

1 3. "ANNUAL FINANCIAL REPORT" SHALL MEAN THE REPORT OF A MUNICIPALITY'S
2 FINANCIAL CONDITION REQUIRED TO BE MADE ANNUALLY TO THE COMPTROLLER
3 PURSUANT TO SECTION THIRTY OF THIS CHAPTER.

4 4. "TENTATIVE BUDGET" SHALL MEAN THE TENTATIVE BUDGET PREPARED PURSU-
5 ANT TO SECTION THREE HUNDRED FIFTY-FOUR OF THE COUNTY LAW, SECTION ONE
6 HUNDRED SIX OF THE TOWN LAW OR SECTION 5-504 OF THE VILLAGE LAW, THE
7 ANNUAL ESTIMATE PROPOSED PURSUANT TO SECTION SEVENTY-FIVE OF THE SECOND
8 CLASS CITIES LAW, OR SIMILAR DOCUMENT PREPARED PURSUANT TO GENERAL,
9 SPECIAL OR LOCAL LAW.

10 5. "BENCHMARK" SHALL MEAN A STANDARD OR REFERENCE POINT BASED ON AN
11 ANALYSIS OF OTHER MUNICIPALITIES OF SIMILAR SIZE AND CHARACTER, STATE-
12 WIDE OR NATIONAL TRENDS OR SIMILAR COMMONLY ACCEPTED FACTORS IN MUNICI-
13 PAL FINANCE.

14 6. "MAJOR OPERATING FUND" SHALL MEAN A MUNICIPALITY'S GENERAL FUND AND
15 ANY OTHER FUND THAT REPRESENTS MORE THAN TWENTY PER CENTUM OF THAT
16 MUNICIPALITY'S TOTAL FUNDS.

17 7. "FINANCIAL CONTROL BOARD" SHALL MEAN A PUBLIC AUTHORITY CREATED BY
18 THE STATE THAT HAS LEGAL CONTROL OVER A MUNICIPALITY FOR A PERIOD OF
19 TIME IN ORDER TO IMPROVE THE FINANCIAL CONDITION. DURING THAT CONTROL
20 PERIOD, THE BOARD SHALL HAVE POWERS INCLUDING BUT NOT LIMITED TO
21 APPROVAL OF CONTRACTS, ISSUANCE OF DEBT, APPROVAL OF FINANCIAL PLAN AND
22 ABILITY TO CONDUCT MEETINGS. THE BOARD SHALL REMAIN IN CONTROL UNTIL
23 CERTAIN TRIGGERS ARE MET INDICATING THAT THE FINANCIAL CONDITION OF THE
24 MUNICIPALITY HAS IMPROVED.

25 S 61. REVIEW OF FINANCIAL INFORMATION; REQUEST FOR RESPONSE. IN FURTHER-
26 ERANCE OF THE PURPOSES OF THIS ARTICLE, THE COMPTROLLER SHALL ESTABLISH
27 A PROGRAM FOR THE REVIEW OF ANNUAL FINANCIAL REPORT DATA OF MUNICI-
28 PALITIES, AND SUCH OTHER RELATED DATA AND INFORMATION AS MAY BE DEEMED
29 RELEVANT. THE COMPTROLLER MAY REQUEST THE SUBMISSION BY ANY MUNICIPALITY
30 OF ADDITIONAL INFORMATION OR DATA FOR THIS PURPOSE. THE COMPTROLLER
31 SHALL CONSULT WITH MUNICIPAL OFFICIALS, AS APPROPRIATE, DURING THE
32 REVIEW PROCESS. BASED UPON THE COMPTROLLER'S REVIEW, THE COMPTROLLER, IN
33 SUCH MANNER AS HE OR SHE DEEMS APPROPRIATE, MAY MAKE RECOMMENDATIONS TO
34 THE CHIEF EXECUTIVE OFFICER AND CHIEF FISCAL OFFICER OF THE MUNICIPALITY
35 AS TO ACTIONS WHICH MAY BE TAKEN BY THE MUNICIPALITY IN CONNECTION WITH
36 THE FISCAL AFFAIRS OF THE MUNICIPALITY. THE CHIEF EXECUTIVE OFFICER OR
37 CHIEF FISCAL OFFICER SHALL RESPOND TO THE COMPTROLLER'S RECOMMENDATIONS,
38 IN SUCH MANNER AS THE COMPTROLLER DEEMS APPROPRIATE, BY INDICATING
39 ACTIONS TAKEN OR PROPOSED TO BE TAKEN OR, IF THE CHIEF EXECUTIVE OFFICER
40 OR THE CHIEF FISCAL OFFICER INDICATES THAT NO ACTION IS WARRANTED OR IS
41 TO BE TAKEN OR PROPOSED, BY PROVIDING AN EXPLANATION.

42 S 62. LEVEL ONE FISCAL STRESS. 1. BASED UPON THE COMPTROLLER'S REVIEW
43 OF ANNUAL FINANCIAL REPORT DATA, AND OTHER APPROPRIATE DATA AND INFORMA-
44 TION PURSUANT TO SECTION SIXTY-ONE OF THIS ARTICLE, THE COMPTROLLER MAY
45 IDENTIFY THOSE MUNICIPALITIES THAT:

46 A. HAVE FAILED TO TIMELY PROVIDE ADDITIONAL INFORMATION OR DATA
47 REQUESTED BY THE COMPTROLLER OR HAVE FAILED TO SUFFICIENTLY RESPOND TO
48 ANY RECOMMENDATIONS MADE BY THE COMPTROLLER PURSUANT TO SECTION
49 SIXTY-ONE OF THIS ARTICLE; OR

50 B. THE COMPTROLLER DETERMINES THAT THE MUNICIPALITY MEETS ONE OF THE
51 FOLLOWING CRITERIA:

52 (I) THE MUNICIPALITY, IN THE LAST COMPLETED FISCAL YEAR, HAD AN
53 UNPLANNED OPERATING DEFICIT IN A MAJOR OPERATING FUND IN EXCESS OF ONE
54 AND ONE HALF PER CENTUM OF SUCH MAJOR OPERATING FUND'S EXPENDITURES IN
55 THE LAST COMPLETED FISCAL YEAR;

(II) THE MUNICIPALITY, IN ITS LAST COMPLETED FISCAL YEAR, HAD AN UNAPPROPRIATED OR UNRESERVED FUND BALANCE DEFICIT IN THE MUNICIPALITY'S GENERAL FUND; OR

(III) THE MUNICIPALITY, IN ITS LAST COMPLETED FISCAL YEAR, HAD A RATIO OF NON-RECURRING REVENUES USED TO FUND RECURRING EXPENDITURES TO TOTAL EXPENDITURES IN EXCESS OF A BENCHMARK DETERMINED BY THE COMPTROLLER AND HAD A RATIO OF DEBT SERVICE TO TOTAL REVENUE IN EXCESS OF A BENCHMARK DETERMINED BY THE COMPTROLLER.

