

5501--B

2013-2014 Regular Sessions

I N S E N A T E

May 16, 2013

Introduced by Sens. BALL, SAMPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Finance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the executive law, in relation to authorizing the establishment and operation of public-private partnerships for the construction and operation of public infrastructure; to amend the public authorities law, in relation to authorizing the dormitory authority to provide financing for public infrastructure; and to amend the local finance law, in relation to authorizing municipalities and school districts to contract indebtedness for purposes of financing public-private partnerships

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

1 Section 1. Legislative intent. The legislature hereby finds that there
2 is a public need for timely development and/or operation of public
3 infrastructure within the state that address the needs identified by the
4 state and its political subdivisions by relieving the burden of real
5 property taxation, creating private sector jobs, attracting global
6 economic development, creating opportunities for small, minority-owned
7 and women-owned businesses, enhancing economic efficiency and that such
8 public need may not be wholly satisfied by existing methods of procure-
9 ment and operation in which qualifying public infrastructure is devel-
10 oped and/or operated. Authorizing private entities to develop and/or
11 operate one or more public infrastructure may result in the development
12 and/or operation of such infrastructure to the public in a more timely,
13 more efficient, or less costly fashion, thereby serving the public safe-
14 ty and welfare.

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

LBD08875-07-4

1 It is the intent of this act, among other things, to encourage invest-
 2 ment in the state by private entities that facilitates the development
 3 and operation of public infrastructure. Accordingly, public and private
 4 entities may have the greatest possible flexibility in contracting with
 5 each other for the provision of the governmental services which are the
 6 subject of this act.

7 S 2. The executive law is amended by adding a new article 14-A to read
 8 as follows:

9 ARTICLE 14-A
 10 PUBLIC-PRIVATE PARTNERSHIP IN
 11 PUBLIC INFRASTRUCTURE

- 12 SECTION 275. DEFINITIONS.
 13 275-A. PUBLIC-PRIVATE PARTNERSHIP BOARD.
 14 276. POWERS, RIGHTS, DUTIES AND LIMITATIONS OF PARTIES.
 15 277. PROCUREMENT.
 16 278. MULTIPLE PUBLIC ENTITIES AND SPECIAL PURPOSE VEHICLES.
 17 278-A. COMPREHENSIVE AGREEMENTS.
 18 279. MATERIAL DEFAULT; REMEDIES.
 19 280. CONSTRUCTION.
 20 281. SEVERABILITY.

21 S 275. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS
 22 SHALL HAVE THE FOLLOWING MEANINGS:

23 1. "AFFECTED JURISDICTION" MEANS ANY COUNTY, CITY, TOWN, SCHOOL
 24 DISTRICT OR VILLAGE IN WHICH ALL OR A PORTION OF QUALIFYING PUBLIC
 25 INFRASTRUCTURE IS LOCATED AND ANY OTHER RESPONSIBLE PUBLIC ENTITY
 26 DIRECTLY AFFECTED BY THE QUALIFYING PUBLIC INFRASTRUCTURE.

27 2. "BOARD" MEANS THE PUBLIC-PRIVATE PARTNERSHIP BOARD.

28 3. "COMPREHENSIVE AGREEMENT" MEANS THE COMPREHENSIVE AGREEMENT BETWEEN
 29 THE PRIVATE ENTITY AND THE LEAD PUBLIC ENTITY.

30 4. "INFRASTRUCTURE" MEANS PHYSICAL STRUCTURES AND/OR FACILITIES NECES-
 31 SARY FOR THE OPERATION OF A PUBLIC ENTITY.

32 5. "INTERIM AGREEMENT" MEANS THE INTERIM AGREEMENT, INCLUDING A MEMO-
 33 RANDUM OF UNDERSTANDING OR BINDING PRELIMINARY AGREEMENT, THAT MAY BE
 34 ENTERED INTO BETWEEN THE PRIVATE ENTITY AND THE LEAD PUBLIC ENTITY
 35 PURSUANT TO SECTION TWO HUNDRED SEVENTY-SEVEN OF THIS ARTICLE.

36 6. "LEAD PUBLIC ENTITY" MEANS A PUBLIC ENTITY, INCLUDING LOCAL GOVERN-
 37 MENTS AND REGIONAL AUTHORITIES, THAT HAS THE POWER TO DEVELOP AND/OR
 38 OPERATE THE QUALIFYING PUBLIC INFRASTRUCTURE.

39 7. "MATERIAL DEFAULT" MEANS ANY DEFAULT BY THE PRIVATE ENTITY IN THE
 40 PERFORMANCE OF ITS DUTIES UNDER THE COMPREHENSIVE OR INTERIM AGREEMENT
 41 THAT JEOPARDIZES ADEQUATE SERVICE TO THE PUBLIC FROM QUALIFYING PUBLIC
 42 INFRASTRUCTURE AND REMAINS UNREMEDIED AFTER THE LEAD PUBLIC ENTITY HAS
 43 PROVIDED NOTICE TO THE PRIVATE ENTITY AND A REASONABLE CURE PERIOD HAS
 44 ELAPSED.

45 8. "PRIVATE ENTITY" MEANS ANY NATURAL PERSON, CORPORATION, PARTNER-
 46 SHIP, LIMITED LIABILITY COMPANY INCLUDING A SPECIAL PURPOSE VEHICLE,
 47 NOT-FOR-PROFIT CORPORATION OR OTHER BUSINESS ENTITY.

48 9. "PUBLIC ENTITY" MEANS THE STATE AND ANY AGENCY OR AUTHORITY THERE-
 49 OF, ANY COUNTY, CITY, TOWN, VILLAGE OR SCHOOL DISTRICT AND ANY OTHER
 50 POLITICAL SUBDIVISION, AGENCY OR AUTHORITY OF ANY OF THE FOREGOING, BUT
 51 SHALL NOT INCLUDE ANY MUNICIPAL PUBLIC UTILITY.

52 10. "PUBLIC-PRIVATE PARTNERSHIP" MEANS A PARTNERSHIP BETWEEN A PUBLIC
 53 ENTITY AND A PRIVATE ENTITY OR PRIVATE ENTITIES, WHICH IS FORMED FOR THE
 54 PURPOSE OF FUNDING THE DESIGN AND/OR CONSTRUCTION OF PUBLIC INFRASTRUC-
 55 TURE, AND/OR OPERATING AND/OR MAINTAINING PUBLIC INFRASTRUCTURE FOLLOW-
 56 ING COMPLETION OF CONSTRUCTION.

1 11. "QUALIFYING PUBLIC INFRASTRUCTURE" MEANS INFRASTRUCTURE DEVELOPED
2 AND/OR OPERATED BY A PRIVATE ENTITY PURSUANT TO THIS ARTICLE.

3 12. "REVENUES" MEANS ALL REVENUES, INCLUDING, BUT NOT LIMITED TO,
4 INCOME, EARNINGS, USER FEES, LEASE PAYMENTS, ALLOCATIONS, FEDERAL,
5 STATE, REGIONAL AND LOCAL APPROPRIATIONS OR THE APPROPRIATIONS OR OTHER
6 FUNDS AVAILABLE TO ANY POLITICAL SUBDIVISION, AUTHORITY OR INSTRUMENTAL-
7 ITY THEREOF, BOND PROCEEDS, EQUITY INVESTMENTS AND/OR SERVICE PAYMENTS
8 ARISING OUT OF OR IN CONNECTION WITH SUPPORTING THE DEVELOPMENT AND/OR
9 OPERATION OF A QUALIFYING PUBLIC CAPITAL FACILITY, INCLUDING WITHOUT
10 LIMITATION, MONEY RECEIVED AS GRANTS OR OTHERWISE FROM THE UNITED STATES
11 OF AMERICA, FROM ANY PUBLIC ENTITY, OR FROM ANY AGENCY OR INSTRUMENTALI-
12 TY OF THE FOREGOING IN AID OF SUCH FACILITY.

13 13. "SPECIAL PURPOSE VEHICLE" MEANS A LIMITED LIABILITY COMPANY FORMED
14 FOR THE PURPOSE SPECIFIED IN SUBDIVISION (M) OF SECTION TWO HUNDRED TWO
15 OF THE LIMITED LIABILITY COMPANY LAW.

16 S 275-A. PUBLIC-PRIVATE PARTNERSHIP BOARD. 1. THERE SHALL BE ESTAB-
17 LISHED A PUBLIC-PRIVATE PARTNERSHIP BOARD TO BE COMPOSED OF THE FOLLOW-
18 ING EIGHT MEMBERS:

19 (A) AN INDEPENDENT INDUSTRY MEMBER APPOINTED BY THE GOVERNOR, WHO
20 SHALL BE THE CHAIR OF THE BOARD;

21 (B) THE STATE COMPTROLLER;

22 (C) TWO MEMBERS APPOINTED BY THE GOVERNOR;

23 (D) TWO MEMBERS APPOINTED BY MAJORITY VOTE OF THE SENATE; AND

24 (E) TWO MEMBERS APPOINTED BY MAJORITY VOTE OF THE ASSEMBLY.

25 2. THE MEMBERS OF THE BOARD APPOINTED BY THE GOVERNOR, THE SENATE AND
26 THE ASSEMBLY SHALL SERVE AT THE PLEASURE OF THEIR APPOINTING AUTHORITY.
27 SUCH APPOINTED MEMBERS SHALL HOLD NO OTHER PUBLIC OFFICE OR POSITION,
28 AND SHALL HAVE EXPERTISE IN PUBLIC FINANCE, LAW, LAND USE AND PUBLIC
29 PLANNING, CAPITAL CONSTRUCTION, OR PUBLIC ADMINISTRATION. ALL MEMBERS OF
30 THE BOARD SHALL BE RESIDENTS OF THE STATE.

