental fund types: (a) the disbursements estimated to be made before the

close of the current fiscal year and the moneys estimated to be available from receipts and other sources therefor IN WHICH DISBURSEMENTS DO NOT EXCEED AVAILABLE RESOURCES IN THE GENERAL FUND AND OTHER STATE FUNDS USING A CASH BASIS OF ACCOUNTING; and (b) the disbursements proposed to be made during the ensuing fiscal year, and the moneys estimated to be available from receipts and other sources therefor inclusive of any receipts which are expected to result from proposed legislation which he deems necessary to provide receipts sufficient to meet such proposed disbursements IN WHICH DISBURSEMENTS DO NOT EXCEED AVAILABLE RESOURCES IN THE GENERAL FUND AND OTHER STATE FUNDS USING A CASH BASIS OF ACCOUNTING. For the purposes of this summary financial plan, disbursements shall be presented by the following purposes: state purposes, local assistance, capital projects, debt service, and general state charges; receipts shall be presented for each fund type by each revenue source which accounts for at least one per centum of all such receipts and otherwise by categories of revenue sources; receipts and disbursements for special revenue funds shall be presented separately for federal funds and all other special revenue funds. NON-RECURRING ACTIONS THAT PRODUCE ADDITIONAL RESOURCES FOR THREE YEARS OR LESS, NOT INCLUDING MONEYS RECEIVED FROM THE FEDERAL GOVERNMENT, SHALL BE CLEARLY IDENTIFIED AND USED ONLY FOR NON-RECURRING DISBURSEMENTS OR DEPOSITED IN THE DEBT REDUCTION RESERVE FUND AS ESTABLISHED IN SECTION NINETY-SEVEN-RRR OF THIS CHAPTER, AS AMENDED BY SECTION FORTY-FIVE OF PART H OF CHAPTER FIFTY-SIX OF THE LAWS OF TWO THOUSAND. Whenever receipts or disbursements are proposed to be moved to a different fund type, each significant amount so moved shall be identified.

S 4. Paragraphs a, b, c, d, d-1, d-2, e and e-1 of subdivision 3 of section 22 of the state finance law, paragraphs a, b, c, d and d-1 as amended and paragraph e-1 as added by chapter 762 of the laws of 1992, and paragraphs d-2 and e as amended by chapter 1 of the laws of 2007, are amended to read as follows:

a. The appropriations, including reappropriations, made for the current fiscal year, the appropriations and reappropriations recommended for the ensuing fiscal year, the disbursements estimated to be made before the close of the current fiscal year, and proposed to be made during the ensuing fiscal year based upon available and recommended appropriations and reappropriations, AND SHALL STATE SEPARATELY THE AMOUNT, PROJECTED DISBURSEMENT LEVEL, PROGRAM, OBJECT AND PURPOSE OF EACH ITEM OF APPROPRIATION, AS MODIFIED, AND WHERE THE APPROPRIATION IS SUBJECT TO ALLOCATION BY MEANS OF (I) A MEMORANDUM OF UNDERSTANDING, (II) AN INTERCHANGE WITH ANOTHER ITEM OF APPROPRIATION, (III) TRANSFER OR SUBALLOCATION TO ANOTHER AGENCY, OR (IV) ANY OTHER METHOD OF ALLOCATING A LUMP SUM INTO SMALLER SUMS, SHALL STATE THE AMOUNT, PROGRAM, OBJECT AND PURPOSE, INCLUDING EACH INTENDED RECIPIENT, STATED SEPARATELY, OF EACH SMALLER SUM INTO WHICH SUCH ITEM OF APPROPRIATION MAY BE ALLOCATED. Disbursements proposed to be made shall be shown in separate parts as follows: those disbursements proposed to be made for state purposes shall be set forth in one part, those disbursements proposed to be made for local assistance shall be set forth in another separate and distinct part, those disbursements proposed to be made for capital projects shall be set forth in a third separate and distinct part and those disbursements proposed to be made for debt service shall be set forth in a fourth separate and distinct part. The effect of any proposed changes in the payment dates of particular disbursements on the financial plan presented in accordance with subdivision one of this section shall be set forth separately.

b. In separate sections for each fund type, the receipts actually had and received during the [preceding] PRIOR fiscal year, the receipts estimated to be available and received during the current [and ensuing] fiscal [years respectively] YEAR, AND THE RECEIPTS PROJECTED TO BE AVAILABLE AND RECEIVED DURING THE ENSUING TWO FISCAL YEARS, listed by each major source, including statistical and summary tables and a narrative which includes a discussion of the assumptions used in estimating OR PROJECTING such receipts. The effect of any proposed changes in the rates, bases, payment dates or other aspects of particular sources of receipts on the financial plan presented in accordance with subdivision one of this section shall be set forth separately and the assumptions used in calculating such effect. Whenever a new fee or a new financing mechanism is proposed, a schedule of the new fee or financing mechanism shall be included for purposes of showing the effect of the new fee or financing mechanism on the financial plan.

c. The ACTUAL expenditures estimated to be made in accordance with generally accepted accounting principles before the close of the current fiscal year, and [proposed] THE EXPENDITURES PROJECTED to be made in accordance with generally accepted accounting principles during the ensuing TWO fiscal [year] YEARS. Expenditures estimated and proposed to be made shall be shown in separate parts as follows: those expenditures for state purposes shall be set forth in one part, those expenditures for local assistance shall be set forth in another separate and distinct part, those expenditures for capital projects shall be set forth in a third separate and distinct part, and those expenditures for debt service shall be set forth in a fourth separate and distinct part.

d. The revenues actually accrued in the [preceding] PRIOR fiscal year, the revenues estimated OR PROJECTED to accrue during THE current and THE ensuing TWO fiscal years, respectively. Revenues from each tax shall be shown both in total and net of refunds.

d-1. [A schedule] SCHEDULES for [the general fund] EACH GOVERNMENTAL FUND TYPE showing the differences between projected operating results on a cash basis and those on the basis of generally accepted accounting principles.

d-2. Within ten days following the submission of the financial plans presented in accordance with subdivisions one and two of this section, the director of the budget shall submit to the comptroller and the chairs of the senate finance committee and the assembly ways and means committee:

(i) a detailed schedule by fund of the receipts and disbursements comprising such summary financial plan;

(ii) a schedule for each governmental fund type [other than the general fund] showing the differences between projected operating results on a cash basis and those on the basis of generally accepted accounting principles;

(iii) a detailed schedule by fund of revenues and expenditures within the general fund;

(iv) a detailed schedule by fund of receipts for the prior, current and next three fiscal years[. Such schedule shall present the major revenue sources for each fund, including detail for each major tax, and major components of miscellaneous receipts] SHOWN BY EACH MAJOR REVENUE CATEGORY, INCLUDING EACH INDIVIDUAL TAX, EACH INDIVIDUAL COMPONENT PART OF MISCELLANEOUS RECEIPTS, IN A FORM SUITABLE FOR COMPARISON TO THE REPORT SUBMITTED TO THE LEGISLATURE BY THE STATE COMPTROLLER PURSUANT TO SUBDIVISION NINE OF SECTION EIGHT OF THIS CHAPTER, AND EACH REVENUE

SOURCE WHICH ACCOUNTS FOR AT LEAST ONE-HALF OF ONE PERCENT OF ALL RECEIPTS WITHIN EACH FUND TYPE; and

(v) an itemized list of transfers to and from [the general fund] EACH GOVERNMENTAL FUND AND THE EFFECT OF SUCH TRANSFERS ON PROGRAMS AND ACTIVITIES ASSOCIATED WITH THE FUNDS IN WHICH MONEY OR OTHER FINANCIAL RESOURCES ARE TRANSFERRED TO OTHER FUNDS OR ACCOUNTS.

e. [The] FOR EACH FUND TYPE, THE anticipated [general fund] quarterly schedule and fiscal year total for the prior, current and next ensuing TWO fiscal years of: disbursements; receipts; repayments of advances; total tax refunds; and refunds for the tax imposed under article twenty-two of the tax law. Such information shall be presented in the same form as the summary financial plans presented in accordance with subdivisions one and two of this section. A separate, detailed, report of such schedule shall be provided with receipts shown by each major revenue category, including [detail for each major tax and major components of miscellaneous receipts, and with disbursements shown by major function or program] EACH INDIVIDUAL TAX, EACH INDIVIDUAL COMPONENT PART OF MISCELLANEOUS RECEIPTS, IN A FORM SUITABLE FOR COMPARISON TO THE REPORT SUBMITTED TO THE LEGISLATURE BY THE STATE COMPTROLLER PURSUANT TO SUBDIVISION NINE OF SECTION EIGHT OF THIS CHAPTER, AND EACH REVENUE SOURCE WHICH ACCOUNTS FOR AT LEAST ONE-HALF OF ONE PERCENT OF ALL RECEIPTS WITHIN EACH FUND TYPE AND WITH DISBURSEMENTS SHOWN BY MAJOR AGENCY OR MAJOR SPENDING ITEM. The director of the division of the budget shall submit concurrent with the submission of the financial plan to the legislature pursuant to subdivision two of this section and with each update thereafter [a revised monthly general fund cash flow projection of receipts and disbursements for the current fiscal year that: (1) compares actual results to (i) actual results through the same period for the prior year and (ii) the most recent prior update to the financial plan and to the enacted budget financial plan; (2) summarizes the reasons for any variances; and (3) describes the revisions to the cash flow projections. The monthly general fund cash flow projection shall be stated by major category of local assistance, personal service, nonpersonal service, general state charges, and debt service, and by major category of revenue] A SCHEDULE OF ACTUAL AND PLANNED DISBURSEMENTS BY MONTH AND BY FUND TYPE STATING SEPARATELY AND DISTINCTLY VARIANCES BETWEEN ACTUAL AND PROJECTED FISCAL YEAR TO DATE DISBURSEMENTS AND PROJECTED DISBURSEMENTS FOR THE REMAINING MONTHS OF THE FISCAL YEAR. SUCH REPORT SHALL DOCUMENT ACTUAL AND PROJECTED STATE DISBURSEMENTS INCLUSIVE OF, AND DISTINCTLY STATED BY CATEGORIES OF LOCAL ASSISTANCE GRANTS INCLUDING GENERAL PURPOSE, EDUCATION, SOCIAL SERVICES, MEDICAID, HEALTH AND ENVIRONMENT, MENTAL HYGIENE, TRANSPORTATION, CRIMINAL JUSTICE AND MISCELLANEOUS; BY DEPARTMENTAL OPERATIONS INCLUDING PERSONAL SERVICES AND NON-PERSONAL SERVICES; BY GENERAL STATE CHARGES; BY DEBT SERVICE PAYMENTS AND OTHER FINANCING SOURCES AND USES. Such reports shall utilize a format that shall facilitate comparison and analysis with those reports submitted to the legislature by the office of audit and control pursuant to subdivision nine of section eight of this chapter.

e-1. Within ten days following the submission of the financial plans presented in accordance with subdivisions one and two of this section, the anticipated general fund monthly and governmental fund types quarterly schedule and fiscal year total for the CURRENT, AND TWO ensuing fiscal [year] YEARS of: disbursements; receipts; repayments of advances; total tax refunds; and refunds for the tax imposed under article twenty-two of the tax law. Such information shall be presented in

the same form as the summary financial plans presented in accordance with subdivisions one and two of this section.