2. FOR EACH MUNICIPALITY IDENTIFIED PURSUANT TO SUBDIVISION ONE OF THIS SECTION, THE COMPTROLLER SHALL NOTIFY THE CHIEF EXECUTIVE OFFICER, CHIEF FISCAL OFFICER AND GOVERNING BODY OF THE AFFECTED MUNICIPALITY THAT THE MUNICIPALITY HAS FALLEN WITHIN THE CRITERIA SET FORTH IN SUBDIVISION ONE OF THIS SECTION AND OF THEIR DESIGNATION OF LEVEL ONE FISCAL STRESS. THE NOTIFICATION SHALL INCLUDE DETAILS OF THE DETERMINATION AND THE CRITERIA USED. SUCH NOTIFICATION SHALL BE MADE IN SUCH MANNER AS THE COMPTROLLER DEEMS APPROPRIATE. WITHIN THIRTY DAYS AFTER RECEIPT OF SUCH NOTIFICATION, THE CHIEF EXECUTIVE OFFICER OF THE MUNICIPALITY SHALL RESPOND TO THE COMPTROLLER'S NOTIFICATION IN SUCH FORM AS REQUIRED BY THE COMPTROLLER, WITH A SELF-EVALUATION OF THE FISCAL AFFAIRS OF THE MUNICIPALITY, ADDRESSING THE MATTERS RAISED IN THE NOTIFICATION. SUCH RESPONSE SHALL INCLUDE A CORRECTIVE ACTION PLAN THAT DETAILS SPECIFIC COURSES OF ACTION THAT HAVE BEEN TAKEN OR WILL BE TAKEN TO ADDRESS THE FISCAL STRESS IDENTIFIED BY THE COMPTROLLER. AFTER RECEIPT AND REVIEW OF THE RESPONSE, THE COMPTROLLER MAY REQUIRE ANY LOCAL OFFICIAL OR EMPLOYEE OF THE MUNICIPALITY, OR HIS OR HER DESIGNEE, TO ATTEND A RELEVANT MUNICIPAL TRAINING COURSE CONDUCTED OR APPROVED BY THE COMPTROLLER. THE CHIEF EXECUTIVE OFFICER OR CHIEF FISCAL OFFICER OF THE MUNICIPALITY MAY REQUEST ASSISTANCE FROM THE COMPTROLLER IN REVIEWING THE MATTERS RAISED IN THE COMPTROLLER'S NOTIFICATION AND SHALL RECEIVE SUCH ASSISTANCE AS MAY BE REASONABLY NECESSARY FROM ANY OFFICER OR EMPLOYEE OF THE MUNICIPALITY.

S 63. LEVEL TWO FISCAL STRESS. 1. BASED UPON THE COMPTROLLER'S REVIEW OF ANNUAL FINANCIAL REPORT DATA AND OTHER APPROPRIATE DATA AND INFORMATION PURSUANT TO SECTION SIXTY-ONE OF THIS ARTICLE, THE COMPTROLLER MAY IDENTIFY THOSE MUNICIPALITIES THAT:

A. HAVE FAILED TO TIMELY PROVIDE ADDITIONAL INFORMATION OR DATA REQUESTED BY THE COMPTROLLER OR HAVE FAILED TO SUFFICIENTLY RESPOND TO ANY RECOMMENDATIONS MADE BY THE COMPTROLLER PURSUANT TO SECTION SIXTY-ONE OF THIS ARTICLE; OR

B. THE COMPTROLLER DETERMINES THAT THE MUNICIPALITY MEETS THE FOLLOWING CRITERIA THAT THE MUNICIPALITY, IN EACH OF ITS LAST TWO COMPLETED FISCAL YEARS, HAD AT LEAST ONE OF THE FOLLOWING:

(I) AN UNPLANNED OPERATING DEFICIT IN A MAJOR OPERATING FUND IN EXCESS OF ONE AND ONE HALF PER CENTUM OF SUCH MAJOR OPERATING FUND'S EXPENDITURES IN THE LAST COMPLETED FISCAL YEAR;

(II) AN UNAPPROPRIATED OR UNRESERVED FUND BALANCE DEFICIT IN THE MUNICIPALITY'S GENERAL FUND; OR

(III) A RATIO OF NON-RECURRING REVENUES USED TO FUND RECURRING EXPENDITURES TO TOTAL EXPENDITURES IN EXCESS OF A BENCHMARK DETERMINED BY THE COMPTROLLER AND HAD A RATIO OF DEBT SERVICE TO TOTAL REVENUE IN EXCESS OF A BENCHMARK DETERMINED BY THE COMPTROLLER.