31 3. FOUR MEMBERS OF THE BOARD SHALL CONSTITUTE A QUORUM, AND ANY ACTION
32 BY THE BOARD SHALL REQUIRE A MAJORITY OF THE WHOLE NUMBER OF THE MEMBERS
33 OF THE BOARD. THE MEMBERS OF THE BOARD SHALL RECEIVE NO COMPENSATION FOR
34 THE PERFORMANCE OF THEIR DUTIES PURSUANT TO THIS SECTION, BUT SHALL BE
35 ENTITLED TO THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN PERFORMING
36 THEIR DUTIES PURSUANT TO THIS ARTICLE.

37 4. ALL VACANCIES IN THE MEMBERSHIP OF THE BOARD SHALL BE FILLED WITHIN
38 THIRTY DAYS OF THE VACANCY.

39 5. NO MEMBER OF THE BOARD SHALL, DIRECTLY OR INDIRECTLY, OWN, HAVE ANY
40 FINANCIAL INTEREST IN, BE ASSOCIATED WITH OR RECEIVE ANY FEE, COMMIS-
41 SION, COMPENSATION OR ANY FORM OF CONSIDERATION FROM ANY PRIVATE ENTITY
42 OR SPECIAL PURPOSE VEHICLE WHICH IS SUBJECT TO THE PROVISIONS OF THIS
43 ARTICLE.

44 6. THE BOARD SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

45 (A) MEET AS OFTEN AS NECESSARY BUT AT LEAST ANNUALLY;

46 (B) ADOPT GUIDELINES ESTABLISHING THE PROCEDURE BY WHICH A PUBLIC
47 ENTITY MAY SUBMIT A REQUEST FOR A PUBLIC INFRASTRUCTURE PROJECT OR A
48 PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE MAY SUBMIT AN UNSOLICITED PLAN
49 FOR A PUBLIC INFRASTRUCTURE PROJECT TO THE BOARD;

50 (C) CONSULT WITH PERSONS AFFECTED BY PROPOSED PUBLIC INFRASTRUCTURE
51 PROJECTS;

52 (D) EVALUATE AND, WHERE THE BOARD FINDS THAT THE REQUESTS OR PLANS FOR
53 PUBLIC INFRASTRUCTURE PROJECTS, HAVING AN ESTIMATED COST OF ONE HUNDRED
54 MILLION DOLLARS OR MORE, ARE IN THE BEST INTERESTS OF THE STATE AND A
55 PUBLIC ENTITY, APPROVE THE REQUEST OR PLANS FOR PUBLIC INFRASTRUCTURE

1 PROJECTS. THE BOARD SHALL APPROVE A PROPOSED PUBLIC INFRASTRUCTURE
2 PROJECT BY ADOPTING A RESOLUTION; AND

3 (E) SUBMIT AN ANNUAL REPORT TO THE GOVERNOR, THE SENATE AND THE ASSEM-
4 BLY DETAILING ALL PUBLIC INFRASTRUCTURE PROJECTS EVALUATED AND RESOL-
5 UTIONS ADOPTED.

6 S 276. POWERS, RIGHTS, DUTIES AND LIMITATIONS OF PARTIES. 1. REAL
7 PROPERTY DEVELOPED, OPERATED OR HELD BY A PRIVATE PARTNER UNDER A
8 COMPREHENSIVE OR INTERIM AGREEMENT SHALL BE EXEMPT FROM ANY AND ALL
9 MUNICIPAL AND SCHOOL DISTRICT AD VALOREM AND REAL PROPERTY TAXES THAT
10 OTHERWISE MIGHT BE APPLICABLE.

11 2. THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE SHALL HAVE ALL POWERS
12 GRANTED BY LAW TO A PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE HAVING THE
13 SAME FORM OF ORGANIZATION AS THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHI-
14 CLE AND SHALL HAVE THE POWER TO DEVELOP AND/OR OPERATE THE QUALIFYING
15 PUBLIC INFRASTRUCTURE.

16 3. THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE MAY OWN, LEASE OR
17 ACQUIRE ANY OTHER RIGHT TO USE OR DEVELOP AND OPERATE THE QUALIFYING
18 PUBLIC INFRASTRUCTURE.

19 4. SUBJECT TO APPLICABLE PERMIT REQUIREMENTS, THE PRIVATE ENTITY OR
20 SPECIAL PURPOSE VEHICLE SHALL HAVE THE AUTHORITY TO CROSS ANY CANAL OR
21 NAVIGABLE WATERS SO LONG AS THE CROSSING DOES NOT UNREASONABLY INTERFERE
22 WITH THEN CURRENT NAVIGATION AND USE OF SUCH WATERWAY. THE PUBLIC ENTI-
23 TY MAY ESTABLISH A LOCAL BENEFIT CORPORATION, IN ACCORDANCE WITH SECTION
24 FOURTEEN HUNDRED ELEVEN OF THE NOT-FOR-PROFIT CORPORATION LAW, TO ACT ON
25 BEHALF OF SUCH ENTITY IN CONNECTION WITH AN INFRASTRUCTURE PROJECT.
26 EVERY SUCH LOCAL BENEFIT CORPORATION SHALL HAVE ALL POWERS PROVIDED IN
27 SUCH SECTION OF THE NOT-FOR-PROFIT CORPORATION LAW INCLUDING, BUT NOT
28 LIMITED TO, THE ISSUANCE OF BONDS TO FINANCE AN INFRASTRUCTURE PROJECT.
29 A PRIVATE ENTITY MAY BORROW MONEYS FROM ITS LOCAL BENEFIT CORPORATION
30 AND TO LEASE, GIFT, BEQUEST OR DEVISE THE REAL OR PERSONAL PROPERTY OR
31 INTERESTS THEREOF.

32 5. EVERY PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE SHALL:

33 (A) DEVELOP, BUILD, OPERATE, FINANCE AND/OR MAINTAIN THE QUALIFYING
34 PUBLIC INFRASTRUCTURE IN A MANNER THAT MEETS THE STANDARDS OF THE LEAD
35 PUBLIC ENTITY FOR PUBLIC INFRASTRUCTURE OPERATED AND MAINTAINED BY SUCH
36 LEAD PUBLIC ENTITY, ALL IN ACCORDANCE WITH THE PROVISIONS OF THE COMPRE-
37 HENSIVE AGREEMENT OR THE INTERIM AGREEMENT;

38 (B) KEEP THE QUALIFYING PUBLIC INFRASTRUCTURE OPEN FOR USE BY THE
39 MEMBERS OF THE PUBLIC IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE
40 COMPREHENSIVE OR INTERIM AGREEMENT AFTER ITS INITIAL OPENING UPON
41 PAYMENT OF THE APPLICABLE USER FEES OR RENTS, PROVIDED THAT THE QUALIFY-
42 ING PUBLIC INFRASTRUCTURE MAY BE TEMPORARILY CLOSED BECAUSE OF EMERGEN-
43 CIES OR, WITH THE CONSENT OF THE LEAD PUBLIC ENTITY, TO PROTECT THE
44 SAFETY OF THE PUBLIC OR FOR REASONABLE CONSTRUCTION OR MAINTENANCE
45 PROCEDURES;

46 (C) MAINTAIN, OPERATE AND/OR PROVIDE BY CONTRACT FOR THE MAINTENANCE
47 OF THE QUALIFYING PUBLIC INFRASTRUCTURE. ANY SUCH CONTRACT MAY HAVE A
48 TERM OF UP TO NINETY-NINE YEARS; AND

49 (D) COMPLY WITH THE PROVISIONS OF THE COMPREHENSIVE OR INTERIM AGREE-
50 MENT AND ANY SERVICE CONTRACT.

51 6. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR EVERY
52 INTERIM AND COMPREHENSIVE AGREEMENT BOTH THE BOARD AND THE LEAD PUBLIC
53 ENTITY SHALL ENFORCE THE TECHNICAL AND PROFESSIONAL STANDARDS AND SPEC-
54 IFICATIONS, INCLUDING STANDARDS AND SPECIFICATIONS FOR PERFORMANCE OR
55 OUTCOMES RELATED TO SUCH AGREEMENT.

1 7. THE LEAD PUBLIC ENTITY MAY EXERCISE THE POWER OF EMINENT DOMAIN TO
2 ACQUIRE REAL PROPERTY RIGHTS OF WAY AND OTHER RIGHTS IN REAL PROPERTY
3 FOR PUBLIC INFRASTRUCTURE THAT ARE NECESSARY TO DEVELOP, OPERATE OR HOLD
4 QUALIFYING PUBLIC INFRASTRUCTURE UNDER THIS ARTICLE, REGARDLESS OF
5 WHETHER THE REAL PROPERTY WILL BE OWNED IN FEE SIMPLE BY THE LEAD PUBLIC
6 ENTITY OR ANOTHER PUBLIC ENTITY, OR WHETHER SUCH PROPERTY WILL BE LEASED
7 TO THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE TO USE, LEASE OR OPER-
8 ATE FOR ITS BUSINESS PURPOSES IN CONNECTION WITH THE COMPREHENSIVE OR
9 INTERIM AGREEMENT.