S 5. Subdivision 4 of section 22 of the state finance law, as amended by chapter 1 of the laws of 2007, is amended to read as follows:

4. [a.] Include a three year financial projection showing the anticipated disbursements and receipts for each of the governmental fund types of the state. For the purposes of this three year financial projection, disbursements shall be presented by the following purposes: state purposes, local assistance, capital projects, debt service, transfers and general state charges with each major function or major program identified separately within each purpose; and receipts shall be presented by each major revenue category, [including detail for each major tax, and major components of miscellaneous receipts and with disbursements shown by major function or program for the prior year, current year and] EACH INDIVIDUAL TAX, EACH INDIVIDUAL COMPONENT PART OF MISCELLANEOUS RECEIPTS, IN A FORM SUITABLE FOR COMPARISON TO THE REPORT SUBMITTED TO THE LEGISLATURE BY THE STATE COMPTROLLER PURSUANT TO SUBDIVISION NINE OF SECTION EIGHT OF THIS CHAPTER, AND EACH REVENUE SOURCE WHICH ACCOUNTS FOR AT LEAST ONE-HALF OF ONE PERCENT OF ALL RECEIPTS WITHIN EACH FUND TYPE AND WITH DISBURSEMENTS SHOWN BY MAJOR AGENCY OR MAJOR SPENDING ITEM FOR THE ENSUING AND EACH OF THE next three fiscal years, and otherwise by each major source which is separately estimated and presented pursuant to paragraph b of subdivision three of this section. Receipts and disbursements for special revenue funds shall be presented separately for federal funds and all other special revenue funds IN ACCORDANCE WITH THE STATE COMPTROLLER'S CLASSIFICATION OF FUNDS. Whenever receipts and disbursements are proposed to be moved to a different fund type, each [significant] REVENUE SOURCE WHICH ACCOUNTS FOR AT LEAST ONE-HALF OF ONE PERCENT OF ALL RECEIPTS WITHIN SUCH FUND TYPE, THE amount so moved shall be explained. This three year financial projection shall include an explanation of any changes to the financial plans submitted in accordance with subdivision one of this section and include explanations of the economic, statutory and other assumptions used to estimate the disbursements and receipts which are presented. Whenever the projections for receipts and disbursements are based on assumptions other than the current levels of service, such assumptions shall be separately identified and explained. The three year financial projections shall include a description of any projected deficits or surpluses IN THE GENERAL FUND OR OTHER STATE FUNDS WITH A DISCUSSION OF THE CAUSES AND EFFECTS OF SUCH DEFICITS OR SURPLUSES AS WELL AS A DESCRIPTION OF AVAILABLE OPTIONS TO REDUCE ANY PROJECTED DEFICITS OR UTILIZE ANY PROJECTED SURPLUSES.

S 6. Section 22 of the state finance law is amended by adding a new subdivision 4-a to read as follows:

4-A. WHENEVER A DEFICIT IS PROJECTED IN THE GENERAL FUND OR OTHER STATE FUNDS IN THE FINANCIAL PLANS SUBMITTED PURSUANT TO THIS SECTION ANNUALLY BY THE GOVERNOR TO THE LEGISLATURE FOR THE NEXT SUCCEEDING FISCAL YEAR AND/OR FOR THE NEXT SUCCEEDING TWO FISCAL YEARS, IDENTIFY SPECIFIC REVENUE OR SPENDING MEASURES TO ELIMINATE THE PROJECTED DEFICITS. FOR THE SPECIFIC REVENUE OR SPENDING MEASURES THAT ARE IDENTIFIED, INCLUDE A DETAILED EXPLANATION OF EACH MEASURE. THIS INFORMATION SHOULD BE UPDATED IN EACH QUARTERLY FINANCIAL PLAN PURSUANT TO SUBDIVISION FOUR OF SECTION TWENTY-THREE OF THIS ARTICLE AS WELL AS PERIODICALLY PURSUANT TO MATERIAL CHANGES IN REVENUE AND SPENDING PROJECTIONS.

S 7. Section 22 of the state finance law is amended by adding two new subdivisions 5-a and 5-b to read as follows:

5-A. FOR EACH AGENCY OR PUBLIC AUTHORITY WHERE STATE APPROPRIATIONS ARE PROVIDED, BY PROGRAM AND FUND, IDENTIFY:

(A) AMOUNTS, BY APPROPRIATION OR REAPPROPRIATION, PROPOSED TO MAINTAIN CURRENT SERVICES;

(B) AMOUNTS, BY APPROPRIATION OR REAPPROPRIATION, PROPOSED TO SUPPORT NEW PROGRAM INITIATIVES, OR POLICY CHANGES;

(C) ESTIMATED DISBURSEMENTS FOR EACH AMOUNT OF APPROPRIATION OR REAPPROPRIATION SEPARATELY IDENTIFIED IN PARAGRAPHS (A) AND (B) OF THIS SUBDIVISION; AND

(D) ESTIMATED DISBURSEMENTS FOR CARRY-OVER SPENDING FOR EACH PROGRAM, BY FUND.

5-B. INCLUDE SUMMARIES THAT READILY IDENTIFY DISBURSEMENTS, CARRY-OVER SPENDING AND NEW SPENDING BY EACH AGENCY OR PUBLIC AUTHORITY WHERE STATE APPROPRIATIONS ARE PROVIDED, PROGRAM AND FUND. SUCH SUMMARIES SHOULD BE COMPLETED FOR STATE PURPOSES, LOCAL ASSISTANCE, CAPITAL PROJECTS, AND GENERAL STATE CHARGES.

S 8. Subdivision 3 of section 23 of the state finance law, as amended by chapter 1 of the laws of 2007, is amended to read as follows:

3. Financial plans and capital improvement program; revisions. UPON THE DATE THE LEGISLATURE HAS FINALLY ACTED UPON THE APPROPRIATION BILL OR BILLS SUBMITTED BY THE GOVERNOR PURSUANT TO SECTION THREE OF ARTICLE SEVEN OF THE STATE CONSTITUTION, THE GOVERNOR SHALL CAUSE TO BE SUBMITTED TO THE LEGISLATURE AN OVERVIEW OF REVISIONS TO THE FINANCIAL PLAN WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO, A DESCRIPTION OF RECEIPTS AND DISBURSEMENTS IN THE GENERAL FUND AND ALL GOVERNMENTAL FUNDS AS WELL AS A GENERAL DESCRIPTION OF CHANGES IN REVENUE AND SPENDING PROJECTIONS THAT OCCURRED BETWEEN THE GOVERNOR'S SUBMISSION AND ACTION BY THE LEGISLATURE. IF A DEFICIT IS PROJECTED IN THE GENERAL FUND OR OTHER STATE FUNDS IN THE NEXT SUCCEEDING FISCAL YEAR AND/OR FOR THE NEXT SUCCEEDING TWO FISCAL YEARS IN THE FINANCIAL PLAN SUBMITTED AS REQUIRED IN THIS SUBDIVISION, THE GOVERNOR SHALL IDENTIFY ALL INDIVIDUAL REVENUE OR SPENDING MEASURES TO ELIMINATE THE PROJECTED DEFICIT THAT ACCOUNT FOR AT LEAST ONE-HALF OF ONE PERCENT OF THE TOTAL PROJECTED DEFICIT. Not later than thirty days after the legislature has completed action on the budget bills submitted by the governor and the period for the governor's review has elapsed, the governor shall cause to be submitted to the legislature the revisions to the financial plans and the capital plan required by subdivisions one, two, THREE, four [and], five, FIVE-A, AND FIVE-B of section twenty-two of this article as are necessary to account for all enactments affecting the financial plans and the capital plan. The financial plan shall also contain a cash flow analysis of projected receipts and disbursements and other financing sources or uses for each month of the state's fiscal year. Notwithstanding any other law to the contrary, such revised plans and accompanying cash flow analysis shall be submitted to the legislature and the comptroller in the same form as the plans required by such subdivisions.

S 9. Section 23 of the state finance law is amended by adding a new subdivision 3-a to read as follows:

3-A. IDENTIFICATION OF PROJECTS. FOR EACH AGENCY OR STATE AUTHORITY WHERE STATE APPROPRIATIONS ARE PROVIDED, IDENTIFY THE NEW PROJECTS, INITIATIVES OR POLICY CHANGES PROPOSED IN THE BUDGET BILLS SUBMITTED ANNUALLY BY THE GOVERNOR TO THE LEGISLATURE IN ACCORDANCE WITH ARTICLE SEVEN OF THE CONSTITUTION. COMPARE SUCH PROJECTS, INITIATIVES OR POLICY CHANGES WITH THE NEW PROJECTS, INITIATIVES AND POLICY CHANGES INCLUDED IN THE BUDGET AFTER THE LEGISLATURE HAS COMPLETED ACTIONS ON THE BUDGET

BILLS SUBMITTED BY THE GOVERNOR. INCLUDE FOR EACH ITEM SUCH DETAIL AS PROGRAM, FUND AND DISBURSEMENT IMPACT.

S 10. Paragraphs (b) and (c) of subdivision 6 of section 23 of the state finance law, paragraph (b) as amended and paragraph (c) as added by chapter 1 of the laws of 2007, are amended to read as follows:

(b) On or before March first in each year, the director of the budget and the secretary of the senate finance committee and the secretary of the assembly ways and means committee shall issue a joint report containing a consensus forecast of the economy and SPECIFIC BINDING estimates of receipts ANY AND ALL OTHER AVAILABLE RESOURCES USED TO SUPPORT DISBURSEMENTS for the current and the ensuing state fiscal year. Such estimates [of receipts] shall include, but not be limited to: expected tax receipts on an all-funds basis, projected lottery receipts, [and] anticipated miscellaneous receipts [to be received in the general fund] AND OTHER FINANCING SOURCES INCLUDING, BUT NOT LIMITED TO, RE-ESTIMATES THAT WOULD LOWER CURRENT PROJECTED DISBURSEMENTS AS WELL AS OTHER RESOURCES THAT WOULD BE USED TO SUPPORT DISBURSEMENTS. The estimate of receipts for the ensuing fiscal year contained in the report, shall be all receipts from such sources described in this subdivision available to make disbursements authorized by the appropriation bills submitted by the governor pursuant to section three of article seven of the constitution for the ensuing fiscal year. THE COMPTROLLER SHALL COMMENT ON THE REASONABLENESS AND RELIABILITY OF THE CONSENSUS FORECAST.