2. FOR EACH MUNICIPALITY IDENTIFIED PURSUANT TO SUBDIVISION ONE OF THIS SECTION, THE COMPTROLLER SHALL NOTIFY THE CHIEF EXECUTIVE OFFICER, CHIEF FISCAL OFFICER AND GOVERNING BODY OF THE AFFECTED MUNICIPALITY THAT THE MUNICIPALITY HAS FALLEN WITHIN THE CRITERIA SET FORTH IN SUBDIVISION ONE OF THIS SECTION AND OF THEIR DESIGNATION OF LEVEL TWO FISCAL

1 STRESS. THE NOTIFICATION SHALL INCLUDE DETAILS OF THE DETERMINATION AND
2 THE CRITERIA USED. SUCH NOTIFICATION SHALL BE MADE IN SUCH MANNER AS THE
3 COMPTROLLER DEEMS APPROPRIATE. THE CHIEF EXECUTIVE OFFICER AND GOVERNING
4 BODY OF THE MUNICIPALITY, UPON NOTIFICATION BY THE COMPTROLLER THAT THEY
5 HAVE BEEN DESIGNATED LEVEL TWO FISCAL STRESS, SHALL BE REQUIRED TO
6 FULFILL THE FOLLOWING CONDITIONS WITHIN THE NEXT SUCCEEDING FISCAL YEAR:

7 A. DEVELOP A CORRECTIVE ACTION PLAN THAT DETAILS SPECIFIC COURSES OF
8 ACTION THAT HAVE BEEN TAKEN OR WILL BE TAKEN TO ADDRESS THE FISCAL
9 STRESS IDENTIFIED BY THE COMPTROLLER; AND

10 B. ADOPT A FOUR-YEAR FINANCIAL PLAN IN SUCH FORM AS MAY BE PRESCRIBED
11 BY THE COMPTROLLER.

12 3. THE FINANCIAL PLAN SHALL BE ADOPTED NO LATER THAN THE LAST DATE ON
13 WHICH THE MUNICIPALITY'S BUDGET IS REQUIRED TO BE ADOPTED, AND MAY BE
14 MODIFIED FROM TIME TO TIME. THE FINANCIAL PLAN SHALL PROVIDE THAT THE
15 OPERATING FUNDS OF THE MUNICIPALITY WILL BE IN BALANCE.

16 4. THE CHIEF FISCAL OFFICER OF THE MUNICIPALITY SHALL, UNTIL OTHERWISE
17 NOTIFIED BY THE COMPTROLLER, PREPARE AND SUBMIT TO THE GOVERNING BODY OF
18 THE MUNICIPALITY MONTHLY FINANCIAL REPORTS, WITHIN FIFTEEN DAYS FROM THE
19 END OF EACH MONTH, AND PREPARE AND SUBMIT TO THE COMPTROLLER QUARTERLY
20 FINANCIAL REPORTS, WITHIN FIFTEEN DAYS FROM THE END OF EACH QUARTER,
21 BOTH IN SUCH FORM AS MAY BE PRESCRIBED BY THE COMPTROLLER. IN THE EVENT
22 THAT THE COMPTROLLER PROVIDES ANY RECOMMENDATIONS REGARDING ANY REPORTS
23 REQUIRED BY THIS SUBDIVISION, THE CHIEF EXECUTIVE OFFICER SHALL PREPARE
24 A RESPONSE TO THE COMPTROLLER'S RECOMMENDATIONS. SUCH RESPONSE SHALL
25 INCLUDE, WITH RESPECT TO EACH RECOMMENDATION, AN ACCEPTANCE STATEMENT
26 FOR ACTIONS TAKEN OR PROPOSED TO BE TAKEN AND IF NO ACTION IS WARRANTED
27 OR IS TO BE TAKEN OR PROPOSED, A LOCAL LAW SHALL BE PROPOSED BY THE
28 CHIEF EXECUTIVE OFFICER AND MUST BE APPROVED BY A MAJORITY OF THE
29 GOVERNING BODY.

30 S 64. LEVEL THREE FISCAL STRESS. 1. BASED UPON THE COMPTROLLER'S
31 REVIEW OF ANNUAL FINANCIAL REPORT DATA AND OTHER APPROPRIATE DATA AND
32 INFORMATION PURSUANT TO SECTION SIXTY-ONE OF THIS ARTICLE, THE COMP-
33 TROLLER MAY IDENTIFY THOSE LEVEL TWO FISCAL STRESS MUNICIPALITIES THAT
34 THE COMPTROLLER BELIEVES FIT WITHIN ANY OF THE FOLLOWING CRITERIA: A
35 LEVEL TWO FISCAL STRESS MUNICIPALITY, IN EACH OF ITS LAST TWO COMPLETED
36 FISCAL YEARS, HAD AT LEAST ONE OF THE FOLLOWING:

37 A. AN UNPLANNED OPERATING DEFICIT IN A MAJOR OPERATING FUND IN EXCESS
38 OF ONE AND ONE HALF PER CENTUM OF THE MAJOR OPERATING FUND'S EXPENDI-
39 TURES IN THE LAST COMPLETED FISCAL YEAR;

40 B. AN UNAPPROPRIATED OR UNRESERVED FUND BALANCE DEFICIT IN THE MUNICI-
41 PALITY'S GENERAL FUND; OR

42 C. A RATIO OF NON-RECURRING REVENUES USED TO FUND RECURRING EXPENDI-
43 TURES TO TOTAL EXPENDITURES IN EXCESS OF A BENCHMARK DETERMINED BY THE
44 COMPTROLLER AND HAD A RATIO OF DEBT SERVICE TO TOTAL REVENUE IN EXCESS
45 OF A BENCHMARK DETERMINED BY THE COMPTROLLER.

46 2. A. FOR EACH MUNICIPALITY IDENTIFIED PURSUANT TO SUBDIVISION ONE OF
47 THIS SECTION, THE COMPTROLLER SHALL NOTIFY THE CHIEF EXECUTIVE OFFICER,
48 CHIEF FISCAL OFFICER AND GOVERNING BODY OF THE AFFECTED MUNICIPALITY
49 THAT THE MUNICIPALITY HAS FALLEN WITHIN THE CRITERIA SET FORTH IN SUBDI-
50 VISION ONE OF THIS SECTION AND OF THEIR DESIGNATION OF LEVEL THREE
51 FISCAL STRESS. THE NOTIFICATION SHALL INCLUDE DETAILS OF THE DETERMI-
52 NATION AND THE CRITERIA USED. SUCH NOTIFICATION SHALL BE MADE IN SUCH
53 MANNER AS THE COMPTROLLER DEEMS APPROPRIATE. THE CHIEF EXECUTIVE OFFICER
54 AND GOVERNING BODY OF THE MUNICIPALITY, UPON NOTIFICATION BY THE COMP-
55 TROLLER THAT THEY HAVE BEEN DESIGNATED LEVEL THREE FISCAL STRESS, SHALL

1 BE REQUIRED TO FULFILL THE FOLLOWING CONDITIONS WITHIN THE NEXT SUCCEED-
2 ING FISCAL YEAR:

3 (I) DEVELOP A CORRECTIVE ACTION PLAN THAT DETAILS SPECIFIC COURSES OF
4 ACTION THAT HAVE BEEN TAKEN OR WILL BE TAKEN TO ADDRESS THE FISCAL
5 STRESS IDENTIFIED BY THE COMPTROLLER; AND

6 (II) ADOPT A FOUR-YEAR FINANCIAL PLAN IN SUCH FORM AS MAY BE
7 PRESCRIBED BY THE COMPTROLLER.