10 8. ANY PUBLIC ENTITY MAY DEDICATE ANY PROPERTY INTEREST THAT IT HAS
11 FOR PUBLIC USE AS QUALIFIED PUBLIC INFRASTRUCTURE IF IT FINDS THAT SO
12 DOING WILL SERVE THE PUBLIC PURPOSE OF THIS ARTICLE. IN CONNECTION WITH
13 SUCH DEDICATION, AND NOTWITHSTANDING THE PUBLIC NOTICE AND BIDDING
14 REQUIREMENTS OF THE COUNTY LAW, THE GENERAL CITY LAW, THE TOWN LAW, THE
15 VILLAGE LAW AND THE GENERAL MUNICIPAL LAW, A PUBLIC ENTITY MAY CONVEY
16 ANY PROPERTY INTEREST THAT IT HAS TO THE PRIVATE ENTITY OR SPECIAL
17 PURPOSE VEHICLE, SUBJECT TO THE PROVISIONS OF THIS ARTICLE, FOR SUCH
18 CONSIDERATION AS SUCH PUBLIC ENTITY MAY DETERMINE. THE AFOREMENTIONED
19 CONSIDERATION MAY INCLUDE, WITHOUT LIMITATION, THE AGREEMENT OF THE
20 PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE TO DEVELOP AND/OR OPERATE THE
21 QUALIFYING PUBLIC INFRASTRUCTURE. THE PROPERTY INTERESTS THAT THE PUBLIC
22 ENTITY MAY CONVEY TO THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE IN
23 CONNECTION WITH A DEDICATION UNDER THIS SECTION MAY INCLUDE LICENSES,
24 FRANCHISES, EASEMENTS, CONCESSIONS, OR ANY OTHER RIGHT OR INTEREST THE
25 PUBLIC ENTITY DEEMS APPROPRIATE. SUCH PROPERTY INTEREST INCLUDING, BUT
26 NOT LIMITED TO, A LEASEHOLD INTEREST IN AND/OR RIGHTS TO USE REAL PROP-
27 erty COMPOSING PART OF QUALIFYING PUBLIC INFRASTRUCTURE, SHALL BE
28 CONSIDERED PROPERTY INDIRECTLY OWNED BY A PUBLIC ENTITY.

29 9. NO PUBLIC ENTITY SHALL ENTER INTO AN INTERIM OR COMPREHENSIVE
30 AGREEMENT WITH ANY PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE WHICH IS
31 CONTROLLED BY A FOREIGN GOVERNMENT OR BY A POLITICAL SUBDIVISION THERE-
32 OF, OR WHICH IS AN AGENCY OF ANY SUCH GOVERNMENT OR SUBDIVISION, UNLESS
33 SUCH PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE AGREES TO A WAIVER OF ANY
34 RIGHT OF SOVEREIGN IMMUNITY TO WHICH SUCH PRIVATE ENTITY OR SPECIAL
35 PURPOSE VEHICLE WOULD OTHERWISE BE ENTITLED.

36 S 277. PROCUREMENT. 1. THE LEAD PUBLIC ENTITY IS AUTHORIZED TO ENTER
37 INTO INTERIM AND COMPREHENSIVE AGREEMENTS FOR QUALIFYING PUBLIC INFRA-
38 STRUCTURE PURSUANT TO THIS ARTICLE.

39 2. EVERY INTERIM AND COMPREHENSIVE AGREEMENT AUTHORIZED PURSUANT TO
40 THIS ARTICLE SHALL BE IN SUCH FORM AND INCLUDE SUCH CONTENT AS SHALL BE
41 PROVIDED IN RULES AND REGULATIONS RELATING THERETO, AS PROMULGATED BY
42 THE BOARD, AND EACH SUCH AGREEMENT SHALL BE SUBJECT TO REVIEW AND
43 APPROVAL OR REJECTION BY THE BOARD. FURTHERMORE, THE BOARD SHALL
44 PROMULGATE AND IMPLEMENT RULES AND REGULATIONS REQUIRING PUBLIC ENTITIES
45 TO ESTABLISH AND SUBMIT TO THE BOARD LISTS AND DESCRIPTIONS OF PUBLIC
46 INFRASTRUCTURE PROJECTS WHICH SUCH ENTITIES ARE CONSIDERING FOR DEVELOP-
47 MENT AND/OR OPERATION PURSUANT TO THIS ARTICLE. SUCH LISTS AND
48 DESCRIPTIONS SHALL INCLUDE THE PROCUREMENT PROCEDURES, POLICIES AND
49 DOCUMENTS RELATED TO EACH PUBLIC INFRASTRUCTURE PROJECT SO AS TO ENABLE
50 THE BOARD TO DETERMINE WHETHER THEY COMPLY WITH THE RULES OF THE BOARD.
51 SUCH RULES AND REGULATIONS SHALL REQUIRE EVERY PROPOSED PUBLIC INFRA-
52 STRUCTURE PROJECT WITH AN ESTIMATED COST OF ONE HUNDRED MILLION DOLLARS
53 OR MORE TO BE SUBMITTED TO THE BOARD FOR A DETERMINATION OF WHETHER SUCH
54 PROJECT QUALIFIES PURSUANT TO THIS ARTICLE. EACH PROPOSED PUBLIC INFRA-
55 STRUCTURE FOUND BY THE BOARD TO BE SO QUALIFIED SHALL BE POSTED ON THE
56 DEPARTMENT OF AUDIT AND CONTROL INTERNET WEBSITE AS QUALIFIED PUBLIC

1 INFRASTRUCTURE. IN THE EVENT A PROPOSED PUBLIC INFRASTRUCTURE PROJECT IS
2 REJECTED BY THE BOARD, SUCH DETERMINATION SHALL BE SUBJECT TO REVIEW
3 PURSUANT TO ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES.

4 3. THE LEAD PUBLIC ENTITY IS AUTHORIZED TO PROCURE A PRIVATE ENTITY OR
5 SPECIAL PURPOSE VEHICLE AND AWARD PUBLIC-PRIVATE PARTNERSHIPS UNDER THIS
6 ARTICLE BY SOLICITING, RECEIVING, CONSIDERING, EVALUATING AND ACCEPTING
7 PROPOSALS FOR A PUBLIC-PRIVATE PARTNERSHIP.

8 4. IN SOLICITING AND SELECTING A PRIVATE PARTNER, THE LEAD PUBLIC
9 ENTITY SHALL USE ANY OF THE FOLLOWING:

10 (A) CALLS FOR PROJECT PROPOSALS, WHEREBY THE PUBLIC SPONSOR DESCRIBES
11 THE PUBLIC INFRASTRUCTURE THAT PRIVATE ENTITIES AND SPECIAL PURPOSE
12 VEHICLES ARE INVITED TO SUBMIT PROPOSALS TO DEVELOP VIA SEALED BIDDING;

13 (B) IF ADVANTAGEOUS TO THE LEAD PUBLIC ENTITY AND THE PUBLIC BASED ON
14 THE PROBABLE SCOPE, COMPLEXITY AND URGENCY OF THE PROJECT, OR AN
15 INCREASE IN FUNDING THAT WOULD BE AVAILABLE, SOLICITATIONS USING, WITH-
16 OUT LIMITATION, REQUESTS FOR QUALIFICATIONS, SHORT-LISTING OF QUALIFIED
17 PROPOSERS, REQUESTS FOR PROPOSALS, NEGOTIATIONS, BEST AND FINAL OFFERS;
18 AND

19 (C) UNSOLICITED PROPOSALS, PROVIDED THAT IF THE PUBLIC SPONSOR DETER-
20 MINES THERE IS SUFFICIENT MERIT TO PURSUE ANY UNSOLICITED PROPOSAL,
21 REASONABLE OPPORTUNITY FOR OTHER PRIVATE ENTITIES AND SPECIAL PURPOSE
22 VEHICLES TO SUBMIT COMPETING PROPOSALS FOR CONSIDERATION AND POSSIBLE
23 CONTRACT AWARD IS PROVIDED.

24 5. THE LEAD PUBLIC ENTITY SHALL SELECT A PRIVATE ENTITY OR SPECIAL
25 PURPOSE VEHICLE, OR ENTITIES OR VEHICLES FOR A PUBLIC-PRIVATE PARTNER-
26 SHIP ON A COMPETITIVE BASIS. THE PROVISIONS OF ARTICLE NINE OF THE
27 STATE FINANCE LAW, ARTICLE EIGHT OF THE PUBLIC HOUSING LAW AND ARTICLE
28 FIVE-A OF THE GENERAL MUNICIPAL LAW SHALL NOT APPLY TO CONTRACTS ISSUED
29 PURSUANT TO THIS ARTICLE.

30 6. THE LEAD PUBLIC ENTITY SHALL NOT BE REQUIRED TO SELECT THE PROPOSAL
31 WITH THE LOWEST PRICE OFFER, BUT MAY CONSIDER PRICE AS ONE FACTOR IN
32 EVALUATING THE PROPOSALS RECEIVED. IF THE LEAD PUBLIC ENTITY DETERMINES
33 TO CONSIDER OTHER FACTORS IN EVALUATING AND SELECTING A BID OR PROPOSAL
34 TO ENTER INTO A PUBLIC-PRIVATE INITIATIVE, THEN SUCH FACTORS SHALL BE:

35 (A) THE ABILITY OF THE PUBLIC INFRASTRUCTURE TO RELIEVE THE BURDEN OF
36 REAL PROPERTY TAXATION, CREATE PRIVATE SECTOR JOBS, ATTRACT GLOBAL
37 ECONOMIC DEVELOPMENT, CREATE OPPORTUNITIES FOR SMALL, MINORITY-OWNED AND
38 WOMEN-OWNED BUSINESSES, INCREASE CAPACITY AND PROMOTE ECONOMIC GROWTH;

39 (B) THE EXTENT THAT THE PRIVATE ENTITY'S OR SPECIAL PURPOSE VEHICLE'S
40 PROPOSAL ADDRESSES THE NEEDS OF THE LEAD PUBLIC ENTITY;

41 (C) THE PROPOSED COST OF AND FINANCIAL PLAN FOR THE PUBLIC INFRASTRUC-
42 TURE;

43 (D) THE GENERAL REPUTATION, QUALIFICATIONS, INDUSTRY EXPERIENCE AND
44 FINANCIAL CAPACITY OF THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE;

45 (E) THE PROPOSED DESIGN, OPERATION AND FEASIBILITY OF THE PUBLIC
46 INFRASTRUCTURE;

47 (F) COMMENTS FROM LOCAL CITIZENS RESIDING IN SUCH AFFECTED JURISDIC-
48 TIONS;

49 (G) BENEFITS TO THE PUBLIC AND THE AFFECTED PUBLIC INFRASTRUCTURE;

50 (H) THE SAFETY RECORD OF THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHI-
51 CLE; AND

52 (I) ANY OTHER CRITERIA THAT THE LEAD PUBLIC ENTITY CONSIDERS APPROPRI-
53 ATE.