(c) On a failure of the director of the budget, the secretary of the senate finance committee and the secretary of the assembly ways and means committee to issue a joint report containing a consensus forecast as provided in paragraph (b) of this subdivision, the state comptroller shall, on or before March fifth, provide BINDING estimates of receipts AND OTHER RESOURCES for the current and the ensuing state fiscal year. Such estimates shall include, but not be limited to, expected tax receipts on an all-funds basis, projected lottery receipts, [and] miscellaneous receipts [to be received in the general fund] AND OTHER FINANCING SOURCES INCLUDING RE-ESTIMATES THAT WOULD LOWER CURRENT PROJECTED DISBURSEMENTS AS WELL AS OTHER RESOURCES THAT WOULD BE USED TO SUPPORT DISBURSEMENTS. In rendering his or her estimate, as required in this paragraph, the comptroller shall give due consideration to the inherent risks in economic and revenue forecasting and the interest of the state to maintain budget balance throughout the fiscal year. The estimate of receipts for the ensuing fiscal year provided by the state comptroller, shall be all receipts AND OTHER RESOURCES from such sources available to make disbursements authorized by the appropriation bills submitted by the governor pursuant to section three of article seven of the constitution for the ensuing fiscal year.

S 11. The opening paragraph of subdivision 1 of section 24 of the state finance law, as amended by chapter 1 of the laws of 2007, is amended to read as follows:

The budget submitted annually by the governor shall be simultaneously accompanied by a bill or bills for all proposed appropriations and reappropriations and for the proposed measures of taxation or other legislation, if any, recommended therein. Such bills shall be submitted by the governor and shall be known as budget bills. ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE, NO BUDGET BILL SUBMITTED BY THE GOVERNOR MAY INCLUDE ANY PROPOSED APPROPRIATION OR REAPPROPRIATION FOR ANY PROGRAM WHICH IS NOT INCLUDED IN THE FINANCIAL PLAN PRESENTED AS PART OF THE BUDGET SUBMITTED PURSUANT TO SECTION TWENTY-TWO OF THIS ARTICLE. EACH PROPOSED APPROPRIATION OR REAPPROPRIATION FOR A PROGRAM SHALL BEAR THE

FINANCIAL PLAN PROGRAM REFERENCE NUMBER OR NUMBERS TO WHICH IT SHALL PERTAIN, AND SHALL BE CLASSIFIED INTO THE SAME CATEGORY AS THE ASSOCIATED PROGRAM OR PROGRAMS HAVE BEEN CLASSIFIED IN SUCH FINANCIAL PLAN.

S 12. Subdivision 1 of section 54-a of the legislative law, as added by chapter 1 of the laws of 2007, is amended to read as follows:

1. establishing a joint budget conference committee or joint budget conference committees within ten days following the submission of the budget by the governor pursuant to article seven of the constitution, to consider and reconcile such budget resolution or budget bills as may be passed by each house. SUCH JOINT BUDGET CONFERENCE COMMITTEE OR JOINT BUDGET CONFERENCE COMMITTEES SHALL BE REQUIRED TO MEET AND ANY MEETING OF THE JOINT BUDGET CONFERENCE COMMITTEE OR JOINT BUDGET CONFERENCE COMMITTEES SHALL BE HELD IN PUBLIC; and

S 13. Subdivisions 1 and 2 of section 92-cc of the state finance law, as added by chapter 1 of the laws of 2007, are amended to read as follows:

1. A. There is hereby established in the state treasury a fund to be known as the "rainy day reserve fund". Such fund shall consist of moneys deposited therein and monies shall be withdrawn from such fund only for the purposes as provided therein.

B. FOR THE PURPOSES OF THIS SUBDIVISION, "CASH SURPLUS" SHALL MEAN THE AMOUNT BY WHICH GENERAL FUND RECEIPTS EXCEED GENERAL FUND EXPENDITURES IN SUCH FISCAL YEAR.

C. AT THE CLOSE OF EACH FISCAL YEAR, A PORTION OF ANY CASH SURPLUS REMAINING IN THE GENERAL FUND AFTER THE TRANSFER PURSUANT TO SECTION NINETY-TWO OF THIS ARTICLE SHALL BE DEPOSITED TO THE RAINY DAY FUND AS ESTABLISHED IN THIS SECTION UNTIL THE FUND REACHES THE MAXIMUM BALANCE.

2. Such fund shall have a maximum balance not to exceed [three] FIVE per centum of the aggregate amount projected to be disbursed from the general fund during the fiscal year immediately following the then-current fiscal year.

S 14. Paragraph (a) of subdivision 2 of section 54 of the legislative law, as added by chapter 1 of the laws of 2007, is amended to read as follows:

(a) The legislature shall enact a budget for the upcoming fiscal year that it determines is balanced in the general fund AND CONFORMS WITH THE BINDING CONSENSUS FORECAST OF THE ECONOMY AND AVAILABLE RESOURCES REQUIRED BY SUBDIVISION SIX OF SECTION TWENTY-THREE OF THE STATE FINANCE LAW.

S 15. This act shall take effect immediately.

PART B

Section 1. The state finance law is amended by adding a new article 17 to read as follows:

ARTICLE 17
NEW YORK STATE CAPITAL ASSET/INFRASTRUCTURE COUNCIL

SECTION 250. DEFINITIONS.
251. NEW YORK STATE CAPITAL ASSET/INFRASTRUCTURE COUNCIL; CREATION; PROCEDURE.
252. POWERS AND DUTIES.

S 250. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "CAPITAL ASSETS" SHALL MEAN FIXED ASSETS AND INFRASTRUCTURE ASSETS, INCLUDING, BUT NOT LIMITED TO, LAND, BUILDINGS, EQUIPMENT, ROADS, AND BRIDGES OF THE STATE, A STATE AGENCY OR STATE AUTHORITY, AND SHALL ALSO

INCLUDE THE CAPITAL ASSETS OF A LOCAL AUTHORITY OR A MUNICIPAL CORPORATION SIGNIFICANTLY FUNDED BY STATE MONIES.

2. "COUNCIL" SHALL MEAN THE NEW YORK STATE CAPITAL ASSET/INFRASTRUCTURE COUNCIL ESTABLISHED PURSUANT TO SECTION TWO HUNDRED FIFTY-ONE OF THIS ARTICLE.

3. "CONSTRUCTION" SHALL MEAN THE ERECTION, ACQUISITION, ALTERATION, RECONSTRUCTION, REHABILITATION, IMPROVEMENT, EQUIPPING, ENLARGEMENT OR EXTENSION OF A CAPITAL ASSET, INCLUDING LAND ACQUISITION AND THE ENGINEERING, ARCHITECTURAL, LEGAL, FISCAL AND ECONOMIC INVESTIGATIONS, STUDIES, SURVEYS, DESIGNS, PLANS, DRAWINGS, SPECIFICATIONS, PROCEDURES AND OTHER ACTIONS RELATING TO A CAPITAL ASSET.

4. "LOCAL AUTHORITY" SHALL MEAN:

(A) A PUBLIC AUTHORITY OR PUBLIC BENEFIT CORPORATION CREATED BY OR EXISTING UNDER THIS CHAPTER OR ANY OTHER LAW OF THE STATE WHOSE MEMBERS DO NOT HOLD A CIVIL OFFICE OF THE STATE, ARE NOT APPOINTED BY THE GOVERNOR OR ARE APPOINTED BY THE GOVERNOR SPECIFICALLY UPON THE RECOMMENDATION OF THE LOCAL GOVERNMENT OR GOVERNMENTS;

(B) A NOT-FOR-PROFIT CORPORATION AFFILIATED WITH, SPONSORED BY, OR CREATED BY A COUNTY, CITY, TOWN OR VILLAGE GOVERNMENT;

(C) A LOCAL INDUSTRIAL DEVELOPMENT AGENCY OR AUTHORITY OR OTHER LOCAL PUBLIC BENEFIT CORPORATION; OR

(D) AN AFFILIATE OF SUCH LOCAL AUTHORITY.

5. "STATE AUTHORITY" SHALL MEAN A PUBLIC AUTHORITY OR PUBLIC BENEFIT CORPORATION CREATED BY OR EXISTING UNDER THIS CHAPTER OR ANY OTHER LAW OF THE STATE, WITH ONE OR MORE OF ITS MEMBERS APPOINTED BY THE GOVERNOR OR WHO SERVE AS MEMBERS BY VIRTUE OF HOLDING A CIVIL OFFICE OF THE STATE, OTHER THAN AN INTERSTATE OR INTERNATIONAL AUTHORITY OR PUBLIC BENEFIT CORPORATION, INCLUDING SUBSIDIARIES OF SUCH PUBLIC AUTHORITY OR PUBLIC BENEFIT CORPORATION.

6. "MAINTENANCE" SHALL MEAN ANY REGULARLY SCHEDULED ACTIVITY INCLUDING A ROUTINE REPAIR INTENDED TO ENSURE THAT CAPITAL ASSETS CONTINUE TO OPERATE SAFELY AND EFFICIENTLY AND AS INTENDED.

6-A. "MUNICIPAL CORPORATION" SHALL MEAN A COUNTY, CITY, TOWN OR VILLAGE AND SHALL INCLUDE ANY SPECIAL DISTRICT THEREIN.

7. "REHABILITATION" SHALL MEAN AN ACTION TO EXTEND THE USEFUL LIFE OR IMPROVE THE EFFECTIVENESS OF EXISTING CAPITAL ASSETS.

S 251. NEW YORK STATE CAPITAL ASSET/INFRASTRUCTURE COUNCIL; CREATION; PROCEDURE. 1. WITHIN THE EXECUTIVE DEPARTMENT THERE IS HEREBY ESTABLISHED AN INDEPENDENT COUNCIL TO BE KNOWN AS THE NEW YORK STATE CAPITAL ASSET/INFRASTRUCTURE COUNCIL TO HAVE AND EXERCISE THE POWERS AND DUTIES PROVIDED BY THE PROVISIONS OF THIS ARTICLE.