8 (B) (I) THE CHIEF EXECUTIVE OFFICER OR INDIVIDUAL OR BODY RESPONSIBLE
9 FOR THE PREPARATION OF THE TENTATIVE BUDGET, UNTIL OTHERWISE NOTIFIED BY
10 THE COMPTROLLER, SHALL ANNUALLY SUBMIT THE TENTATIVE BUDGET FOR THE NEXT
11 SUCCEEDING FISCAL YEAR AND THE PROPOSED FOUR-YEAR FINANCIAL PLAN FOR
12 REVIEW BY THE COMPTROLLER. SUCH TENTATIVE BUDGET SHALL BE SUBMITTED TO
13 THE COMPTROLLER WITHIN FIVE DAYS AFTER ITS PREPARATION, BUT IN NO EVENT
14 LATER THAN THIRTY DAYS PRIOR TO THE COMMENCEMENT OF THE NEXT SUCCEEDING
15 FISCAL YEAR. THE PROPOSED FOUR-YEAR FINANCIAL PLAN SHALL BE SUBMITTED AT
16 THE SAME TIME AS THE TENTATIVE BUDGET. THE COMPTROLLER SHALL IN EACH
17 SUCH YEAR EXAMINE SUCH TENTATIVE BUDGET AND FINANCIAL PLAN AND MAKE
18 RECOMMENDATIONS THEREON TO THE MUNICIPALITY, WITHIN FIFTEEN DAYS OF
19 RECEIPT THEREOF. SUCH RECOMMENDATIONS SHALL BE MADE AFTER REVIEW OF THE
20 ESTIMATES OF REVENUES AND EXPENDITURES OF SUCH MUNICIPALITY AND SUCH
21 OTHER INFORMATION AS THE COMPTROLLER DEEMS APPROPRIATE, AND SHALL BE
22 MADE PRIOR TO THE ADOPTION OF THE FINAL BUDGET. AT LEAST FORTY-EIGHT
23 HOURS PRIOR TO THE ADOPTION OF THE FINAL BUDGET, THE CHIEF EXECUTIVE
24 OFFICER OR INDIVIDUAL OR BODY RESPONSIBLE FOR THE PREPARATION OF THE
25 TENTATIVE BUDGET OF THE MUNICIPALITY SHALL PREPARE A RESPONSE TO THE
26 COMPTROLLER'S RECOMMENDATIONS. SUCH RESPONSE SHALL INCLUDE, WITH RESPECT
27 TO EACH RECOMMENDATION, AN ACCEPTANCE STATEMENT FOR ACTIONS TAKEN OR
28 PROPOSED TO BE TAKEN AND IF NO ACTION IS WARRANTED OR IS TO BE TAKEN OR
29 PROPOSED, A LOCAL LAW SHALL BE PROPOSED BY THE CHIEF EXECUTIVE OFFICER
30 AND MUST BE APPROVED BY A MAJORITY OF THE GOVERNING BODY. THE COMP-
31 TROLLER'S RECOMMENDATIONS AND THE ACCEPTANCE STATEMENT AND REJECTED
32 RECOMMENDATIONS THERETO SHALL BE DISTRIBUTED TO EACH MEMBER OF THE
33 GOVERNING BODY, FILED WITH THE CLERK OF THE MUNICIPALITY AND MADE A PART
34 OF THE BUDGET DOCUMENT. WHEN SO FILED, SUCH RESPONSE SHALL BE A PUBLIC
35 RECORD OPEN TO INSPECTION BY ANY INTERESTED PERSON. THE RESPONSE SHALL
36 ALSO BE DELIVERED TO THE STATE DIVISION OF THE BUDGET, THE OFFICE OF THE
37 STATE COMPTROLLER, THE CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE
38 AND THE CHAIR OF THE SENATE FINANCE COMMITTEE.

39 (II) NOTWITHSTANDING THE PROVISIONS OF SECTION THIRTY OF THIS CHAPTER,
40 THE CHIEF FISCAL OFFICER OF THE MUNICIPALITY, UNTIL OTHERWISE NOTIFIED
41 BY THE COMPTROLLER, SHALL SUBMIT THE ANNUAL FINANCIAL REPORT NO LATER
42 THAN THIRTY DAYS FROM THE CLOSE OF THE FISCAL YEAR FOR WHICH THE REPORT
43 IS PREPARED.

44 S 65. FISCAL CRISIS. 1. BASED UPON THE COMPTROLLER'S REVIEW OF ANNUAL
45 FINANCIAL REPORT DATA AND OTHER APPROPRIATE DATA AND INFORMATION PURSU-
46 ANT TO SECTION SIXTY-ONE OF THIS ARTICLE, THE COMPTROLLER SHALL IDENTIFY
47 THOSE MUNICIPALITIES THAT FIT WITHIN ANY OF THE FOLLOWING CRITERIA:

48 A. THE MUNICIPALITY HAD UNPLANNED GENERAL FUND OPERATING DEFICIT THAT
49 EXCEEDED TWENTY PERCENT OF GENERAL FUND EXPENDITURES AS OF THE CLOSE OF
50 THE LAST PRECEDING FISCAL YEAR AND HAD AN UNAPPROPRIATED OR UNRESERVED
51 FUND BALANCE DEFICIT THAT EXCEEDS TWENTY-FIVE PERCENT OF THE EXPENDI-
52 TURES IN THE GENERAL FUND AS OF THE CLOSE OF THE LAST PRECEDING FISCAL
53 YEAR;