54 7. THE LEAD PUBLIC ENTITY MAY SELECT MULTIPLE PRIVATE ENTITIES AND
55 SPECIAL PURPOSE VEHICLES WITH WHICH TO ENTER A COMPREHENSIVE OR INTERIM

1 AGREEMENT FOR QUALIFYING PUBLIC INFRASTRUCTURE IF IT IS IN THE PUBLIC
2 INTEREST TO DO SO.

3 8. ANY MATERIALS OR DATA SUBMITTED TO, MADE AVAILABLE TO, OR RECEIVED
4 BY THE LEAD PUBLIC ENTITY, TO THE EXTENT THAT THE MATERIAL OR DATA
5 CONSIST OF TRADE SECRETS, AS DETERMINED PURSUANT TO SUBDIVISION TWO OF
6 SECTION EIGHTY-SEVEN OF THE PUBLIC OFFICERS LAW, ARE CONFIDENTIAL AND
7 ARE NOT PUBLIC RECORDS. FINANCIAL INFORMATION RECEIVED BY THE LEAD
8 PUBLIC ENTITY THAT IS RELATED TO A PROPOSAL IS CONFIDENTIAL AND NOT A
9 PUBLIC RECORD UNTIL SUCH TIME AS A PROPOSAL IS SELECTED. PRIOR TO
10 SUBMISSION OF A SOLICITED PROPOSAL, A PRIVATE ENTITY OR SPECIAL PURPOSE
11 VEHICLE MAY REQUEST A REVIEW BY THE LEAD PUBLIC ENTITY THAT THE PRIVATE
12 ENTITY OR SPECIAL PURPOSE VEHICLE HAS IDENTIFIED AS CONFIDENTIAL, TO
13 DETERMINE WHETHER SUCH INFORMATION WOULD BE SUBJECT TO DISCLOSURE UNDER
14 ARTICLE SIX OF THE PUBLIC OFFICERS LAW.

15 9. (A) THE LEAD PUBLIC ENTITY MAY RECEIVE, CONSIDER, EVALUATE AND
16 ACCEPT AN UNSOLICITED PROPOSAL FOR A PUBLIC-PRIVATE PARTNERSHIP IF THE
17 PROPOSAL MEETS ALL OF THE FOLLOWING:

- 18 (1) ADDRESSES THE NEEDS IDENTIFIED BY THE PUBLIC ENTITY;
- 19 (2) IS THE INDEPENDENT WORK PRODUCT OF THE PROPOSER;
- 20 (3) BENEFITS THE PUBLIC;
- 21 (4) IS PREPARED WITHOUT LEAD PUBLIC ENTITY SUPERVISION; AND
- 22 (5) INCLUDES SUFFICIENT DETAIL AND INFORMATION FOR THE LEAD PUBLIC
23 ENTITY TO EVALUATE THE PROPOSAL IN AN OBJECTIVE AND TIMELY MANNER.

24 (B) ANY PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE REQUESTING APPROVAL
25 FROM OR SUBMITTING A PROPOSAL TO A LEAD PUBLIC ENTITY SHALL NOTIFY EACH
26 AFFECTED JURISDICTION BY FURNISHING A COPY OF ITS REQUEST OR PROPOSAL TO
27 EACH AFFECTED JURISDICTION WITHIN THIRTY DAYS OF SUCH REQUEST OR
28 SUBMISSION.

29 EACH AFFECTED JURISDICTION THAT IS NOT A LEAD PUBLIC ENTITY FOR THE
30 RESPECTIVE QUALIFYING PUBLIC INFRASTRUCTURE SHALL, WITHIN SIXTY DAYS
31 AFTER RECEIVING A REQUEST FOR COMMENTS FROM THE LEAD PUBLIC ENTITY,
32 SUBMIT ANY COMMENTS IT MAY HAVE IN WRITING ON THE PROPOSED PUBLIC
33 INFRASTRUCTURE TO THE LEAD PUBLIC ENTITY AND INDICATING WHETHER THE
34 FACILITY WILL ADDRESS THE NEEDS OF THE AFFECTED JURISDICTION.

35 (C) WITHIN NINETY DAYS AFTER RECEIVING AN UNSOLICITED PROPOSAL, THE
36 LEAD PUBLIC ENTITY SHALL UNDERTAKE A PRELIMINARY EVALUATION OF THE UNSO-
37 LICITED PROPOSAL TO DETERMINE IF THE PROPOSAL COMPLIES WITH THE REQUIRE-
38 MENTS OF PARAGRAPH (A) OF THIS SUBDIVISION AND HOLD A PUBLIC HEARING
39 THEREON PURSUANT TO THE PROVISIONS OF THE GENERAL MUNICIPAL LAW.

40 (D) IF THE UNSOLICITED PROPOSAL DOES NOT COMPLY WITH PARAGRAPH (A) OF
41 THIS SUBDIVISION, THE LEAD PUBLIC ENTITY SHALL RETURN THE PROPOSAL WITH-
42 OUT FURTHER ACTION.

43 (E) IF THE UNSOLICITED PROPOSAL COMPLIES WITH PARAGRAPH (A) OF THIS
44 SUBDIVISION, THE LEAD PUBLIC ENTITY MAY CONTINUE TO EVALUATE THE
45 PROPOSAL IN ACCORDANCE WITH THIS SECTION.

46 (1) IF THE UNSOLICITED PROPOSAL COMPLIES WITH PARAGRAPH (A) OF THIS
47 SUBDIVISION, THE LEAD PUBLIC ENTITY SHALL ADVERTISE FOR NOT LESS THAN
48 THIRTY DAYS THE UNSOLICITED PROPOSAL FOR THE PURPOSE OF RECEIVING
49 COMPETITIVE PROPOSALS FOR THE PROPOSED PUBLIC INFRASTRUCTURE.

50 (2) THE ADVERTISEMENT SHALL OUTLINE THE GENERAL NATURE AND SCOPE OF
51 THE UNSOLICITED PROPOSAL, INCLUDING THE LOCATION OF THE PUBLIC INFRAS-
52 TRUCTURE AND THE WORK TO BE PERFORMED ON OR IN CONNECTION WITH THE
53 PUBLIC INFRASTRUCTURE AND SHALL SPECIFY AN ADDRESS TO WHICH A COMPETING
54 PROPOSAL MAY BE SUBMITTED.

55 (3) THE ADVERTISEMENT SHALL SPECIFY A REASONABLE TIME PERIOD BY WHICH
56 COMPETITORS MUST SUBMIT A COMPETING PROPOSAL TO THE LEAD PUBLIC ENTITY.

1 (F) UPON RECEIPT OF ANY COMPETING PROPOSALS, THE LEAD PUBLIC ENTITY
2 SHALL DO ALL OF THE FOLLOWING:

3 (1) DETERMINE IF ANY COMPETING PROPOSAL IS COMPARABLE IN NATURE AND
4 SCOPE TO THE ORIGINAL UNSOLICITED PROPOSAL;

5 (2) EVALUATE THE ORIGINAL UNSOLICITED PROPOSAL AND ANY COMPARABLE
6 COMPETING PROPOSAL; AND

7 (3) CONDUCT ANY GOOD FAITH DISCUSSIONS AND, IF NECESSARY, ANY NEGOTI-
8 ATIONS CONCERNING EACH QUALIFIED PROPOSAL.

9 (G) THE LEAD PUBLIC ENTITY SHALL EVALUATE AN UNSOLICITED PROPOSAL AND
10 ANY COMPARABLE COMPETING PROPOSAL USING THE FOLLOWING FACTORS:

11 (1) INNOVATIVE METHODS, APPROACHES OR CONCEPTS DEMONSTRATED BY THE
12 PROPOSAL;

13 (2) SCIENTIFIC, TECHNICAL OR SOCIOECONOMIC MERITS OF THE PROPOSAL;

14 (3) POTENTIAL CONTRIBUTION OF THE PROPOSAL TO THE LEAD PUBLIC ENTITY'S
15 MISSION;

16 (4) CAPABILITIES, RELATED EXPERIENCE, FACILITIES OR TECHNIQUES OF THE
17 PRIVATE ENTITY, SPECIAL PURPOSE VEHICLE OR UNIQUE COMBINATIONS OF THESE
18 QUALITIES THAT ARE INTEGRAL FACTORS FOR ACHIEVING THE PROPOSAL OBJEC-
19 TIVES;

20 (5) QUALIFICATIONS, CAPABILITIES, AND EXPERIENCE OF THE PROPOSED PRIN-
21 CIPAL INVESTOR, TEAM LEADER, OR KEY PERSONNEL, WHO ARE CRITICAL TO
22 ACHIEVING THE PROPOSAL OBJECTIVES;

23 (6) HOW THE PROPOSAL BENEFITS THE PUBLIC; AND

24 (7) ANY OTHER FACTORS APPROPRIATE TO A PARTICULAR PROPOSAL.

25 (H) AFTER EVALUATING THE UNSOLICITED PROPOSAL AND ANY COMPETING
26 PROPOSALS, THE LEAD PUBLIC ENTITY MAY DO ANY OF THE FOLLOWING:

27 (1) ACCEPT THE UNSOLICITED PROPOSAL AND REJECT ANY COMPETING
28 PROPOSALS;

29 (2) REJECT THE UNSOLICITED PROPOSAL AND ACCEPT A COMPARABLE COMPETING
30 PROPOSAL IF THE LEAD PUBLIC ENTITY DETERMINES THAT THE COMPARABLE
31 COMPETING PROPOSAL IS THE MOST ADVANTAGEOUS TO THE STATE;

32 (3) ACCEPT BOTH AN UNSOLICITED PROPOSAL AND A COMPETING PROPOSAL IF
33 ACCEPTING BOTH PROPOSALS IS ADVANTAGEOUS TO THE STATE; OR

34 (4) REJECT THE UNSOLICITED PROPOSAL AND ANY COMPETING PROPOSALS.