2. THE PURPOSE OF THE COUNCIL IS TO DEVELOP AND IMPLEMENT A PROCESS TO IDENTIFY, MONITOR, PLAN, RECOMMEND, AND PUBLICLY REPORT ON ALL CAPITAL ASSETS OF STATE AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS TO ENSURE THAT THE CAPITAL ASSETS MEET CURRENT AND FUTURE DEMAND, FACILITATE ECONOMIC GROWTH, ARE MAINTAINED IN A GOOD OPERATING CONDITION THAT ENSURES PUBLIC SAFETY, AND ARE DEVELOPED OR MODIFIED IN A SUSTAINABLE MANNER AS PROVIDED BY THE PROVISIONS OF THIS ARTICLE.

3. THE COUNCIL SHALL CONSIST OF FIVE MEMBERS APPOINTED BY THE GOVERNOR, ONE OF WHOM SHALL BE APPOINTED UPON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE, ONE OF WHOM SHALL BE APPOINTED UPON THE RECOMMENDATION OF THE SPEAKER OF THE ASSEMBLY, AND ONE OF WHOM SHALL BE APPOINTED UPON THE RECOMMENDATION OF THE COMPTROLLER. EACH MEMBER OF THE COUNCIL SHALL HAVE EXPERIENCE IN ONE OR MORE OF THE FIELDS OF ECONOMICS, PUBLIC ADMINISTRATION, CIVIL ENGINEERING, PUBLIC WORKS,

CONSTRUCTION OR A RELATED DESIGN PROFESSION, PLANNING, PUBLIC INVESTMENT FINANCING, ENVIRONMENTAL ENGINEERING OR WATER RESOURCES ENGINEERING. THE TWO MEMBERS FIRST APPOINTED BY THE GOVERNOR WITHOUT THE RECOMMENDATION OF ANY OTHER STATE OFFICIAL SHALL SERVE AN INITIAL TERM OF FOUR YEARS; THE MEMBER FIRST APPOINTED UPON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE SHALL SERVE AN INITIAL TERM OF THREE YEARS; THE MEMBER FIRST APPOINTED UPON THE RECOMMENDATION OF THE SPEAKER OF THE ASSEMBLY SHALL SERVE AN INITIAL TERM OF THREE YEARS; AND THE MEMBER FIRST APPOINTED UPON THE RECOMMENDATION OF THE STATE COMPTROLLER SHALL SERVE AN INITIAL TERM OF TWO YEARS. UPON EXPIRATION OF A MEMBER'S INITIAL TERM, EACH SUBSEQUENT TERM SHALL BE FOR A PERIOD OF FOUR YEARS.

4. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF LAW, NO OFFICER OR EMPLOYEE OF THE STATE, OF ANY POLITICAL SUBDIVISION OF THE STATE, OF ANY GOVERNMENTAL ENTITY OPERATING ANY PUBLIC SCHOOL OR COLLEGE, OR OF ANY OTHER PUBLIC AGENCY OR INSTRUMENTALITY OR UNIT OF GOVERNMENT WHICH EXERCISES GOVERNMENTAL POWERS UNDER THE LAWS OF THE STATE, SHALL FORFEIT SUCH OFFICE OR EMPLOYMENT BY REASON OF ACCEPTANCE OR APPOINTMENT AS A MEMBER, REPRESENTATIVE, OFFICER, EMPLOYEE OR AGENT OF THE COUNCIL NOR SHALL SERVICE AS SUCH MEMBER, REPRESENTATIVE, OFFICER, EMPLOYEE OR AGENT OF THE COUNCIL BE DEEMED INCOMPATIBLE OR IN CONFLICT WITH SUCH OFFICE OR EMPLOYMENT. THE MEMBERS, THEIR REPRESENTATIVES, OFFICERS AND STAFF TO THE COUNCIL SHALL BE DEEMED EMPLOYEES WITHIN THE MEANING OF SECTION SEVENTEEN OF THE PUBLIC OFFICERS LAW.

5. THE MEMBERS OF THE COUNCIL SHALL SERVE WITHOUT SALARY OR PER DIEM ALLOWANCE BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES PURSUANT TO THIS ARTICLE OR OTHER PROVISION OF LAW; PROVIDED, HOWEVER, THAT SUCH MEMBERS AND REPRESENTATIVES ARE NOT, AT THE TIME SUCH EXPENSES ARE INCURRED, PUBLIC EMPLOYEES OTHERWISE ENTITLED TO SUCH REIMBURSEMENT.

S 252. POWERS AND DUTIES. 1. THE COUNCIL SHALL HAVE THE POWER TO:

(A) HOLD SUCH HEARINGS, MEET AND ACT AT SUCH TIMES AND PLACES, TAKE SUCH TESTIMONY, ADMINISTER SUCH OATHS OR AFFIRMATIONS AND RECEIVE SUCH EVIDENCE AS THE COUNCIL CONSIDERS ADVISABLE TO CARRY OUT ITS RESPONSIBILITIES;

(B) REQUIRE THE PRODUCTION OF ANY BOOKS, AND COLLECTION AND COMPILATION OF DATA DEEMED RELEVANT OR MATERIAL TO ANY REVIEW;

(C) REQUEST AND RECEIVE FROM ANY DEPARTMENT, DIVISION, BOARD, COMMISSION OR OTHER AGENCY OF THE STATE, INCLUDING ANY STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS IN WHICH ANY RELEVANT INFORMATION NECESSARY TO CARRY OUT THE RESPONSIBILITIES AND PROVISIONS SET FORTH IN THIS SECTION;

(D) ENTER INTO COOPERATIVE AGREEMENTS WITH OTHER GOVERNMENT OFFICES, STATE AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS TO EFFICIENTLY SUPPORT THE WORK OF THE COUNCIL AND CARRY OUT ITS RESPONSIBILITIES;

(E) HAVE DIRECT INPUT AND PROMPT ACCESS TO THE HEAD OF ANY STATE AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS AND ANY MEMBER AND EMPLOYEE THEREOF WHEN NECESSARY OR USEFUL IN THE PERFORMANCE OF THE DUTIES OR RESPONSIBILITIES OF THE COUNCIL;

(F) ISSUE SUCH REPORTS AND OTHER DOCUMENTS AS THE COUNCIL DETERMINES TO BE NECESSARY OR ADVISABLE; AND

(G) ADVISE AND MAKE RECOMMENDATIONS TO THE GOVERNOR, THE LEGISLATURE, THE COMPTROLLER, AND OTHER AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS OF THE STATE ON MATTERS LIMITED TO AFFECTING THE CONDITION OF THE CAPITAL ASSETS WITHIN THE STATE.

2. THE COUNCIL SHALL IDENTIFY THE CAPITAL ASSETS LOCATED WITHIN THE STATE ON A PERIODIC BASIS AND ASSESS THE CONDITION OF THE ASSETS BY:

(A) DEVELOPING UNIFORM CRITERIA AND PROCEDURES FOR USE IN CONDUCTING INVENTORIES AND ASSESSMENTS, INCLUDING FORMAL STANDARDS DEFINING A STATE OF GOOD REPAIR AND REPLACEMENT CYCLES FOR CAPITAL ASSETS, AND STANDARDS REQUIRING CLEAR JUSTIFICATION IN TERMS OF RIGOROUS ECONOMIC ANALYSIS FOR PROPOSED NEW CAPITAL INVESTMENTS OR EXPANSIONS;

(B) INVENTORYING ALL EXISTING CAPITAL ASSETS USING TO THE EXTENT PRACTICABLE, EXISTING INVENTORIES AVAILABLE FROM ALL SOURCES; WHERE EXISTING INVENTORIES ARE NOT AVAILABLE, A PROCESS FOR STATE AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS TO INVENTORY ALL EXISTING CAPITAL ASSETS WILL BE DEVELOPED SUBJECT TO APPROVAL OF THE COUNCIL; AND

(C) ASSESSING THE CONDITION OF CAPITAL ASSETS, INCLUDING BUT NOT LIMITED TO CHANGES IN THE CONDITION OF THOSE CAPITAL ASSETS AS COMPARED WITH PRECEDING YEARS AND IDENTIFICATION OF NEEDED IMPROVEMENTS.

3. THE COUNCIL SHALL DEVELOP RECOMMENDATIONS BASED ON COMPREHENSIVE STUDIES AND ASSESSMENTS UNDERTAKEN PURSUANT TO SUBDIVISION TWO OF THIS SECTION, AND SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR, THE LEGISLATURE AND THE COMPTROLLER NOT LATER THAN JUNE FIFTEENTH, TWO THOUSAND TWELVE, AND ANNUALLY THEREAFTER, AND SHALL POST SUCH REPORTS ON THE INTERNET. THE RECOMMENDATIONS OF THE COUNCIL SHALL INCLUDE:

(A) PROPOSED IMPROVEMENTS IN PRIORITIZING THE PLANNING AND FUNDING OF CAPITAL ASSET INVESTMENTS INCLUDING MORE EFFICIENT MATCHING OF FUNDING SOURCES AND ASSET LIFE;

(B) IMPROVED PROCEDURES FOR ENSURING THAT STATE AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS REPLACE ASSETS ON REGULAR REPLACEMENT SCHEDULES ACCORDING TO RELIABLE ESTIMATES OF THEIR USEFUL LIVES; AND

(C) IMPROVEMENTS IN CRITERIA AND PROCEDURES THAT MAY BE USED BY STATE AGENCIES, STATE AUTHORITIES, LOCAL AUTHORITIES AND MUNICIPAL CORPORATIONS IN:

(I) DETERMINING THE CAPACITY OF CAPITAL ASSETS TO SUSTAIN CURRENT AND ANTICIPATED ECONOMIC DEVELOPMENT AND COMPETITIVENESS, INCLUDING LONG-TERM ECONOMIC GROWTH, INCLUDING THE POTENTIAL RETURN ON INVESTMENTS IN NEW CAPITAL ASSETS AS OPPOSED TO INVESTMENTS IN EXISTING CAPITAL ASSETS;

(II) MAINTAINING DATA IN A FORM THAT IS READILY ACCESSIBLE TO THE PUBLIC;

(III) THE METHODS USED TO FINANCE THE CONSTRUCTION, ACQUISITION, REHABILITATION AND MAINTENANCE OF CAPITAL ASSETS;

(IV) ANY TRENDS OR INNOVATIONS IN METHODS USED TO FINANCE THE CONSTRUCTION, ACQUISITION, REHABILITATION AND MAINTENANCE OF CAPITAL ASSETS;

(V) COMPREHENSIVE INVESTMENT REQUIREMENTS, BY TYPE OF CAPITAL ASSET, THAT ARE NECESSARY TO MAINTAIN THE CURRENT CONDITION AND PERFORMANCE OF THE CAPITAL ASSETS AND THE INVESTMENT NEEDED TO IMPROVE CAPITAL ASSETS IN THE FUTURE;

(VI) TRENDS OR INNOVATIONS IN CAPITAL ASSET PROCUREMENT METHODS;

(VII) TRENDS OR INNOVATIONS IN CONSTRUCTION METHODS OR MATERIALS FOR CAPITAL ASSETS;

(VIII) THE IMPACT OF LOCAL DEVELOPMENT PATTERNS ON DEMAND FOR FUNDING OF CAPITAL ASSETS;

(IX) THE IMPACT OF DEFERRED MAINTENANCE; AND

(X) THE IMPACT OF DETERIORATED CAPITAL ASSETS.