54 B. TWICE, WITHIN A FIVE-YEAR PERIOD, THE MUNICIPALITY EITHER HAS BEEN
55 AUTHORIZED PURSUANT TO LAW TO ISSUE, AND HAS ADOPTED RESOLUTIONS AUTHOR-
56 IZING THE ISSUANCE OF, BONDS TO FINANCE A DEFICIT, AND/OR DIRECTLY OR

1 INDIRECTLY UTILIZED THE PROCEEDS OF DEBT ISSUED BY ANY PUBLIC BENEFIT
2 CORPORATION OR NOT-FOR-PROFIT CORPORATION TO FUND A DEFICIT OF THE MUNI-
3 CIPALITY;

4 C. THE MUNICIPALITY, DUE TO CONDITIONS OF FISCAL STRESS, HAS DEFAULTED
5 IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES, OR SUCH
6 DEFAULT IS IMMINENT;

7 D. THE MUNICIPALITY, DUE TO CONDITIONS OF FISCAL STRESS OR NEGATIVE
8 CREDIT FACTORS, IS UNABLE TO SELL ITS OBLIGATIONS IN THE GENERAL PUBLIC
9 MARKET.

10 2. A. FOR EACH MUNICIPALITY IDENTIFIED PURSUANT TO SUBDIVISION ONE OF
11 THIS SECTION, THE COMPTROLLER SHALL NOTIFY THE CHIEF EXECUTIVE OFFICER,
12 CHIEF FISCAL OFFICER AND GOVERNING BODY OF THE AFFECTED MUNICIPALITY
13 THAT THE MUNICIPALITY HAS FALLEN WITHIN THE CRITERIA SET FORTH IN SUBDI-
14 VISION ONE OF THIS SECTION AND OF THEIR DESIGNATION OF FISCAL CRISIS.
15 THE NOTIFICATION SHALL INCLUDE DETAILS OF THE DETERMINATION AND THE
16 CRITERIA USED. SUCH NOTIFICATION SHALL BE MADE IN SUCH MANNER AS THE
17 COMPTROLLER DEEMS APPROPRIATE. THE CHIEF EXECUTIVE OFFICER AND GOVERNING
18 BODY OF THE MUNICIPALITY, UPON NOTIFICATION BY THE COMPTROLLER THAT THEY
19 HAVE BEEN DESIGNATED FISCAL CRISIS, SHALL BE REQUIRED TO FULFILL THE
20 FOLLOWING CONDITIONS WITHIN THE NEXT SUCCEEDING FISCAL YEAR:

21 B. EACH MUNICIPALITY IDENTIFIED AS FISCAL CRISIS SHALL BE SUBJECT TO
22 THE PROVISIONS OF THIS SECTION, AND SUCH REQUIREMENTS OF SECTIONS
23 SIXTY-TWO, SIXTY-THREE AND SIXTY-FOUR OF THIS ARTICLE AS THE COMPTROLLER
24 SHALL DEEM APPROPRIATE.

25 3. THE COMPTROLLER SHALL, WITHIN FORTY-FIVE DAYS AFTER NOTIFYING A
26 MUNICIPALITY OF THEIR DESIGNATION OF FISCAL CRISIS, INTRODUCE PROGRAM
27 LEGISLATION AUTHORIZING THE CREATION OF A FINANCIAL CONTROL BOARD AS
28 DEFINED IN THIS ARTICLE FOR THE AFFECTED MUNICIPALITY. THE COMPTROLLER
29 SHALL PRESENT A REPORT DETAILING THE DESIGNATION OF FISCAL CRISIS FOR
30 THE AFFECTED MUNICIPALITY AND THEIR RECOMMENDATIONS REGARDING THE NEED
31 FOR A FINANCIAL CONTROL BOARD TO THE GOVERNOR, SPEAKER OF THE ASSEMBLY
32 AND TEMPORARY PRESIDENT OF THE SENATE NO LATER THAN THIRTY DAYS AFTER
33 THE INTRODUCTION OF THE PROGRAM LEGISLATION. THE ASSEMBLY WAYS AND
34 MEANS COMMITTEE AND SENATE FINANCE COMMITTEE SHALL HOLD A JOINT LEGISLA-
35 TIVE HEARING ON THE AFFECTED MUNICIPALITY AND THE PROPOSED IMPOSITION OF
36 A FINANCIAL CONTROL BOARD NO LATER THAN FOURTEEN DAYS AFTER RECEIVING
37 SUCH REPORT FROM THE COMPTROLLER. THE ASSEMBLY AND SENATE SHALL HAVE
38 EIGHT MONTHS AFTER SUCH HEARING IS HELD TO EITHER APPROVE OR DISAPPROVE
39 THE COMPTROLLER'S PROGRAM LEGISLATION CREATING A FINANCIAL CONTROL BOARD
40 FOR THE AFFECTED MUNICIPALITY.

41 4. THE MUNICIPALITY SHALL NOT ISSUE ANY FURTHER BONDS OR BOND ANTIC-
42 IPATION NOTES UNLESS AND UNTIL THE AFFORDABILITY OF SUCH ADDITIONAL DEBT
43 TO THE TAX BASE SUPPORTING THE INDEBTEDNESS HAS BEEN REVIEWED BY THE
44 COMPTROLLER AND THE TERMS OF THE DEBT IS APPROVED BY THE COMPTROLLER.
45 THE MUNICIPALITY SHALL RESPOND IN WRITING TO RECOMMENDATIONS, IF ANY,
46 WHICH THE COMPTROLLER MAY MAKE THEREON. THE COMPTROLLER MAY REQUIRE THE
47 CHIEF FISCAL OFFICER OF THE MUNICIPALITY TO PREPARE AND SUBMIT (A) A
48 PLAN WHICH DETAILS THE PROJECTED FISCAL IMPACT OF THE PROPOSED ISSUANCE
49 OF BONDS OR BOND ANTICIPATION NOTES INCLUDING FINANCING COSTS, FUTURE
50 DIRECT AND INDIRECT OPERATING COSTS OF, AND ANY RESULTING REVENUES FROM,
51 THE OBJECT OR PURPOSE TO BE FINANCED; AND (B) AN ANALYSIS OF THE AFFORD-
52 ABILITY TO THE TAX BASE SUPPORTING THE DEBT SERVICE OR THE BONDS OR
53 NOTES. THE COMPTROLLER MAY REQUIRE SUCH OTHER INFORMATION AS THE COMP-
54 TROLLER DEEMS NECESSARY TO COMPLETE THE REVIEW OF AFFORDABILITY. THE
55 COMPTROLLER SHALL MAKE ANY RECOMMENDATIONS AND APPROVE OR DISAPPROVE