35 (I) THE LEAD PUBLIC ENTITY SHALL CHARGE A REASONABLE FEE FOR THE EVAL-
36 UATION OF AN UNSOLICITED PROJECT PROPOSAL AND A COMPETING PROJECT
37 PROPOSAL. FOR ANY PROJECT WITH AN ESTIMATED CONSTRUCTION COST OF OVER
38 FIFTY MILLION DOLLARS, THE LEAD PUBLIC ENTITY ALSO SHALL REQUIRE THE
39 PRIVATE ENTITY TO PAY THE COSTS FOR AN INDEPENDENT AUDIT OF ANY AND ALL
40 COST ESTIMATES ASSOCIATED WITH THE PRIVATE ENTITY'S OR SPECIAL PURPOSE
41 VEHICLE'S PROPOSAL, AS WELL AS A REVIEW OF ALL PUBLIC COSTS AND POTEN-
42 TIAL LIABILITIES TO WHICH TAXPAYERS COULD BE EXPOSED (INCLUDING IMPROVE-
43 MENTS TO OTHER PUBLIC INFRASTRUCTURE THAT MAY BE NEEDED AS A RESULT OF
44 THE PROPOSAL, FAILURE BY THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE
45 TO REIMBURSE THE LEAD PUBLIC ENTITY FOR SERVICES PROVIDED, AND POTENTIAL
46 RISK AND LIABILITY IN THE EVENT THE PRIVATE ENTITY OR SPECIAL PURPOSE
47 VEHICLE DEFAULTS ON THE COMPREHENSIVE AGREEMENT OR ON BONDS ISSUED FOR
48 THE PROJECT). THIS INDEPENDENT AUDIT SHALL BE CONDUCTED BY AN INDEPEND-
49 ENT CONSULTANT SELECTED BY THE LEAD PUBLIC ENTITY, AND ALL SUCH INFORMA-
50 TION FROM SUCH REVIEW SHALL BE FULLY DISCLOSED.

51 10. THE LEAD PUBLIC ENTITY IS AUTHORIZED TO PAY A STIPEND TO AN UNSUC-
52 CESSFUL BIDDER OR PROPOSER, IN AN AMOUNT NOT TO EXCEED ONE MILLION
53 DOLLARS OR TEN PERCENT OF THE PROJECT COST, WHICHEVER SHALL BE LESS; AND
54 ON THE TERMS AND CONDITIONS DETERMINED BY THE LEAD PUBLIC ENTITY, IF:

55 (A) THE LEAD PUBLIC ENTITY CANCELS THE PROCUREMENT PRIOR TO THE DUE
56 DATE FOR PROPOSALS IN THE REQUEST FOR PROPOSALS; OR

1 (B) THE UNSUCCESSFUL BIDDER OR PROPOSER SUBMITS A PROPOSAL AND THE
2 LEAD PUBLIC ENTITY DETERMINES THAT THE PROPOSAL IS RESPONSIVE TO THE
3 LEAD PUBLIC ENTITY'S REQUEST FOR PROPOSALS AND MEETS ALL REQUIREMENTS
4 ESTABLISHED BY THE LEAD PUBLIC ENTITY FOR THE PROJECT.

5 IN EXCHANGE FOR SUCH STIPEND, THE LEAD PUBLIC ENTITY MAY REQUIRE THE
6 UNSUCCESSFUL BIDDER OR PROPOSER TO GRANT TO THE LEAD PUBLIC ENTITY THE
7 RIGHT TO USE ANY WORK PRODUCT CONTAINED IN THE UNSUCCESSFUL BIDDER'S OR
8 PROPOSER'S PROPOSAL OR, IF THE LEAD PUBLIC ENTITY CANCELS THE PROCURE-
9 MENT PRIOR TO THE DUE DATE FOR PROPOSALS IN THE REQUEST FOR PROPOSALS,
10 ANY WORK PRODUCT DEVELOPED PRIOR TO CANCELLATION, INCLUDING TECHNOLO-
11 GIES, TECHNIQUES, METHODS, PROCESSES AND INFORMATION CONTAINED IN THE
12 PROJECT DESIGN.

13 11. THE LEAD PUBLIC ENTITY MAY RETAIN, BY MEANS OF COMPETITIVE NEGOTI-
14 ATION IN ACCORDANCE WITH ARTICLE NINE OF THE STATE FINANCE LAW OR ARTI-
15 CLE FIVE-A OF THE GENERAL MUNICIPAL LAW, FINANCIAL, LEGAL AND OTHER
16 CONSULTANTS AND EXPERTS INSIDE AND OUTSIDE THE PUBLIC SECTOR TO ASSIST
17 IN THE PROCUREMENT, EVALUATION AND NEGOTIATION OF PUBLIC-PRIVATE PART-
18 NERSHIPS AND FOR THE DEVELOPMENT AND/OR OPERATION OF QUALIFYING PUBLIC
19 INFRASTRUCTURE UNDER THIS ARTICLE.

20 12. PRIOR TO OR IN CONNECTION WITH THE NEGOTIATION OF THE COMPREHEN-
21 SIVE AGREEMENT, THE LEAD PUBLIC ENTITY, UPON THE APPROVAL OF THE BOARD,
22 MAY ENTER INTO AN INTERIM AGREEMENT WITH THE PRIVATE ENTITY OR SPECIAL
23 PURPOSE VEHICLE PROPOSING THE DEVELOPMENT AND/OR OPERATION OF THE QUALI-
24 FYING PUBLIC INFRASTRUCTURE. SUCH INTERIM AGREEMENT MAY:

25 (A) PERMIT THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE TO COMMENCE
26 ACTIVITIES FOR WHICH IT MAY BE COMPENSATED RELATING TO THE PROPOSED
27 QUALIFYING PUBLIC INFRASTRUCTURE, INCLUDING PROJECT PLANNING AND DEVEL-
28 OPMENT, ADVANCE RIGHT-OF-WAY ACQUISITION, DESIGN AND ENGINEERING, ENVI-
29 RONMENTAL ANALYSIS AND MITIGATION, SURVEY, CONDUCTING REVENUE STUDIES,
30 AND ASCERTAINING THE AVAILABILITY OF FINANCING FOR THE PROPOSED FACILITY
31 OR FACILITIES;

32 (B) ESTABLISH THE PROCESS AND TIMING OF THE NEGOTIATION OF THE COMPRE-
33 HENSIVE AGREEMENT; AND

34 (C) CONTAIN ANY OTHER PROVISIONS RELATED TO ANY ASPECT OF THE DEVELOP-
35 MENT AND/OR OPERATION OF A QUALIFYING PUBLIC INFRASTRUCTURE THAT THE
36 PARTIES MAY DEEM APPROPRIATE.

37 13. ANY LAWFUL SOURCE OF FUNDING AND FINANCING MAY BE UTILIZED FOR THE
38 DEVELOPMENT OR OPERATION OF QUALIFYING PUBLIC INFRASTRUCTURE UNDER THIS
39 ARTICLE.

40 14. THE LEAD PUBLIC ENTITY MAY ACCEPT FROM THE UNITED STATES OR ANY OF
41 ITS AGENCIES SUCH FUNDS OR CREDIT ASSISTANCE AS ARE AVAILABLE TO IT FOR
42 CARRYING OUT THE PURPOSES OF THIS ARTICLE, WHETHER THE FUNDS ARE MADE
43 AVAILABLE BY GRANT, LOAN OR OTHER FINANCING ARRANGEMENT. THE LEAD PUBLIC
44 ENTITY MAY ENTER INTO SUCH AGREEMENTS AND OTHER ARRANGEMENTS WITH THE
45 UNITED STATES OR ANY OF ITS AGENCIES AS MAY BE NECESSARY, PROPER AND
46 CONVENIENT FOR CARRYING OUT THE PURPOSES OF THIS ARTICLE.

47 15. THE LEAD PUBLIC ENTITY MAY ACCEPT FROM ANY SOURCE ANY GRANT,
48 DONATION, GIFT, OR OTHER FORM OF CONVEYANCE OF LAND, MONEY, OTHER REAL
49 OR PERSONAL PROPERTY OR OTHER VALUABLE THING MADE TO THE PUBLIC SPONSOR
50 FOR CARRYING OUT THE PURPOSES OF THIS ARTICLE.