4. THE COUNCIL SHALL REPORT UPDATED FINDINGS AND RECOMMENDATIONS IN A MANNER CONSISTENT WITH THE PROVISIONS OF SUBDIVISION THREE OF THIS SECTION, TO BE KNOWN AS THE "COMPREHENSIVE STATEWIDE CAPITAL NEEDS ASSESSMENT". SUCH REPORTS SHALL BE ISSUED NOT LATER THAN THE LAST DAY OF THE CALENDAR YEAR FOLLOWING THE YEAR IN WHICH THE REPORT REQUIRED BY SUBDIVISION THREE OF THIS SECTION IS ISSUED AND, THEREAFTER, ON AN ANNUAL BASIS.

5. (A) THE COUNCIL SHALL ISSUE A COMPREHENSIVE TWENTY YEAR STRATEGIC PLAN FOR CAPITAL NEEDS ENCOMPASSING NECESSARY MAINTENANCE ACTIVITIES, SCHEDULED ASSET REPLACEMENT AND EXPANSION, THE STATUS OF CURRENT CAPITAL ACTIVITIES, AND RELATED FINANCING. THE LONG-TERM STRATEGIC PLAN SHALL BE DEVELOPED BASED ON THE CAPITAL PROJECTS IDENTIFIED IN THE COMPREHENSIVE STATEWIDE CAPITAL NEEDS ASSESSMENT AND FUTURE CAPITAL PROJECT NEEDS OF THE STATE, WITH CLEAR INTERIM GOALS AND BENCHMARKS.

(B) THE FIRST TEN-YEAR PORTION OF SUCH PLAN SHALL BE SET FORTH IN GREATER DETAIL THAN THE SECOND TEN YEAR PORTION OF THE PLAN.

(C) THE LONG-TERM STRATEGIC PLAN SHALL BE UPDATED AND REVISED EVERY EVEN-NUMBERED YEAR, AND ISSUED SIMULTANEOUSLY WITH THE COMPREHENSIVE STATEWIDE CAPITAL NEEDS ASSESSMENT OF THAT YEAR.

S 2. The opening paragraph of section 22-c of the state finance law, as amended by section 3 of part F of chapter 389 of the laws of 1997, is amended to read as follows:

The governor shall annually submit to the legislature a capital program and financing plan concurrent with the executive budget, in addition to the information required by section twenty-two of this article. THE PLAN, ALONG WITH CAPITAL APPROPRIATIONS PROPOSED IN THE EXECUTIVE BUDGET OR ENACTED BY THE LEGISLATURE, SHALL DERIVE FROM THE LONG-TERM STRATEGIC PLAN ESTABLISHED BY SUBDIVISION FIVE OF SECTION TWO HUNDRED FIFTY-TWO OF THIS CHAPTER. ANY DEVIATION FROM THE LONG-TERM STRATEGIC PLAN MUST BE JUSTIFIED. The plan shall contain a comprehensive assessment of the capital assets and program needs of all state agencies, a review and analysis of how such requirements would be financed, an analysis of the affordability of state-supported debt, and an analysis of all costs related to the financing of such plan.

S 3. This act shall take effect immediately.

PART C

Section 1. Article 5-B of the state finance law is REPEALED and a new article 5-B is added to read as follows:

ARTICLE 5-B
LIMITATIONS ON STATE-FUNDED DEBT

SECTION 67-A. DEFINITIONS.
67-B. DUTIES WITH RESPECT TO STATE-FUNDED DEBT.
67-B-1. LIMITATIONS ON THE ISSUANCE OF STATE-SUPPORTED DEBT.
67-C. LIMITATIONS ON STATE-FUNDED DEBT.
67-D. PROHIBITION OF CONTINGENT OBLIGATION DEBT.

S 67-A. DEFINITIONS. AS USED IN THIS ARTICLE AND ARTICLE FIVE-C OF THIS CHAPTER THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "STATE DEBT" SHALL MEAN ALL BONDS, BOND ANTICIPATION NOTES, AND REVENUE DEBT ISSUED BY THE COMPTROLLER PURSUANT TO ARTICLE FIVE OF THIS CHAPTER.

2. "STATE-BACKED DEBT" SHALL MEAN ANY DEBT OR OBLIGATION, OTHER THAN STATE DEBT, THAT IS SUPPORTED IN WHOLE OR IN PART BY ANY FINANCING ARRANGEMENT WHEREBY THE STATE AGREES OR HAS IN THE PAST AGREED, WHETHER BY LAW, CONTRACT OR OTHERWISE, TO MAKE PAYMENTS WHICH WILL BE USED,

DIRECTLY OR INDIRECTLY, FOR THE PAYMENT OF PRINCIPAL, INTEREST OR RELATED PAYMENTS ON INDEBTEDNESS INCURRED OR CONTRACTED BY THE STATE ITSELF FOR ANY PURPOSE, OR BY ANY STATE AGENCY, MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR OTHER PUBLIC OR PRIVATE CORPORATION OR ANY OTHER ENTITY FOR STATE CAPITAL OR OPERATING PURPOSES OR TO FINANCE GRANTS, LOANS OR OTHER ASSISTANCE PAYMENTS MADE OR TO BE MADE BY OR ON BEHALF OF THE STATE FOR ANY PURPOSE. IF THE STATE AGREES OR HAS AGREED ON OR AFTER APRIL FIRST, NINETEEN HUNDRED NINETY-SEVEN TO MAKE FUTURE REVENUES FROM A SPECIFIC STATE SOURCE AVAILABLE FOR THE PURPOSE OF SUPPORTING DEBT OF ANY MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR OTHER PUBLIC OR PRIVATE CORPORATION OR ANY OTHER ENTITY, OR, IF ON OR AFTER SUCH DATE, A PROGRAM OF DEBT IS AUTHORIZED TO BE ISSUED WHERE STATE AID IS INTENDED TO BE THE SOLE SOURCE OF PAYMENT OF DEBT SERVICE, SUCH DEBT SHALL BE CONSIDERED TO BE A DEBT FOR THE PURPOSE OF FINANCING A STATE GRANT, LOAN OR OTHER ASSISTANCE PAYMENT AND SHALL BE A "STATE-BACKED DEBT" FOR THE PURPOSES OF THIS ARTICLE. THE TERM "STATE-BACKED DEBT" APPLIES TO ALL DEBT OR OBLIGATIONS DESCRIBED IN THIS SUBDIVISION FOR WHICH THE STATE AGREES, OR HAS IN THE PAST AGREED, TO MAKE PAYMENTS (A) WHETHER OR NOT THE OBLIGATION OF THE STATE TO MAKE PAYMENTS IS SUBJECT TO APPROPRIATION, OR (B) WHETHER OR NOT DEBT SERVICE IS TO BE PAID FROM A REVENUE STREAM TRANSFERRED BY THE STATE TO ANOTHER PARTY THAT IS RESPONSIBLE FOR MAKING SUCH PAYMENTS.

3. "STATE-FUNDED DEBT" SHALL MEAN THE COMBINED TOTAL OF ALL STATE DEBT, AS DEFINED IN SUBDIVISION ONE OF THIS SECTION, AND ALL STATE-BACKED DEBT EXCEPT SHORT TERM DEBT INCURRED IN ACCORDANCE WITH SECTION NINE OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT INCURRED IN ACCORDANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTITUTION, AND REFUNDING DEBT INCURRED IN ACCORDANCE WITH SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION AND SHALL INCLUDE ALL DEBT OUTSTANDING ON THE EFFECTIVE DATE OF THIS SECTION.

4. "STATE-SUPPORTED DEBT" SHALL MEAN ANY BONDS OR NOTES, INCLUDING BONDS OR NOTES ISSUED TO FUND RESERVE FUNDS AND COSTS OF ISSUANCE, ISSUED BY THE STATE OR A STATE PUBLIC CORPORATION FOR WHICH THE STATE IS CONSTITUTIONALLY OBLIGATED TO PAY DEBT SERVICE OR IS CONTRACTUALLY OBLIGATED TO PAY DEBT SERVICE SUBJECT TO AN APPROPRIATION, EXCEPT WHERE THE STATE HAS A CONTINGENT CONTRACTUAL OBLIGATION.

5. "REVENUE DEBT" SHALL MEAN VOTER APPROVED STATE DEBT ISSUED BY THE COMPTROLLER AND SUPPORTED BY FUTURE REVENUES FROM A SPECIFIC STATE SOURCE.

6. "TOTAL PERSONAL INCOME OF THE STATE" SHALL MEAN THE MOST RECENTLY PUBLISHED ESTIMATED DOLLAR AMOUNT DETERMINED AS TOTAL PERSONAL INCOME OF THE STATE OF NEW YORK BY THE UNITED STATES DEPARTMENT OF COMMERCE OR ANY SUCCESSOR AGENCY FOR THE FOUR MOST RECENT SUCCESSIVE CALENDAR QUARTERS FOR WHICH INFORMATION IS AVAILABLE PRIOR TO OCTOBER THIRTY-FIRST OF EACH YEAR. SUBSEQUENT REVISIONS OF THE PUBLISHED ESTIMATED DOLLAR AMOUNT FOR SUCH CALENDAR QUARTERS SHALL NOT AFFECT THE VALIDITY OF THE DETERMINATION MADE FOR ANY FISCAL YEAR.

7. "CAPITAL PURPOSE" SHALL MEAN ANY PROJECT INVOLVING:

(A) THE ACQUISITION, CONSTRUCTION, DEMOLITION OR REPLACEMENT OF A FIXED ASSET OR ASSETS;

(B) THE MAJOR REPAIR OR RENOVATION OF A FIXED ASSET, WHICH MATERIALLY EXTENDS ITS USEFUL LIFE OR MATERIALLY IMPROVES OR INCREASES ITS CAPACITY; OR

(C) THE PLANNING OR DESIGN OF THE ACQUISITION, CONSTRUCTION, DEMOLITION, REPLACEMENT, MAJOR REPAIR OR RENOVATION OF A FIXED ASSET, INCLUDING THE PREPARATION AND REVIEW OF PLANS AND SPECIFICATIONS INCLUDING

ENGINEERING AND OTHER SERVICES, FIELD SURVEYS AND SUB-SURFACE INVESTIGATIONS INCIDENTAL THERETO.