1 WITHIN THIRTY DAYS OF RECEIPT OF ALL INFORMATION NECESSARY TO COMPLETE
2 THE REVIEW OF AFFORDABILITY.

3 5. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO MUNICIPALITY WHICH
4 IS SUBJECT TO THIS SECTION SHALL FILE ANY PETITION AUTHORIZED BY TITLE
5 SIX-A OF ARTICLE TWO OF THE LOCAL FINANCE LAW.

6 S 66. NEW YORK STATE BOARD OF LOCAL GOVERNMENT DEFICIT FINANCING
7 AUTHORIZATION. 1. A. THERE IS HEREBY CREATED THE NEW YORK STATE BOARD
8 OF LOCAL GOVERNMENT DEFICIT FINANCING AUTHORIZATION WHICH SHALL HAVE AND
9 EXERCISE THE POWERS AND DUTIES SET FORTH IN SUBDIVISION TWO OF THIS
10 SECTION.

11 B. SUCH BOARD SHALL CONSIST OF FIVE MEMBERS AS FOLLOWS: ONE OF THE
12 MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, WHO SHALL BE THE CHAIR, ONE
13 OF THE MEMBERS SHALL BE APPOINTED BY THE TEMPORARY PRESIDENT OF THE
14 SENATE, ONE OF THE MEMBERS SHALL BE APPOINTED BY THE SPEAKER OF THE
15 ASSEMBLY, ONE OF THE MEMBERS SHALL BE APPOINTED BY THE MINORITY LEADER
16 OF THE SENATE AND ONE OF THE MEMBERS SHALL BE APPOINTED BY THE MINORITY
17 LEADER OF THE ASSEMBLY. EACH MEMBER OF THE BOARD SHALL BE ENTITLED TO
18 DESIGNATE A REPRESENTATIVE TO ATTEND MEETINGS OF THE BOARD IN HIS OR HER
19 PLACE, AND TO VOTE OR OTHERWISE ACT ON HIS OR HER BEHALF IN HIS OR HER
20 ABSENCE. NOTICE OF SUCH DESIGNATION SHALL BE FURNISHED IN WRITING TO THE
21 BOARD BY THE DESIGNATING MEMBER. A REPRESENTATIVE SHALL SERVE AT THE
22 PLEASURE OF THE DESIGNATING MEMBER DURING THE MEMBER'S TERM OF OFFICE. A
23 REPRESENTATIVE SHALL NOT BE AUTHORIZED TO DELEGATE ANY OF HIS OR HER
24 DUTIES OR FUNCTIONS TO ANY OTHER PERSON.

25 C. THE MEMBERS OF THE BOARD SHALL SERVE FOR A TERM OF ONE YEAR.

26 D. THREE MEMBERS OF THE BOARD SHALL CONSTITUTE A QUORUM, AND THE BOARD
27 SHALL HAVE THE POWER TO ACT BY A MAJORITY VOTE OF THE TOTAL NUMBER OF
28 MEMBERS OF THE BOARD WITHOUT A VACANCY.

29 E. THE MEMBERS OF THE BOARD SHALL NOT RECEIVE COMPENSATION BUT SHALL
30 BE REIMBURSED FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORM-
31 ANCE OF THEIR OFFICIAL DUTIES.

32 2. A. THE BOARD SHALL HAVE THE POWER TO AUTHORIZE THE ISSUANCE OF
33 BONDS BY A MUNICIPALITY TO FUND A DEFICIT EXISTING AS OF THE CLOSE OF
34 THE LAST PRECEDING FISCAL YEAR OF THE MUNICIPALITY OR PROJECTED TO EXIST
35 AS OF THE CLOSE OF THE CURRENT FISCAL YEAR OF THE MUNICIPALITY.

36 B. THE BOARD SHALL ONLY BE AUTHORIZED TO AUTHORIZE THE ISSUANCE OF
37 BONDS BY A MUNICIPALITY TO FUND SUCH A DEFICIT UPON A: (I) TWO-THIRDS OF
38 THE TOTAL MEMBERSHIP OF THE LEGISLATIVE BODY OF A MUNICIPALITY; OR (II)
39 THE CHIEF EXECUTIVE OFFICER OF A MUNICIPALITY CONCURRED IN BY A MAJORITY
40 OF THE TOTAL MEMBERSHIP OF THE LEGISLATIVE BODY FOR SUCH MUNICIPALITY;
41 AND (III) A DESIGNATION OF LEVEL THREE FISCAL STRESS PURSUANT TO SECTION
42 SIXTY-FOUR OF THIS ARTICLE; OR (IV) A DESIGNATION OF FISCAL CRISIS
43 PURSUANT TO SECTION SIXTY-FIVE OF THIS ARTICLE.