51 16. EVERY PRIVATE ENTITY WHICH ENTERS INTO AN INTERIM AGREEMENT OR
52 COMPREHENSIVE AGREEMENT SHALL BE SUBJECT TO:

53 (A) WITH REGARD TO ANY LABOR AGREEMENT ENTERED INTO PURSUANT TO THIS
54 ARTICLE, ARTICLE FIFTEEN-A OF THIS CHAPTER AS IF SUCH AGREEMENT IS A
55 STATE CONTRACT, AND ANY CONTRACTOR, SUBCONTRACTOR, LESSEE OR SUBLESSEE
56 ENTERING INTO SUCH CONTRACT OR LEASE FOR THE CONSTRUCTION, DEMOLITION,

1 RECONSTRUCTION, EXCAVATION, REHABILITATION, REPAIR, RENOVATION, ALTER-
2 ATION OR IMPROVEMENT AUTHORIZED PURSUANT TO THIS ARTICLE, SHALL BE
3 DEEMED A STATE AGENCY FOR THE PURPOSES OF ARTICLE FIFTEEN-A OF THIS
4 CHAPTER AND SUBJECT TO THE PROVISIONS OF SUCH ARTICLE. NOTWITHSTANDING
5 ANY PROVISION OF LAW TO THE CONTRARY, ALL WORK PERFORMED ON A PROJECT
6 AUTHORIZED BY THIS ARTICLE WHERE ALL OR ANY PORTION THEREOF INVOLVES A
7 LEASE OR AGREEMENT FOR CONSTRUCTION, DEMOLITION, RECONSTRUCTION, EXCA-
8 VATION, REHABILITATION, REPAIR, RENOVATION, ALTERATION OR IMPROVEMENT
9 SHALL BE DEEMED PUBLIC WORK AND SHALL BE SUBJECT TO AND PERFORMED IN
10 ACCORDANCE WITH THE PROVISIONS OF ARTICLE EIGHT OF THE LABOR LAW TO THE
11 SAME EXTENT AND IN THE SAME MANNER AS A CONTRACT OF THE STATE, AND
12 COMPLIANCE WITH ALL THE PROVISIONS OF ARTICLE EIGHT OF THE LABOR LAW
13 SHALL BE REQUIRED OF ANY LESSEE, SUBLESSEE, CONTRACTOR OR SUBCONTRACTOR
14 ON THE PROJECT INCLUDING THE ENFORCEMENT OF PREVAILING WAGE REQUIREMENTS
15 BY THE FISCAL OFFICER AS DEFINED IN PARAGRAPH E OF SUBDIVISION FIVE OF
16 SECTION TWO HUNDRED TWENTY OF THE LABOR LAW TO THE SAME EXTENT AS A
17 CONTRACT OF THE STATE;

18 (B) WITH REGARD TO ANY LABOR CONTRACTS AWARDED OR ENTERED INTO PURSU-
19 ANT TO THIS ARTICLE, A PROJECT LABOR AGREEMENT, AS DEFINED IN SUBDIVI-
20 SION ONE OF SECTION TWO HUNDRED TWENTY-TWO OF THE LABOR LAW, PROVIDED A
21 STUDY DONE BY OR FOR THE CONTRACTING ENTITY DETERMINES THAT A PROJECT
22 LABOR AGREEMENT WILL BENEFIT SUCH CONSTRUCTION, RECONSTRUCTION, RENO-
23 VATION, REHABILITATION, IMPROVEMENT OR EXPANSION THROUGH REDUCED RISK OF
24 DELAY, POTENTIAL COST SAVINGS OR POTENTIAL REDUCTION IN THE RISK OF
25 LABOR UNREST IN LIGHT OF ANY PERTINENT LOCAL HISTORY THEREOF;

26 (C) THE PROVISIONS OF ARTICLE EIGHT OF THE ENVIRONMENTAL CONSERVATION
27 LAW;

28 (D) THE PROVISIONS OF ALL STATE AND FEDERAL LAWS PROHIBITING DISCRIMI-
29 NATION AND REQUIRING THE PROVISION OF EQUAL EMPLOYMENT OPPORTUNITY;

30 (E) THE PROVISIONS OF ARTICLE SIX OF THE PUBLIC OFFICERS LAW;

31 (F) THE PROVISIONS OF ARTICLE EIGHT OF THE LABOR LAW INCLUDING, BUT
32 NOT LIMITED TO, THE WAGES, HOURS AND SUPPLEMENTS RELATED TO PUBLIC WORK;
33 AND

34 (G) ANY OTHER LOCAL, STATE AND FEDERAL LAW, RULES AND REGULATIONS
35 RELATING TO PUBLIC WORK AND THE WORK TO WHICH THE PROJECT RELATES.

36 17. THE LEAD PUBLIC ENTITY SHALL ENSURE THAT EVERY INTERIM AGREEMENT
37 AND COMPREHENSIVE AGREEMENT SHALL PROVIDE FOR THE QUALITY OF THE MATERI-
38 AL TO BE USED, THE USE OF TECHNOLOGY AND THE PERIOD OF PROBABLE USEFUL-
39 NESS OF THE PUBLIC INFRASTRUCTURE.

40 S 278. MULTIPLE PUBLIC ENTITIES AND SPECIAL PURPOSE VEHICLES. 1. IF A
41 PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE SUBMITS A PROPOSAL PURSUANT TO
42 SUBDIVISION FOUR OF SECTION TWO HUNDRED SEVENTY-SEVEN OF THIS ARTICLE TO
43 DEVELOP AND/OR OPERATE QUALIFYING PUBLIC INFRASTRUCTURE THAT MAY REQUIRE
44 APPROVAL BY MORE THAN ONE PUBLIC ENTITY AND/OR SPECIAL PURPOSE VEHICLE,
45 REPRESENTATIVES OF EACH OF THE AFFECTED PUBLIC ENTITIES AND SPECIAL
46 PURPOSE VEHICLES SHALL, PRIOR TO ACCEPTANCE OF SUCH PROPOSAL, CONVENE
47 AND DETERMINE WHICH PUBLIC ENTITY SHALL SERVE AS THE COORDINATING LEAD
48 PUBLIC ENTITY. SUCH DETERMINATION SHALL OCCUR WITHIN SIXTY DAYS OF THE
49 RECEIPT OF A PROPOSAL BY THE RESPECTIVE PUBLIC ENTITIES.

50 2. IF PUBLIC ENTITIES REQUEST PROPOSALS FROM PRIVATE ENTITIES AND
51 SPECIAL PURPOSE VEHICLES FOR THE DEVELOPMENT AND/OR OPERATION OF QUALI-
52 FYING PUBLIC INFRASTRUCTURE PURSUANT TO SUBDIVISION FOUR OF SECTION TWO
53 HUNDRED SEVENTY-SEVEN OF THIS ARTICLE, THE DETERMINATION OF WHICH PUBLIC
54 ENTITY SHALL SERVE AS THE COORDINATING LEAD PUBLIC ENTITY SHALL BE MADE
55 PRIOR TO ANY REQUEST FOR PROPOSALS.

1 3. ONCE A DETERMINATION HAS BEEN MADE IN ACCORDANCE WITH SUBDIVISION
2 ONE OR TWO OF THIS SECTION, THE COORDINATING LEAD PUBLIC ENTITY AND THE
3 PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE SHALL PROCEED IN ACCORDANCE
4 WITH THIS ARTICLE.

5 S 278-A. COMPREHENSIVE AGREEMENTS. 1. AFTER SELECTING A SOLICITED OR
6 UNSOLICITED PROPOSAL FOR A PUBLIC-PRIVATE INITIATIVE, THE RESPONSIBLE
7 PUBLIC ENTITY, SUBJECT TO THE APPROVAL OF THE STATE COMPTROLLER, SHALL
8 ENTER INTO A PUBLIC-PRIVATE AGREEMENT FOR QUALIFYING PUBLIC INFRASTRUC-
9 TURE WITH THE SELECTED PRIVATE ENTITY, SPECIAL PURPOSE VEHICLE OR ANY
10 CONFIGURATION OF PRIVATE ENTITIES. AN AFFECTED JURISDICTION MAY BE A
11 PARTY TO A COMPREHENSIVE AGREEMENT ENTERED INTO BY THE RESPONSIBLE
12 PUBLIC ENTITY AND A SELECTED PRIVATE ENTITY, SPECIAL PURPOSE VEHICLE OR
13 COMBINATION OF PRIVATE ENTITIES.

14 2. A COMPREHENSIVE AGREEMENT UNDER THIS SECTION SHALL PROVIDE FOR ALL
15 OF THE FOLLOWING:

16 (A) PLANNING, ACQUISITION, FINANCING, DEVELOPMENT, DESIGN,
17 CONSTRUCTION, RECONSTRUCTION, REPLACEMENT, IMPROVEMENT, MAINTENANCE,
18 MANAGEMENT, REPAIR, LEASING AND/OR OPERATION OF QUALIFYING PUBLIC
19 INFRASTRUCTURE;

20 (B) TERM OF THE COMPREHENSIVE AGREEMENT, NOT TO EXCEED NINETY-NINE
21 YEARS;

22 (C) TYPE OF PROPERTY INTEREST, IF ANY, THE PRIVATE ENTITY OR SPECIAL
23 PURPOSE VEHICLE WILL HAVE IN THE QUALIFYING PUBLIC INFRASTRUCTURE;

24 (D) A SPECIFIC PLAN TO ENSURE PROPER MAINTENANCE OF THE QUALIFYING
25 PUBLIC INFRASTRUCTURE THROUGHOUT THE TERM OF THE COMPREHENSIVE AGREEMENT
26 AND A RETURN OF THE INFRASTRUCTURE TO THE RESPONSIBLE PUBLIC ENTITY, IF
27 APPLICABLE, IN GOOD CONDITION AND REPAIR;

28 (E) WHETHER USER FEES, AVAILABILITY PAYMENTS OR RENTS WILL BE
29 COLLECTED FOR USE OF THE QUALIFYING PUBLIC INFRASTRUCTURE AND THE BASIS
30 BY WHICH SUCH USER FEES OR RENTS SHALL BE DETERMINED AND MODIFIED;

31 (F) MAINTENANCE OF A POLICY OR POLICIES OF PUBLIC LIABILITY INSURANCE
32 (COPIES OF WHICH SHALL BE FILED WITH THE RESPONSIBLE PUBLIC ENTITY
33 ACCOMPANIED BY PROOFS OF COVERAGE) OR SELF-INSURANCE, EACH IN FORM AND
34 AMOUNT SATISFACTORY TO THE RESPONSIBLE PUBLIC ENTITY AND REASONABLY
35 SUFFICIENT TO INSURE COVERAGE OF TORT LIABILITY TO THE PUBLIC AND
36 EMPLOYEES AND TO ENABLE THE CONTINUED OPERATION OF THE QUALIFYING PUBLIC
37 INFRASTRUCTURE;