8. "CONDUIT DEBT OBLIGATION" SHALL MEAN A DEBT OBLIGATION ISSUED BY A PUBLIC AUTHORITY (THE "CONDUIT ISSUER") ON BEHALF OF A THIRD PARTY (THE "CONDUIT BORROWER") OTHER THAN THE STATE OR A POLITICAL SUBDIVISION OF THE STATE, WHERE PAYMENT OF THE OBLIGATION IS TO BE MADE FROM FUNDS OF THE CONDUIT BORROWER, THE SECURITY FOR THE OBLIGATION IS THE CREDIT OF THE CONDUIT BORROWER AND NO FUNDS OF THE CONDUIT ISSUER, THE STATE OR A POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO SECURE THE OBLIGATION, WHETHER OR NOT THE OBLIGATION OF THE CONDUIT ISSUER, THE STATE OR POLITICAL SUBDIVISION OF THE STATE IS SUBJECT TO APPROPRIATION OR IS OTHERWISE CONTINGENT.

S 67-B. DUTIES WITH RESPECT TO STATE-FUNDED DEBT. 1. ON OR BEFORE OCTOBER THIRTY-FIRST, TWO THOUSAND TWENTY, THE DIVISION OF BUDGET SHALL HAVE THE RESPONSIBILITY TO ANNUALLY DETERMINE THE TOTAL DEBT LIMIT OF THE STATE BY CALCULATING THE DOLLAR AMOUNT EQUIVALENT TO FIVE PERCENT OF THE TOTAL PERSONAL INCOME OF THE STATE.

2. ON OR BEFORE OCTOBER THIRTY-FIRST, TWO THOUSAND TWENTY AND OCTOBER THIRTY-FIRST OF EACH YEAR THEREAFTER, THE DIVISION OF BUDGET SHALL DETERMINE THE TOTAL DEBT LIMIT OF THE STATE, PURSUANT TO SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION FOR THE NEXT FISCAL YEAR, AND REPORT SUCH INFORMATION BY OCTOBER THIRTY-FIRST, TO THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRPERSON AND RANKING MINORITY MEMBER OF THE SENATE FINANCE COMMITTEE, THE CHAIRPERSON AND RANKING MINORITY MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, AND THE COMPTROLLER. ON OR BEFORE SUCH DATE, THE DIVISION OF BUDGET SHALL ISSUE A PUBLIC ANNOUNCEMENT OF SUCH LIMIT.

3. THE EXECUTIVE'S PROPOSED BUDGET FOR STATE FISCAL YEAR TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN SHALL INCLUDE A PLAN SETTING FORTH THE ANNUAL TARGET PERCENTAGES AND METHODOLOGY FOR THE IMPLEMENTATION OF THE PROVISIONS OF SUBDIVISION ONE OF SECTION SIXTY-SEVEN-C OF THIS ARTICLE BY APRIL FIRST, TWO THOUSAND TWENTY-ONE. A PROGRESS REPORT WITH RESPECT TO MEETING ANNUAL TARGET PERCENTAGES IN THE PLAN SHALL BE ISSUED ANNUALLY BY THE EXECUTIVE WITH RELEASE OF THE PROPOSED BUDGET AND, IN THE EVENT THE ACTUAL PERCENTAGES DEVIATE FROM THE TARGET PERCENTAGES SET FORTH IN THE INITIAL PLAN, SHALL INCLUDE AN EXPLANATION OF SUCH DEVIATIONS AND THE PROPOSED REMEDIAL ACTIONS DEEMED NECESSARY TO MEET SUCH TARGET PERCENTAGES BY APRIL FIRST, TWO THOUSAND TWENTY-ONE.

S 67-B-1. LIMITATIONS ON THE ISSUANCE OF STATE-SUPPORTED DEBT. 1. (A) STATE-SUPPORTED DEBT MAY NOT BE CONTRACTED FOR UNLESS, AS OF OCTOBER THIRTY-FIRST, TWO THOUSAND ONE AND AS OF EACH OCTOBER THIRTY-FIRST THEREAFTER, THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF SUCH DEBT, AS OF THE LAST DAY OF THE IMMEDIATELY PRECEDING FISCAL YEAR, IS LESS THAN THE DESIGNATED PERCENTAGE OF THE TOTAL PERSONAL INCOME OF THE STATE. NOTHING SHALL PRECLUDE THE CONTRACTING OF STATE-SUPPORTED DEBT PRIOR TO OCTOBER THIRTY-FIRST OF EACH YEAR IF, AS OF THE LAST DAY OF THE IMMEDIATELY PRECEDING FISCAL YEAR, THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF SUCH DEBT WAS LESS THAN THE DESIGNATED PERCENTAGE OF THE TOTAL PERSONAL INCOME OF THE STATE. THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF DEBT SHALL INCLUDE ALL STATE-SUPPORTED DEBT ISSUED ON AND AFTER APRIL FIRST, TWO THOUSAND. SUCH DESIGNATED PERCENTAGE SHALL BE SEVEN AND ONE-HALF-TENTHS OF ONE PERCENT FOR FISCAL YEAR TWO THOUSAND--TWO THOUSAND ONE, AND SHALL INCREASE BY FIVE-TENTHS OF ONE PERCENT IN FISCAL YEAR TWO THOUSAND ONE--TWO THOUSAND TWO, BY AN ADDITIONAL FOUR-TENTHS OF ONE PERCENT IN FISCAL YEAR TWO THOUSAND TWO--TWO THOUSAND THREE, AND BY AN ADDITIONAL ONE-THIRD OF ONE PERCENT IN EACH OF THE SEVEN SUBSEQUENT

FISCAL YEARS. THE DESIGNATED PERCENTAGE FOR FISCAL YEAR TWO THOUSAND TEN--TWO THOUSAND ELEVEN AND FOR EACH FISCAL YEAR THEREAFTER SHALL BE FOUR PERCENT.

(B) IF STATE-SUPPORTED DEBT IS ISSUED TO REFUND OR OTHERWISE AFFECT THE REFUNDING, RETIREMENT OR DEFEASANCE OF STATE-SUPPORTED DEBT ORIGINALLY ISSUED ON AND AFTER APRIL FIRST, TWO THOUSAND, PROVIDED SUCH REFUNDINGS ARE CONDUCTED IN ACCORDANCE WITH SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION, THE CALCULATION OF THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF DEBT SHALL EXCLUDE SUCH REFUNDING DEBT, AND SHALL ONLY INCLUDE THE AMOUNT OF PRIOR REFUNDED DEBT, AS IF IT WERE STILL OUTSTANDING, IN EACH YEAR UNTIL SUCH REFUNDING DEBT IS FINALLY RETIRED. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS OF SUCH SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION RELATING TO THE MAINTENANCE OR MANAGEMENT OF ESCROW FUNDS AND SINKING FUNDS SHALL ONLY BE APPLICABLE TO STATE-SUPPORTED DEBT ISSUED BY THE STATE COMPTROLLER. IF STATE-SUPPORTED DEBT IS ISSUED TO REFUND OR OTHERWISE AFFECT THE REFUNDING, RETIREMENT OR DEFEASANCE OF STATE-SUPPORTED DEBT ISSUED PRIOR TO APRIL FIRST, TWO THOUSAND, THEN THE AMOUNT OF SUCH REFUNDING DEBT SHALL BE EXCLUDED FROM THE CALCULATION OF THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF DEBT IN EACH YEAR UNTIL SUCH REFUNDING DEBT IS FINALLY RETIRED. IN ADDITION, IF STATE-SUPPORTED DEBT IS RETIRED OR DEFEASED WITH PAYMENTS IN ANY FISCAL YEAR MADE BY THE STATE THAT ARE NOT REQUIRED BY MANDATORY PAYMENTS, SUCH DEBT SHALL BE EXCLUDED FROM THE CALCULATION OF THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF DEBT, INCLUDING RETIREMENTS OR DEFEASANCES ACCOMPLISHED ON AN ECONOMIC BASIS.

2. STATE-SUPPORTED DEBT MAY NOT BE CONTRACTED FOR UNLESS, AS OF OCTOBER THIRTY-FIRST, TWO THOUSAND ONE AND AS OF EACH OCTOBER THIRTY-FIRST THEREAFTER, THE TOTAL AMOUNT OF INTEREST, INSTALLMENTS OF PRINCIPAL, CONTRIBUTIONS TO SINKING FUNDS, AND RELATED PAYMENTS ON A CASH BASIS OF ACCOUNTING FOR STATE-SUPPORTED DEBT IN THE IMMEDIATELY PRECEDING FISCAL YEAR IS LESS THAN THE DESIGNATED PERCENTAGE OF TOTAL GOVERNMENTAL FUNDS RECEIPTS FOR SUCH FISCAL YEAR. NOTHING SHALL PRECLUDE THE CONTRACTING OF STATE-SUPPORTED DEBT PRIOR TO OCTOBER THIRTY-FIRST OF EACH YEAR IF, IN THE IMMEDIATELY PRECEDING FISCAL YEAR, THE TOTAL AMOUNT OF INTEREST, INSTALLMENTS OF PRINCIPAL, CONTRIBUTIONS TO SINKING FUNDS, AND RELATED PAYMENTS WAS LESS THAN THE DESIGNATED PERCENTAGE OF TOTAL GOVERNMENTAL FUNDS RECEIPTS. THIS SHALL INCLUDE THE TOTAL AMOUNT OF PAYMENTS ON SUCH DEBT ISSUED ON AND AFTER APRIL FIRST, TWO THOUSAND, BUT SHALL NOT INCLUDE PAYMENTS IN ANY FISCAL YEAR MADE BY THE STATE TO DEFEASE OR RETIRE DEBT NOT REQUIRED BY MANDATORY PAYMENTS NOR PAYMENTS MADE BY THE STATE FOR DEBT ISSUED TO REFUND DEBT THAT WAS ISSUED PRIOR TO APRIL FIRST, TWO THOUSAND. IN ADDITION, IF STATE-SUPPORTED DEBT IS ISSUED TO REFUND OR OTHERWISE AFFECT THE REFUNDING, RETIREMENT OR DEFEASANCE OF STATE-SUPPORTED DEBT ORIGINALLY ISSUED ON AND AFTER APRIL FIRST, TWO THOUSAND, PROVIDED SUCH REFUNDINGS ARE CONDUCTED IN ACCORDANCE WITH SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION, THE CALCULATION OF THE TOTAL AMOUNT OF INTEREST, INSTALLMENTS OF PRINCIPAL, CONTRIBUTIONS TO SINKING FUNDS, AND RELATED PAYMENTS SHALL EXCLUDE PAYMENTS MADE ON SUCH REFUNDING DEBT, AND SHALL ONLY INCLUDE THE PAYMENTS ON THE PRIOR REFUNDED DEBT, AS IF IT WERE STILL OUTSTANDING, IN EACH YEAR UNTIL SUCH REFUNDING DEBT IS FINALLY RETIRED. SUCH DESIGNATED PERCENTAGE SHALL BE SEVEN AND ONE-HALF-TENTHS OF ONE PERCENT FOR FISCAL YEAR TWO THOUSAND--TWO THOUSAND ONE, AND SHALL INCREASE BY FIVE-TENTHS OF ONE PERCENT IN FISCAL YEAR TWO THOUSAND ONE--TWO THOUSAND TWO, BY AN ADDITIONAL FOUR-TENTHS OF ONE PERCENT IN FISCAL YEAR TWO THOUSAND TWO--TWO THOUSAND THREE, AND BY AN ADDITIONAL ONE-THIRD OF ONE PERCENT IN EACH OF THE TEN

SUBSEQUENT FISCAL YEARS. THE DESIGNATED PERCENTAGE FOR FISCAL YEAR TWO THOUSAND THIRTEEN--TWO THOUSAND FOURTEEN AND FOR EACH FISCAL YEAR THEREAFTER SHALL BE FIVE PERCENT.

