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

7352

I N S E N A T E

May 13, 2014

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

AN ACT to amend the local finance law, in relation to encouraging certain municipalities to adopt multi-year financial planning and providing for the payment of such planning from monies appropriated to the financial restructuring board for local governments

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

Section 1. Paragraph 3 of section 160.05 of the local finance law, as added by chapter 67 of the laws of 2013, is amended to read as follows:

3. (A) Upon the request of a fiscally eligible municipality, by resolution of the governing body of such municipality with the concurrence of the chief executive of such municipality, the financial restructuring board for local governments may undertake a comprehensive review of the operations, finances, management practices, economic base and any other factors that in its sole discretion it deems relevant to be able to make findings and recommendations on reforming and restructuring the operations of the fiscally eligible municipality. As part of such recommendations, the board may propose that such municipality agree to fiscal accountability measures, as determined by the board, including, but not limited to, multi-year financial planning. It may also identify cost-saving measures, recommend consolidation of functions or agencies within such municipality or between such municipality and other municipalities, consistent with existing law, identify and make available, to the extent otherwise permitted by law, grants and loans on such terms and conditions as it deems appropriate, and make such other recommendations as the board may deem just and proper but in no event shall the sum of all awards made by the board to a single fiscally eligible municipality be greater than five million dollars. If such award is a loan, it may not be for a term longer than ten years. In the event a grant or loan is made, the board may condition such award on the fiscally eligible municipality submitting a report or reports on such actions taken by the fiscally eligible municipality pursuant to the board's recommendations,

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

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and the board shall require that the eligible municipality must adopt and implement all the board's recommendations as a condition to receiving an award or awards. Before making final recommendations, the board shall consult with the fiscally eligible municipality. Such recommendations shall not be final and binding on a fiscally eligible municipality unless it formally agrees to abide by and implement such recommendations in which event such recommendations and the terms provided thereunder shall be final and binding on such municipality.

(B) NOTWITHSTANDING PARAGRAPH T OF SUBDIVISION TEN OF SECTION FIFTY-FOUR OF THE STATE FINANCE LAW AND IRRESPECTIVE OF WHETHER THERE HAS BEEN A DETERMINATION OR FINDING OF FISCAL ELIGIBILITY UNDER THIS SECTION, UPON THE REQUEST OF ANY COUNTY, CITY, EXCLUDING A CITY WITH A POPULATION OF GREATER THAN ONE MILLION, TOWN, OR VILLAGE WHICH (1) HAS ELECTED TO ENGAGE IN MULTI-YEAR PLANNING WITH THE ASSISTANCE OF AN EXTERNAL FINANCIAL ADVISOR, AND (2) HAS BEEN IDENTIFIED AS EXPERIENCING FISCAL STRESS, THE FINANCIAL RESTRUCTURING BOARD FOR LOCAL GOVERNMENTS MAY DETERMINE THAT ALL OR PART OF THE COST TO THE COUNTY, CITY, TOWN, OR VILLAGE FOR SUCH EXTERNAL ADVISOR SHALL BE SUBJECT TO REIMBURSEMENT FROM MONIES APPROPRIATED TO SUCH BOARD FOR THE MAKING OF GRANTS AND LOANS.

S 2. This act shall take effect immediately.