38 (G) COMPENSATION TO THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE,
39 WHICH MAY INCLUDE A REASONABLE DEVELOPMENT FEE, SERVICE PAYMENTS,
40 PAYMENTS BASED ON A REASONABLE MAXIMUM RATE OF RETURN ON INVESTMENT, AND
41 REIMBURSEMENT OF INVESTMENT AND DEVELOPMENT EXPENSES IN THE EVENT OF
42 TERMINATION FOR CONVENIENCE BY THE RESPONSIBLE PUBLIC ENTITY. SUCH
43 COMPENSATION SHALL TAKE INTO ACCOUNT THE SYSTEM OF USER FEES OR RENTS
44 SPECIFIED IN THE COMPREHENSIVE AGREEMENT, AND AN ADJUSTMENT IN CASE OF
45 GAINS BY THE PRIVATE ENTITY ON ACCOUNT OF ANY REFINANCINGS;

46 (H) COMPLIANCE WITH APPLICABLE FEDERAL, STATE AND LOCAL LABOR AND
47 PUBLIC WORK LAWS;

48 (I) GROUNDS FOR TERMINATION OF THE COMPREHENSIVE AGREEMENT BY THE
49 RESPONSIBLE PUBLIC ENTITY, OR PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE;

50 (J) DISPOSITION OF THE INFRASTRUCTURE UPON COMPLETION OF THE COMPRE-
51 HENSIVE AGREEMENT;

52 (K) PROCEDURES FOR AMENDMENT OF THE COMPREHENSIVE AGREEMENT; AND

53 (L) A DATE FOR THE ACQUISITION OF OR THE BEGINNING OF CONSTRUCTION OF
54 OR IMPROVEMENTS TO THE QUALIFYING PUBLIC INFRASTRUCTURE. THE RESPONSIBLE
55 PUBLIC ENTITY MAY EXTEND SUCH DATE FROM TIME TO TIME.

1 3. AS DETERMINED BY THE STATE COMPTROLLER, A COMPREHENSIVE AGREEMENT
2 UNDER THIS SECTION SHALL PROVIDE FOR THE FOLLOWING:

3 (A) REVIEW AND APPROVAL BY THE RESPONSIBLE PUBLIC ENTITY OF THE
4 PRIVATE ENTITY'S OR SPECIAL PURPOSE VEHICLE'S PLANS FOR THE DEVELOPMENT
5 AND OPERATION OF THE QUALIFYING PUBLIC INFRASTRUCTURE;

6 (B) INSPECTION BY THE RESPONSIBLE PUBLIC ENTITY OF CONSTRUCTION OF OR
7 IMPROVEMENTS TO THE QUALIFYING PUBLIC INFRASTRUCTURE;

8 (C) FILING BY THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE, ON A
9 PERIODIC BASIS, OF APPROPRIATE FINANCIAL STATEMENTS IN A FORM ACCEPTABLE
10 TO THE RESPONSIBLE PUBLIC ENTITY;

11 (D) FILING BY THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE, ON A
12 PERIODIC BASIS, OF REPORTS IN A FORM ACCEPTABLE TO THE RESPONSIBLE
13 PUBLIC ENTITY;

14 (E) FINANCING OBLIGATIONS OF THE PRIVATE ENTITY OR SPECIAL PURPOSE
15 VEHICLE AND THE RESPONSIBLE PUBLIC ENTITY;

16 (F) APPORTIONMENT OF EXPENSES BETWEEN THE PRIVATE ENTITY OR SPECIAL
17 PURPOSE VEHICLE AND THE RESPONSIBLE PUBLIC ENTITY;

18 (G) RIGHTS AND DUTIES OF THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHI-
19 CLE, THE RESPONSIBLE PUBLIC ENTITY, AND OTHER STATE AND LOCAL GOVERN-
20 MENTAL ENTITIES WITH RESPECT TO USE OF THE QUALIFYING PUBLIC INFRASTRUC-
21 TURE;

22 (H) RIGHTS AND REMEDIES AVAILABLE IN THE EVENT OF DEFAULT OR DELAY;

23 (I) TERMS AND CONDITIONS OF INDEMNIFICATION OF THE PRIVATE ENTITY OR
24 SPECIAL PURPOSE VEHICLE BY THE RESPONSIBLE PUBLIC ENTITY;

25 (J) ASSIGNMENT, SUBCONTRACTING, OR OTHER DELEGATION OF RESPONSIBIL-
26 ITIES OF THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE, OR THE RESPONSI-
27 BLE PUBLIC ENTITY UNDER THE AGREEMENT TO THIRD PARTIES, INCLUDING OTHER
28 PRIVATE ENTITIES OR SPECIAL PURPOSE VEHICLES AND OTHER STATE AGENCIES;

29 (K) SALE OR LEASE TO THE OPERATOR OF PRIVATE PROPERTY RELATED TO THE
30 QUALIFYING PUBLIC INFRASTRUCTURE;

31 (L) PROCEDURES FOR THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE TO
32 MAKE AND ENFORCE REASONABLE RULES TO THE SAME EXTENT THAT THE RESPONSI-
33 BLE PUBLIC ENTITY MAY MAKE AND ENFORCE RULES WITH RESPECT TO A SIMILAR
34 PUBLIC INFRASTRUCTURE; AND

35 (M) ENFORCEMENT AND OTHER POLICING ISSUES, INCLUDING ANY REIMBURSEMENT
36 BY THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE FOR SUCH SERVICES.

37 4. THE COMPREHENSIVE AGREEMENT MAY PROVIDE THAT USER FEES AND RENTS
38 SHALL BE COLLECTED FOR USE OF THE QUALIFYING PUBLIC INFRASTRUCTURE. THE
39 PARTIES MAY AGREE THAT USER FEES AND RENTS MAY BE SET BY THE PRIVATE
40 ENTITY OR SPECIAL PURPOSE VEHICLE, THE RESPONSIBLE PUBLIC ENTITY, OR BY
41 AGREEMENT OF THE PARTIES. A SCHEDULE OF THE CURRENT USER FEES AND RENTS
42 SHALL BE MADE AVAILABLE BY THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE
43 TO ANY MEMBER OF THE PUBLIC ON REQUEST. USER FEES AND RENTS SHALL BE SET
44 AT LEVELS THAT ARE THE SAME FOR PERSONS USING THE QUALIFYING PUBLIC
45 INFRASTRUCTURE UNDER LIKE CONDITIONS. USER FEES AND RENTS ESTABLISHED IN
46 THE COMPREHENSIVE AGREEMENT AS A SOURCE OF REVENUES MAY BE IN ADDITION
47 TO, OR IN LIEU OF, SERVICE PAYMENTS. A RESPONSIBLE PUBLIC ENTITY MAY
48 IMPOSE AND COLLECT USER FEES AND RENTS FROM USERS OF ELIGIBLE INFRAS-
49 TRUCTURE AND USE LAWFUL MEASURES TO ENFORCE SUCH CHARGES, AND AUTHORIZE
50 THE PRIVATE ENTITY, SPECIAL PURPOSE VEHICLE OR ANOTHER PUBLIC ENTITY TO
51 IMPOSE, COLLECT AND ENFORCE SUCH USER FEES AND RENTS TO THE SAME EXTENT
52 AS AVAILABLE TO THE RESPONSIBLE PUBLIC ENTITY.

53 5. IN THE COMPREHENSIVE AGREEMENT, THE LEAD PUBLIC ENTITY, THE RESPON-
54 SIBLE PUBLIC ENTITY AND ANY PUBLIC AUTHORITY, SO AUTHORIZED BY LAW, MAY
55 AGREE TO MAKE GRANTS OR LOANS FOR THE DEVELOPMENT AND/OR OPERATION OF
56 THE QUALIFYING PUBLIC INFRASTRUCTURE FROM TIME TO TIME FROM AMOUNTS

1 RECEIVED FROM THE FEDERAL GOVERNMENT OR ANY AGENCY OR INSTRUMENTALITY
2 THEREOF.

3 6. THE COMPREHENSIVE AGREEMENT SHALL INCORPORATE THE DUTIES OF THE
4 PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE UNDER THIS ARTICLE AND MAY
5 CONTAIN SUCH OTHER TERMS AND CONDITIONS THAT THE RESPONSIBLE PUBLIC
6 ENTITY, THE STATE COMPTROLLER DETERMINES SERVE THE PUBLIC PURPOSE OF
7 THIS ARTICLE. WITHOUT LIMITATION, THE COMPREHENSIVE AGREEMENT MAY
8 CONTAIN PROVISIONS UNDER WHICH THE RESPONSIBLE PUBLIC ENTITY AGREES TO
9 PROVIDE NOTICE OF DEFAULT AND CURE RIGHTS FOR THE BENEFIT OF THE PRIVATE
10 ENTITY OR SPECIAL PURPOSE VEHICLE AND THE PERSONS SPECIFIED THEREIN AS
11 PROVIDING FINANCING FOR THE QUALIFYING PUBLIC INFRASTRUCTURE. THE
12 COMPREHENSIVE AGREEMENT MAY CONTAIN SUCH OTHER LAWFUL TERMS AND CONDI-
13 TIONS TO WHICH THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE AND THE
14 RESPONSIBLE PUBLIC ENTITY MUTUALLY AGREE, INCLUDING, WITHOUT LIMITATION,
15 PROVISIONS REGARDING UNAVOIDABLE DELAYS OR PROVISIONS PROVIDING FOR A
16 LOAN OF PUBLIC FUNDS FOR THE DEVELOPMENT AND/OR OPERATION OF ONE OR MORE
17 QUALIFYING PUBLIC INFRASTRUCTURE.

18 7. THE COMPREHENSIVE AGREEMENT SHALL PROVIDE FOR THE DISTRIBUTION OF
19 ANY EARNINGS IN EXCESS OF THE MAXIMUM RATE OF RETURN AS NEGOTIATED IN
20 THE COMPREHENSIVE AGREEMENT. WITHOUT LIMITATION, EXCESS EARNINGS MAY BE
21 DISTRIBUTED, AS DETERMINED BY THE BOARD, TO THE RESPONSIBLE PUBLIC ENTI-
22 TY, OR TO THE PRIVATE ENTITY OR SPECIAL PURPOSE VEHICLE FOR DEBT
23 REDUCTION OR THEY MAY BE SHARED WITH APPROPRIATE PUBLIC ENTITIES.