S 67-C. LIMITATIONS ON STATE-FUNDED DEBT. 1. NO ADDITIONAL STATE-FUNDED DEBT SHALL BE INCURRED AFTER APRIL FIRST, TWO THOUSAND TWENTY-ONE IF THE TOTAL PRINCIPAL AMOUNT OF SUCH ADDITIONAL DEBT, TOGETHER WITH THE TOTAL PRINCIPAL AMOUNT OF STATE-FUNDED DEBT ALREADY OUTSTANDING IS EQUAL TO OR GREATER THAN THE TOTAL DEBT LIMIT OF THE STATE EXCLUDING SHORT TERM DEBT INCURRED IN ACCORDANCE WITH SECTION NINE OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT INCURRED IN ACCORDANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTITUTION, AND REFUNDING DEBT.

2. WITH THE EXCEPTION OF SHORT TERM DEBT INCURRED IN ACCORDANCE WITH SECTION NINE OF ARTICLE SEVEN OF THE CONSTITUTION, EMERGENCY DEBT INCURRED IN ACCORDANCE WITH SECTION TEN OF ARTICLE SEVEN OF THE CONSTITUTION, AND REFUNDING DEBT, NO STATE-FUNDED DEBT SHALL BE INCURRED EXCEPT TO FINANCE A CAPITAL PURPOSE. NO SUCH STATE-FUNDED DEBT SHALL BE INCURRED IF THE TOTAL PRINCIPAL AMOUNT OF SUCH DEBT TOGETHER WITH THE TOTAL PRINCIPAL AMOUNT OF SUCH DEBT ALREADY OUTSTANDING IS EQUAL TO OR GREATER THAN THE TOTAL DEBT LIMIT OF THE STATE.

3. ALL DEBT SUBJECT TO THE PROVISIONS OF THIS SECTION SHALL, IF INCURRED ON OR AFTER THE FIRST DAY OF THE FIRST FISCAL YEAR BEGINNING AT LEAST ONE YEAR AFTER THE EFFECTIVE DATE OF AN AMENDMENT ADDING A NEW SUBDIVISION SIX TO SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION, BE IN THE FORM OF OBLIGATIONS ISSUED BY THE COMPTROLLER.

4. NO STATE-FUNDED DEBT SHALL BE INCURRED IN THE FORM OF AN OBLIGATION WITH A FINAL MATURITY EXCEEDING THE PROBABLE LIFE OF THE CAPITAL PROJECT FINANCED BY SUCH DEBT, AS SPECIFIED IN SECTION SIXTY-ONE OF THIS CHAPTER. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, NO STATE-FUNDED DEBT SHALL BE INCURRED IN THE FORM OF AN OBLIGATION WITH A FINAL MATURITY OF MORE THAN THIRTY YEARS.

5. NO STATE-FUNDED DEBT OUTSTANDING ON THE EFFECTIVE DATE OF THIS SUBDIVISION SHALL BE REFUNDED UNLESS SUCH REFUNDING IS CONDUCTED IN ALL RESPECTS AS IF SUBJECT TO THE PROVISIONS OF SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION. SUCH OUTSTANDING DEBT OBLIGATIONS SHALL BE INCLUDED IN THE DETERMINATION OF THE DEBT LIMIT. FOR THE PURPOSES OF THIS SUBDIVISION AND SECTION SIXTY-SEVEN-D OF THIS ARTICLE, ANY REFUNDING DEBT THAT DOES NOT EXTEND BEYOND THE FINAL MATURITY OF THE DEBT BEING REFUNDED SHALL BE DEEMED TO BE IN COMPLIANCE WITH THE PROVISIONS OF SUBDIVISION SIX OF SECTION THIRTEEN OF ARTICLE SEVEN OF THE CONSTITUTION MADE APPLICABLE BY THIS SUBDIVISION IF THERE IS AN ACTUAL DEBT SERVICE SAVINGS IN EVERY YEAR TO MATURITY AS A RESULT OF THE ISSUANCE OF THE REFUNDING DEBT.

6. ANY REFUNDING OBLIGATIONS ISSUED PURSUANT TO SUBDIVISION FIVE OF THIS SECTION ON OR AFTER THE FIRST DAY OF THE FIRST FISCAL YEAR BEGINNING AT LEAST ONE YEAR AFTER THE EFFECTIVE DATE OF AN AMENDMENT TO SECTION ELEVEN OF ARTICLE SEVEN OF THE CONSTITUTION IMPOSING A LIMIT ON THE TOTAL AMOUNT OF STATE DEBT SHALL BE ISSUED BY THE COMPTROLLER.

S 67-D. PROHIBITION OF CONTINGENT OBLIGATION DEBT. AFTER THE EFFECTIVE DATE OF THIS SECTION, THE STATE SHALL NOT, EXCEPT AS SPECIFICALLY AUTHORIZED BY A PROVISION OF THE CONSTITUTION OTHER THAN SECTION ELEVEN OF ARTICLE SEVEN, AGREE TO MAKE PAYMENTS, DIRECTLY OR INDIRECTLY, WHETHER OR NOT SUBJECT TO APPROPRIATION, THAT ARE TO BE AVAILABLE TO PAY DEBT SERVICE ON ANY DEBT INCURRED BY A MUNICIPALITY, INDIVIDUAL, PUBLIC AUTHORITY OR OTHER PUBLIC OR PRIVATE CORPORATION OR ANY OTHER ENTITY, FOR ANY PURPOSE, IF SUCH PAYMENTS ARE EXPECTED TO BE USED TO PAY DEBT

SERVICE ONLY IF OTHER SOURCES AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ARE INADEQUATE. ANY PROVISION REQUIRING THE STATE TO REPLACE MONIES USED TO PAY DEBT SERVICE SHALL BE INCLUDED IN THE PROHIBITION SET FORTH IN THIS SUBDIVISION. OUTSTANDING DEBT THAT WOULD BE PROHIBITED BY THIS SECTION IF SUCH DEBT HAD BEEN INCURRED AFTER THE EFFECTIVE DATE OF THIS SECTION MAY BE REFUNDED BY THE ENTITY THAT INCURRED THE OUTSTANDING DEBT.

S 2. Paragraph i of subdivision 3 of section 22 of the state finance law, as amended by chapter 1 of the laws of 2007, is amended to read as follows:

i. A statement setting forth state involvement in the fiscal operations of those public authorities and public benefit corporations which may be part of the development of a comprehensive state budget system and provided therefor in the state financial plan. Such statement shall include those public authorities and public benefit corporations with disbursements which are not currently reflected in the state central accounting system from proceeds of any notes or bonds issued by any public authority, and which bonds or notes would be considered as [state-supported] STATE-FUNDED debt as defined in section sixty-seven-a of this chapter. Such statement shall set forth the amount of all of the bonds, notes and other obligations of each public authority, public benefit corporation and all other agencies and instrumentalities of the state for which the full faith and credit of the state has been pledged or on account of which the state has by law given its pledge or assurance for the continued operation and solvency of the authority, public corporation, or other agency or instrumentality of the state, as the case may be. Such statement shall also set forth all proposed appropriations to be made to any public authority, public benefit corporation, and any other agency or instrumentality of the state which has been created or continued by law and which is separate and distinct from the state itself.

S 3. Paragraph b of subdivision 15 of section 22 of the state finance law, as added by chapter 1 of the laws of 2007, is amended to read as follows:

b. The capital program and financing plan submitted pursuant to section twenty-two-c of this article, and the update thereto required pursuant to section twenty-three of this article, shall include a report on the management of [state-supported] STATE-FUNDED debt. Such report may include, but is not limited to: (1) an assessment of the affordability of state debt, including debt as a percent of personal income, debt per capita, and debt service costs as a percent of the budget; (2) a summary and analysis of the interest rate exchange agreements and variable rate exposure; and (3) an assessment of financing opportunities related to the state's debt portfolio.

S 4. The opening paragraph and paragraph (f) of subdivision 1, and subparagraphs (iv), (v), (vi), (vii) and (viii) of paragraph c of subdivision 3 of section 22-c of the state finance law, as amended by section 3 of part F of chapter 389 of the laws of 1997, are amended to read as follows:

The governor shall annually submit to the legislature a capital program and financing plan concurrent with the executive budget, in addition to the information required by section twenty-two of this article. The plan shall contain a comprehensive assessment of the capital assets and program needs of all state agencies, a review and analysis of how such requirements would be financed, an analysis of the affordabili-

ty of [state-supported] STATE-FUNDED debt, and an analysis of all costs related to the financing of such plan.

(f) "[State-supported] STATE-FUNDED debt" shall [mean any bonds or notes issued by the state or a state public corporation for which the state is constitutionally obligated to pay debt service or is contractually obligated to pay debt service subject to an appropriation, except where the state has a contingent contractual obligation] HAVE THE SAME MEANING AS SET FORTH IN SECTION SIXTY-SEVEN-A OF THIS CHAPTER.

(iv) schedules of the projected annual [state-supported] STATE-FUNDED bond issuances, proposed for each capital program, by agency, by issuer, and an analysis of existing debt authorizations and the need for any additional authorizations;

(v) schedules of projected outstanding bonds, including retirements by year identified separately for [state-supported] STATE-FUNDED bond issuances by issuer, and by capital program by agency, where practicable;

(vi) schedules of the projected personal income of the state and the projected ratio of outstanding [state-supported] STATE-FUNDED bonds to personal income;

(vii) schedules of projected [state-supported] STATE-FUNDED debt service costs by issuer, and by capital program by agency, where practicable; and

(viii) an analysis of trends in municipal bond interest rates and an explanation of the interest rate assumptions, timing of principal and interest payments, and the timing and size of projected [state-supported] STATE-FUNDED bond sales used in the debt service projections.