44 C. PRIOR TO THE BOARD AUTHORIZING THE ISSUANCE OF BONDS TO FUND SUCH A
45 DEFICIT PURSUANT TO THIS SUBDIVISION, THE COMPTROLLER SHALL FIRST REVIEW
46 AND CONFIRM THE EXISTENCE OF THE DEFICIT, AS WELL AS CERTIFY THE AMOUNT
47 OF THE DEFICIT. AS SOON AS PRACTICABLE AFTER THE REQUEST TO THE BOARD IS
48 MADE, BUT IN NO EVENT PRIOR TO THE CLOSE OF THE CURRENT FISCAL YEAR OF
49 THE MUNICIPALITY IN THE CASE OF A PROJECTED DEFICIT, THE MUNICIPALITY
50 SHALL PREPARE A REPORT DETAILING THE AMOUNT AND CAUSE OF THE DEFICIT AND
51 SUBMIT TO THE COMPTROLLER SUCH REPORT, TOGETHER WITH THE MUNICIPALITY'S
52 INDEPENDENT AUDIT REPORT FOR ITS LAST COMPLETED FISCAL YEAR, IF ANY SUCH
53 AUDIT REPORT HAS BEEN OR IS TO BE PREPARED, AND SUCH OTHER INFORMATION
54 AS THE COMPTROLLER MAY DEEM NECESSARY. WITHIN THIRTY DAYS AFTER RECEIV-
55 ING ALL NECESSARY REPORTS AND INFORMATION, THE COMPTROLLER SHALL: (I)

PERFORM SUCH REVIEWS AS MAY BE NECESSARY; (II) CONFIRM THE EXISTENCE AND CERTIFY THE AMOUNT OF THE DEFICIT; AND (III) SO NOTIFY THE BOARD.

D. AFTER THE COMPTROLLER NOTIFIES THE BOARD OF THE EXISTENCE OF THE DEFICIT AND THE AMOUNT OF THE DEFICIT AS CERTIFIED BY THE COMPTROLLER, THE BOARD SHALL THEN MAKE A DETERMINATION WHETHER TO AUTHORIZE THE ISSUANCE OF BONDS BY THE MUNICIPALITY TO FUND THE DEFICIT. IN MAKING SUCH A DETERMINATION, THE BOARD MAY CONSIDER SEVERAL FACTORS, INCLUDING, BUT NOT LIMITED TO:

(I) THE SIZE OF THE DEFICIT AS A PERCENTAGE OF THE MUNICIPALITY'S OVERALL BUDGET;

(II) THE ABILITY OF THE MUNICIPALITY TO LIQUIDATE THE DEFICIT BY MEANS OTHER THAN THROUGH THE ISSUANCE OF BONDS;

(III) THE EXISTENCE OF DEFICITS IN THE PAST FIVE YEARS AND THE ACTIONS TAKEN BY THE MUNICIPALITY TO LIQUIDATE THE DEFICIT;

(IV) OTHER FACTORS AS DEEMED RELEVANT BY THE BOARD.

E. ONCE THE BOARD HAS DETERMINED THAT A MUNICIPALITY SHALL HAVE AUTHORIZATION FOR THE ISSUANCE OF BONDS PURSUANT TO THIS SECTION, THE BOARD SHALL ISSUE A WRITTEN INSTRUMENT AUTHORIZING THE MUNICIPALITY TO ISSUE BONDS IN THE AMOUNT OF THE DEFICIT, AS CERTIFIED BY THE COMPTROLLER PURSUANT TO PARAGRAPH C OF THIS SUBDIVISION. IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS, BOND ANTICIPATION NOTES MAY BE ISSUED BY THE MUNICIPALITY.

F. IT IS HEREBY DETERMINED THAT THE FINANCING OF DEFICITS AS HEREINBEFORE DESCRIBED IS AN OBJECT OR PURPOSE OF THE MUNICIPALITY FOR WHICH INDEBTEDNESS MAY BE INCURRED, THE PERIOD OF PROBABLE USEFULNESS OF WHICH IS DETERMINED TO BE TEN YEARS, COMPUTED FROM THE DATE OF SUCH BONDS OR THE DATE OF THE FIRST BOND ANTICIPATION NOTE ISSUED IN ANTICIPATION OF THE SALE OF SUCH BONDS, WHICHEVER IS EARLIER. THE BOARD, IN AUTHORIZING THE ISSUANCE OF BONDS, MAY PRESCRIBE A MAXIMUM MATURITY OF THE BONDS, NOT TO EXCEED TEN YEARS, COMPUTED FROM THE DATE OF SUCH BONDS OR THE DATE OF THE FIRST BOND ANTICIPATION NOTE ISSUED IN ANTICIPATION OF SUCH BONDS, WHICHEVER IS EARLIER.

G. THE BOARD SHALL MAKE A DETERMINATION WHETHER TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE A DEFICIT PURSUANT TO THIS SUBDIVISION WITHIN THIRTY DAYS OF RECEIVING THE REPORT FROM THE COMPTROLLER PURSUANT TO PARAGRAPH C OF THIS SUBDIVISION.

3. A MUNICIPALITY THAT HAS REQUESTED AUTHORIZATION TO ISSUE BONDS TO FUND A DEFICIT PURSUANT TO THIS SECTION MAY ISSUE BOND ANTICIPATION NOTES FOR A TERM NOT TO EXCEED ONE YEAR FOR THE PURPOSE OF LIQUIDATING SUCH DEFICIT PRIOR TO A DETERMINATION BY THE BOARD TO AUTHORIZE THE ISSUANCE OF BONDS BY THE MUNICIPALITY TO FUND THE DEFICIT PURSUANT TO THIS SECTION. IN THE EVENT THAT BOND ANTICIPATION NOTES ARE ISSUED IN AN AMOUNT IN EXCESS OF THE AMOUNT OF SUCH DEFICIT AS CERTIFIED BY THE COMPTROLLER, SUCH MUNICIPALITY SHALL, FROM FUNDS OTHER THAN PROCEEDS OF BONDS OR BOND ANTICIPATION NOTES, EITHER REDEEM SUCH BOND ANTICIPATION NOTES IN THE AMOUNT BY WHICH THE AMOUNT OF SUCH BOND ANTICIPATION NOTES EXCEED THE AMOUNT OF SUCH DEFICIT AS CERTIFIED BY THE COMPTROLLER OR DEPOSIT A SUM EQUAL TO THE AMOUNT BY WHICH SUCH BOND ANTICIPATION NOTES EXCEED THE AMOUNT OF SUCH DEFICIT AS CERTIFIED BY THE COMPTROLLER INTO A RESERVE FUND FOR THE PAYMENT OF BONDED INDEBTEDNESS ESTABLISHED PURSUANT TO SECTION SIX-H OF THIS CHAPTER. IN THE EVENT THAT BOND ANTICIPATION NOTES ARE ISSUED AND THE BOARD DOES NOT AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH DEFICIT, SUCH MUNICIPALITY SHALL, FROM FUNDS OTHER THAN THE PROCEEDS OF BONDS OR BOND ANTICIPATION NOTES, REDEEM THE FULL AMOUNT OF SUCH BOND ANTICIPATION NOTES.