24 8. ANY CHANGES IN THE TERMS OF THE COMPREHENSIVE AGREEMENT, AS MAY BE
25 AGREED UPON BY THE PARTIES FROM TIME TO TIME, SHALL BE ADDED TO THE
26 COMPREHENSIVE AGREEMENT BY WRITTEN AMENDMENT APPROVED BY THE BOARD.

27 9. THE COMPREHENSIVE AGREEMENT MAY PROVIDE FOR THE DEVELOPMENT AND/OR
28 OPERATION OF PHASES OR SEGMENTS OF THE QUALIFYING PUBLIC INFRASTRUCTURE.

29 10. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE RESPONSIBLE PUBLIC
30 ENTITY MAY AGREE TO OR REQUIRE USE OF ARBITRATION OR OTHER ALTERNATIVE
31 DISPUTE RESOLUTION PROCEDURES TO RESOLVE DISPUTES WITH THE PRIVATE ENTI-
32 TY OR SPECIAL PURPOSE VEHICLE.

33 11. COMPREHENSIVE AGREEMENTS SHALL NOT BE SUBJECT TO THE PROVISIONS OF
34 SECTION SIXTY-FIVE HUNDRED TWELVE OF THE EDUCATION LAW.

35 S 279. MATERIAL DEFAULT; REMEDIES. 1. UPON THE OCCURRENCE AND DURING
36 THE CONTINUATION OF MATERIAL DEFAULT UNDER A COMPREHENSIVE OR INTERIM
37 AGREEMENT, THE LEAD PUBLIC ENTITY MAY EXERCISE ANY OR ALL OF THE FOLLOW-
38 ING REMEDIES:

39 (A) THE LEAD PUBLIC ENTITY MAY ELECT TO ASSUME CONTROL OVER THE QUALI-
40 FYING PUBLIC INFRASTRUCTURE AND IN SUCH CASE IT SHALL SUCCEED TO ALL OF
41 THE RIGHT, TITLE AND INTEREST IN SUCH PUBLIC INFRASTRUCTURE, SUBJECT TO
42 ANY SECURITY INTEREST ON REVENUES PREVIOUSLY GRANTED BY THE PRIVATE
43 ENTITY OR SPECIAL PURPOSE VEHICLE TO ANY PERSON PROVIDING FINANCING
44 THEREFOR; AND

45 (B) THE LEAD PUBLIC ENTITY MAY TERMINATE THE COMPREHENSIVE OR INTERIM
46 AGREEMENT AND EXERCISE ANY OTHER RIGHTS AND REMEDIES WHICH MAY BE AVAIL-
47 ABLE TO IT AT LAW OR IN EQUITY.

48 2. IN THE EVENT THE LEAD PUBLIC ENTITY ELECTS TO ASSUME CONTROL OVER
49 QUALIFYING PUBLIC INFRASTRUCTURE PURSUANT TO SUBDIVISION ONE OF THIS
50 SECTION, THE LEAD PUBLIC ENTITY MAY DEVELOP AND/OR OPERATE THE PUBLIC
51 INFRASTRUCTURE, IMPOSE USER FEES OR RENTS FOR THE USE THEREOF, COMPLY
52 WITH ANY THIRD-PARTY CONTRACTS AS IF IT WERE THE PRIVATE ENTITY OR
53 SPECIAL PURPOSE VEHICLE, AND SOLICIT PROPOSALS FOR THE CONTINUED OPERA-
54 TION AND MAINTENANCE OF THE PUBLIC INFRASTRUCTURE BY PRIVATE ENTITIES.
55 ANY REVENUES THAT ARE SUBJECT TO A SECURITY INTEREST SHALL BE COLLECTED
56 FOR THE BENEFIT OF, AND PAID TO, SECURED PARTIES, AS THEIR INTERESTS MAY

1 APPEAR, TO THE EXTENT NECESSARY TO SATISFY THE PRIVATE ENTITY'S OR
2 SPECIAL PURPOSE VEHICLE'S OBLIGATIONS TO SECURED PARTIES, INCLUDING THE
3 MAINTENANCE OF RESERVES AND SUCH SECURITY INTERESTS SHALL BE CORRESPOND-
4 INGLY REDUCED AND, WHEN SATISFIED, RELEASED. BEFORE ANY PAYMENTS TO, OR
5 FOR THE BENEFIT OF, SECURED PARTIES, THE LEAD PUBLIC ENTITY MAY USE
6 REVENUES TO PAY CURRENT OPERATION AND MAINTENANCE COSTS OF THE PUBLIC
7 INFRASTRUCTURE, INCLUDING COMPENSATION TO THE LEAD PUBLIC ENTITY FOR ITS
8 SERVICES IN OPERATING AND MAINTAINING THE QUALIFYING PUBLIC INFRASTRUC-
9 TURE. REMAINING REVENUES, IF ANY, AFTER ALL PAYMENTS FOR OPERATION AND
10 MAINTENANCE OF THE PUBLIC CAPITAL INFRASTRUCTURE, AND TO, OR FOR THE
11 BENEFIT OF, SECURED PARTIES, HAVE BEEN MADE, MAY BE PAID TO THE PRIVATE
12 ENTITY OR SPECIAL PURPOSE VEHICLE, SUBJECT TO THE NEGOTIATED RATE OF
13 RETURN, IF THE COMPREHENSIVE AGREEMENT SO PROVIDES. IN SUCH CASE, THE
14 RIGHT TO RECEIVE SUCH PAYMENT, IF ANY, SHALL BE CONSIDERED JUST COMPEN-
15 SATION FOR THE QUALIFYING PUBLIC INFRASTRUCTURE.

16 3. THE FULL FAITH AND CREDIT OF THE LEAD PUBLIC ENTITY SHALL NOT BE
17 PLEDGED TO SECURE ANY FINANCING OF THE PRIVATE ENTITY OR SPECIAL PURPOSE
18 VEHICLE BY THE ELECTION TO TAKE OVER THE QUALIFYING PUBLIC INFRASTRUC-
19 TURE. ASSUMPTION OF OPERATION OF THE QUALIFYING PUBLIC INFRASTRUCTURE
20 SHALL NOT OBLIGATE THE LEAD PUBLIC ENTITY TO PAY ANY OBLIGATION OF THE
21 PRIVATE ENTITY FROM SOURCES OTHER THAN REVENUES.

22 4. IN THE EVENT OF TERMINATION OF A COMPREHENSIVE OR INTERIM AGREE-
23 MENT, THE AUTHORITY AND DUTIES OF THE PRIVATE ENTITY OR SPECIAL PURPOSE
24 VEHICLE CEASE, EXCEPT FOR ANY DUTIES AND OBLIGATIONS THAT EXTEND BEYOND
25 THE TERMINATION AS PROVIDED IN THE COMPREHENSIVE OR INTERIM AGREEMENT,
26 AND THE QUALIFYING PUBLIC INFRASTRUCTURE REVERTS TO THE LEAD PUBLIC
27 ENTITY AND SHALL BE DEDICATED TO THE LEAD PUBLIC ENTITY FOR PUBLIC USE.

28 S 280. CONSTRUCTION. THE PROVISIONS OF THIS ARTICLE WHICH ARE INCON-
29 SISTENT WITH ANY OTHER PROVISION OF STATE LAW SHALL BE DEEMED TO SUPER-
30 CEDE SUCH PROVISION OF LAW, AND THE PROVISIONS OF THIS ARTICLE SHALL BE
31 CONTROLLING.

32 S 281. SEVERABILITY. IF ANY CLAUSE, SENTENCE, PARAGRAPH, SECTION OR
33 PART OF THIS ARTICLE SHALL BE ADJUDGED BY ANY COURT OF COMPETENT JURIS-
34 DICTION TO BE INVALID AND AFTER EXHAUSTION OF ALL FURTHER JUDICIAL
35 REVIEW, THE JUDGMENT SHALL NOT AFFECT, IMPAIR OR INVALIDATE THE REMAIN-
36 DER THEREOF, BUT SHALL BE CONFINED IN ITS OPERATION TO THE CLAUSE,
37 SENTENCE, PARAGRAPH, SECTION OR PART OF THIS ARTICLE DIRECTLY INVOLVED
38 IN THE CONTROVERSY IN WHICH THE JUDGMENT SHALL HAVE BEEN RENDERED.

39 S 3. Paragraph (b) of subdivision 2 of section 1676 of the public
40 authorities law is amended by adding a new undesignated paragraph to
41 read as follows:

42 ANY PRIVATE ENTITY FOR THE PURPOSES OF DEVELOPMENT OR OPERATION OF
43 QUALIFYING PUBLIC INFRASTRUCTURE PURSUANT TO ARTICLE FOURTEEN-A OF THE
44 EXECUTIVE LAW.

45 S 4. Subdivision 1 of section 1680 of the public authorities law is
46 amended by adding a new undesignated paragraph to read as follows:

47 ANY PRIVATE ENTITY FOR THE PURPOSES OF DEVELOPMENT OR OPERATION OF
48 QUALIFYING PUBLIC INFRASTRUCTURE PURSUANT TO ARTICLE FOURTEEN-A OF THE
49 EXECUTIVE LAW.

50 S 5. The opening paragraph of section 10.00 of the local finance law
51 is designated subdivision 1 and a new subdivision 2 is added to read as
52 follows:

53 2. A MUNICIPALITY, SCHOOL DISTRICT OR DISTRICT CORPORATION SHALL HAVE
54 THE POWER TO CONTRACT INDEBTEDNESS FOR THE PURPOSES OF IMPLEMENTING THE
55 PROVISIONS OF ARTICLE FOURTEEN-A OF THE EXECUTIVE LAW.

56 S 6. This act shall take effect immediately.