S 5. Subdivision 4 of section 23 of the state finance law, as amended by chapter 1 of the laws of 2007, is amended to read as follows:

4. Financial plan updates. Quarterly, throughout the fiscal year, the governor shall submit to the comptroller, the chairs of the senate finance and the assembly ways and means committees, within thirty days of the close of the quarter to which it shall pertain, a report which summarizes the actual experience to date and projections for the remaining quarters of the current fiscal year and for each of the next two fiscal years of receipts, disbursements, tax refunds, and repayments of advances presented in forms suitable for comparison with the financial plan submitted pursuant to subdivisions one, THREE, four, [and] five, FIVE-A AND FIVE-B of section twenty-two of this article and revised in accordance with the provisions of subdivision three of this section. The governor shall submit with the budget a similar report that summarizes revenue and expenditure experience to date in a form suitable for comparison with the financial plan submitted pursuant to subdivision two of section twenty-two of this article and revised in accordance with the provisions of subdivision three of this section. Such reports shall provide an explanation of the causes of any major deviations from the revised financial plans and, shall provide for the amendment of the plan or plans to reflect those deviations. WHENEVER A DEFICIT IS PROJECTED IN THE GENERAL FUND OR OTHER STATE FUNDS FOR THE CURRENT FISCAL YEAR END, THE GOVERNOR SHALL SUBMIT A FINANCIAL PLAN MODIFICATION TO THE LEGISLATURE WITH LEGISLATION TO EFFECTUATE SUCH MODIFICATIONS AS MAY BE NECESSARY TO ELIMINATE SUCH DEFICIT. The governor may, if he determines it advisable, provide more frequent reports to the legislature regarding actual experience as compared to the financial plans. The quarterly financial plan update most proximate to October thirty-first of each year shall include the calculation of the limitations on the issuance of [state-supported] STATE-FUNDED debt computed pursuant to the provisions

of [subdivisions one and two] SUBDIVISION THREE of section sixty-seven-b of this chapter.

S 6. Subdivision 2 of section 68-a of the state finance law, as amended by chapter 79 of the laws of 2010, is amended to read as follows:

2. "Authorized purpose" for purposes of this article and section ninety-two-z of this chapter shall mean any [purposes] PURPOSE for which [state-supported] STATE-FUNDED debt, as defined by section sixty-seven-a of this chapter, may BE or has been issued except debt for which the state is constitutionally obligated thereunder to pay debt service and related expenses, and except (a) as authorized in paragraph (b) of subdivision one of section three hundred eighty-five of the public authorities law, (b) as authorized for the department of health of the state of New York facilities as specified in paragraph a of subdivision two of section sixteen hundred eighty of the public authorities law, (c) state university of New York dormitory facilities as specified in subdivision eight of section sixteen hundred seventy-eight of the public authorities law, and (d) as authorized for mental health services facilities by section nine-a of section one of chapter three hundred ninety-two of the laws of nineteen hundred seventy-three constituting the New York state medical care facilities financing act. Notwithstanding the provisions of clause (d) of this subdivision, for the period April first, two thousand nine through March thirty-first, two thousand eleven, mental health services facilities, as authorized by section nine-a of section one of chapter three hundred ninety-two of the laws of nineteen hundred seventy-three constituting the New York state medical care facilities financing act, shall constitute an authorized purpose.

S 7. Section 69-a of the state finance law, as added by section 38 of part K of chapter 81 of the laws of 2002, subdivision 6 as amended by section 9 of part A of chapter 63 of the laws of 2005 and subdivision 7 as amended by section 35 of part T of chapter 57 of the laws of 2007, is amended to read as follows:

S 69-a. Definitions. As used throughout this article, the following terms shall have the following meanings:

1. "Variable rate bonds" shall mean any [State-supported] STATE-FUNDED debt which bears interest at a rate or rates which varies from time to time.

2. "Interest rate exchange or similar agreement" shall mean a written contract entered into in connection with the issuance of [State-supported] STATE-FUNDED debt, or in connection with such [State-supported] STATE-FUNDED debt already outstanding, with a counterparty to provide for an exchange of payments based upon fixed and/or variable interest rates, and shall be for exchanges in currency of the United States of America only.

3. "[State-supported] STATE-FUNDED debt" shall mean all debt included in subdivision [one] THREE of section sixty-seven-a of this chapter.

4. "Authorized issuer" shall mean the state or any state public corporation which is authorized to issue [State-supported] STATE-FUNDED debt.

5. "Governing board" shall mean, for each state public corporation which is authorized to issue [State-supported] STATE-FUNDED debt, its board of directors or, in the absence of a board of directors, its other appropriate supervising body and, in relation to state general obligation debt, the state comptroller.

6. "Variable rate debt instruments" shall mean, for any calculation purpose, (i) variable rate bonds or (ii) any [state-supported] STATE-FUNDED debt and related interest rate exchange or similar agree-

ments which, when considered together, result in an authorized issuer effectively paying interest at a rate or rates which varies from time to time, but shall not include any variable rate bonds, or any [state-supported] STATE-FUNDED debt considered together with related interest rate exchange or similar agreements issued on or before July first, two thousand five, during any period that such instrument or instruments provide for payment by the authorized issuer of a fixed rate throughout the then current fiscal year of the state.

7. "Excluded agreements" shall mean the total notional amount of interest rate exchange or similar agreements entered into for the purpose of reducing or eliminating a situation of risk or exposure under an existing interest rate exchange or similar agreement, including, but not limited to a counterparty downgrade, default, or other actual or potential economic loss; provided, however, that for agreements entered into on and after April first, two thousand seven "excluded agreements" shall mean the total notional amount of interest rate exchange or similar agreements entered into for the purpose of reducing or eliminating a situation of imminent risk under an existing interest rate exchange or similar agreement, including, but not limited to a counterparty downgrade, default, or other actual or imminent economic loss.

S 8. Section 69-b of the state finance law, as amended by section 32-a of part T of chapter 57 of the laws of 2007, is amended to read as follows:

S 69-b. Limitation on amount of variable rate debt instruments. As of the initial date of each issuance of variable rate bonds or the date of entering into any other variable rate debt instruments, or for debt issued on or before July first, two thousand five upon conversion of any [state-supported] STATE-FUNDED debt to variable rate debt instruments, the total of the principal and notional amounts of such variable rate debt instruments outstanding and in effect shall not exceed an amount equal to twenty percent of the total principal amount of [state-supported] STATE-FUNDED debt outstanding.

S 9. The opening paragraph of section 69-c of the state finance law, as amended by section 35 of part PP of chapter 56 of the laws of 2009, is amended to read as follows:

Notwithstanding any other provision of law to the contrary, any [State-supported] STATE-FUNDED debt may be issued as variable rate bonds.

S 9-a. Section 69-c of the state finance law, as added by section 38 of part K of chapter 81 of the laws of 2002, is amended to read as follows:

S 69-c. Variable rate bonds. Notwithstanding any other provision of law to the contrary, any [State-supported] STATE-FUNDED debt may be issued as variable rate bonds.

S 10. The opening paragraph and paragraph (d) of subdivision 1 of section 69-d of the state finance law, as amended by section 33 of part P2 of chapter 62 of the laws of 2003, are amended to read as follows:

In connection with the issuance of [State-supported] STATE-FUNDED debt, or in connection with such [State-supported] STATE-FUNDED debt already outstanding, an authorized issuer shall have the power to:

(d) the state, acting through the director of the budget or other state officials who are so authorized by applicable law with respect to such bonds, notes or other obligations, shall also be authorized to enter into or amend agreements related to such [State-supported] STATE-FUNDED debt to provide for payment, subject to appropriation, to such

authorized issuer of any amounts required to be paid by such authorized issuer under any such interest rate exchange or similar agreement;

S 11. Paragraphs (c) and (d) of subdivision 2 of section 69-d of the state finance law, paragraph (c) as amended by section 32 of part T of chapter 57 of the laws of 2007, paragraph (d) as added by section 38 of part K of chapter 81 of the laws of 2002, are amended to read as follows:

(c) the total notional amount of all interest rate exchange or similar agreements for all authorized issuers to be in effect shall not exceed an amount equal to twenty percent of the total amount of [state-supported] STATE-FUNDED debt outstanding as of the initial date of entering into each new agreement; provided, however, that such total notional amount shall not include any excluded agreements.

(d) no interest rate exchange or similar agreement shall have a maturity exceeding the maturity of the related [State-supported] STATE-FUNDED debt;

S 12. Section 69-e of the state finance law, as added by section 38 of part K of chapter 81 of the laws of 2002, is amended to read as follows:

S 69-e. Applicability. Nothing in this article shall be construed as to apply to or limit any debt obligation or related instrument of the state, state public corporations, or any other issuers except those obligations or instruments which are or relate to [State-supported] STATE-FUNDED debt.

S 13. Paragraph (a) of subdivision 3 of section 97-rrr of the state finance law, as amended by section 45 of part H of chapter 56 of the laws of 2000, is amended to read as follows:

(a) for the payment of principal, interest, and related expenses on general obligation bonds, lease purchase payments, or special contractual obligation payments, or for the purposes of retiring or defeasing bonds previously issued, including any accrued interest thereon, for any [state-supported] STATE-FUNDED bonding program or programs, and;

S 14. This act shall take effect immediately, provided, however, that section 67-b-1 of the state finance law, as added by section one of this act, shall expire and be deemed repealed March 31, 2021; provided, further, however, that subdivisions 3 and 6 of section 67-c of the state finance law, as added by section one of this act, shall take effect on the same date as the amendments to article 7 of the state constitution relating to the authorization of multiple general obligation issuances and revenue backed bonds on the ballot and restricting the use of debt to capital purposes with strict limitations on exceptions for specific purposes, as proposed in a concurrent resolution of the Senate and Assembly entitled "CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY proposing amendments to article 7 of the constitution, in relation to authorization of debt in times of public emergency, a limit on the total amount of state-funded debt, and the refunding of state debts", takes effect; provided, further, however that the amendments to section 69-c of the state finance law made by section nine of this act shall be subject to the expiration and reversion of such section pursuant to section 51 of part RR of chapter 57 of the laws of 2008, as amended, when upon such date the provisions of section nine-a of this act shall take effect.

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 C of this act shall be as specifically set forth in the last section of such Parts.