1 4. THE DETERMINATION OF THE BOARD WHETHER TO AUTHORIZE THE ISSUANCE OF
2 BONDS PURSUANT TO THIS SECTION SHALL BE DEEMED FINAL AND MAY ONLY BE
3 SUBJECT TO REVIEW BY A PROCEEDING COMMENCED UNDER ARTICLE SEVENTY-EIGHT
4 OF THE CIVIL PRACTICE LAW AND RULES, PROVIDED THAT SUCH PROCEEDING IS
5 COMMENCED WITHIN THIRTY DAYS OF THE NOTICE OF THE DETERMINATION GIVEN BY
6 CERTIFIED MAIL RETURN RECEIPT REQUESTED RENDERING SUCH FINAL DETERMI-
7 NATION.

8 5. THE COMPTROLLER SHALL PROVIDE ALL NECESSARY ASSISTANCE TO THE BOARD
9 INCLUDING, BUT NOT LIMITED TO, STAFFING AND SUPPORT, SO THAT THE BOARD
10 MAY CARRY OUT ITS POWERS AND DUTIES PURSUANT TO THIS SECTION.

11 6. TO FACILITATE THE MARKETING OF BONDS AUTHORIZED PURSUANT TO LAW TO
12 BE ISSUED TO FUND A DEFICIT, THE MUNICIPALITY MAY, NOTWITHSTANDING ANY
13 LIMITATION ON THE PRIVATE SALES OF BONDS PROVIDED BY LAW AND SUBJECT TO
14 THE APPROVAL OF THE COMPTROLLER OF THE TERMS AND CONDITIONS OF SUCH
15 SALES: (A) ARRANGE FOR THE UNDERWRITING OF SUCH BONDS AT PRIVATE SALE
16 THROUGH NEGOTIATED FEES OR BY SALE OF SUCH BONDS TO AN UNDERWRITER AT A
17 PRICE LESS THAN THE SUM OF PAR VALUE OF, AND THE ACCRUED INTEREST ON,
18 SUCH OBLIGATIONS; OR (B) ARRANGE FOR THE PRIVATE SALE OF SUCH BONDS
19 THROUGH NEGOTIATED AGREEMENT, WITH COMPENSATION FOR SUCH SALES TO BE
20 PROVIDED BY NEGOTIATED AGREEMENT AND/OR NEGOTIATED FEE, IF REQUIRED.
21 THE COST OF SUCH UNDERWRITING OR PRIVATE PLACEMENT SHALL BE DEEMED A
22 PRELIMINARY COST FOR PURPOSES OF SECTION 11.00 OF THE LOCAL FINANCE LAW.

23 7. EXCEPT AS PROVIDED IN THIS ARTICLE, ALL PROCEEDINGS IN CONNECTION
24 WITH THE ISSUANCE OF BONDS OR BOND ANTICIPATION NOTES AUTHORIZED TO BE
25 ISSUED PURSUANT TO THIS SECTION SHALL BE HAD AND TAKEN IN ACCORDANCE
26 WITH THE PROVISIONS OF THE LOCAL FINANCE LAW, PROVIDED, HOWEVER, THAT
27 ANY RESOLUTION OR RESOLUTIONS AUTHORIZING THE ISSUANCE OF SUCH BONDS
28 SHALL NOT BE SUBJECT TO EITHER A MANDATORY OR PERMISSIVE REFERENDUM.

29 8. A MUNICIPALITY WHICH IS HEREAFTER AUTHORIZED PURSUANT TO LAW TO
30 ISSUE BONDS TO FUND A DEFICIT:

31 A. SHALL BE SUBJECT TO SUCH REQUIREMENTS OF SUBDIVISION TWO OF SECTION
32 SIXTY-FOUR OF THIS ARTICLE AS THE COMPTROLLER DEEMS APPROPRIATE.

33 B. IN ANY FISCAL YEAR BEGINNING WITH THE FISCAL YEAR IN WHICH THE
34 MUNICIPALITY ISSUES DEBT TO FUND SUCH DEFICIT, TO AND INCLUDING THE LAST
35 FISCAL YEAR DURING WHICH SUCH DEBT OR ANY DEBT INCURRED TO REFUND SUCH
36 DEBT IS OUTSTANDING, THE MUNICIPALITY SHALL NOT ISSUE ANY FURTHER BONDS
37 OR BOND ANTICIPATION NOTES UNLESS AND UNTIL THE AFFORDABILITY OF SUCH
38 ADDITIONAL DEBT TO THE TAX BASE SUPPORTING THE INDEBTEDNESS HAS BEEN
39 REVIEWED BY THE COMPTROLLER AND THE MUNICIPALITY HAS RESPONDED IN WRIT-
40 ING TO RECOMMENDATIONS, IF ANY, WHICH THE COMPTROLLER MAY, IN HIS
41 DISCRETION, MAKE THEREON. THE COMPTROLLER MAY REQUIRE THE CHIEF FISCAL
42 OFFICER OF THE MUNICIPALITY TO PREPARE AND SUBMIT: (I) A PLAN WHICH
43 DETAILS THE PROJECTED FISCAL IMPACT OF THE PROPOSED ISSUANCE OF BONDS OR
44 BOND ANTICIPATION NOTES INCLUDING FINANCING COSTS, AND FUTURE DIRECT AND
45 INDIRECT OPERATING COSTS OF, AND ANY RESULTING REVENUES FROM, THE OBJECT
46 OR PURPOSE TO BE FINANCED; AND (II) AN ANALYSIS OF THE AFFORDABILITY TO
47 THE TAX BASE SUPPORTING THE DEBT SERVICE ON THE BONDS OR NOTES. THE
48 COMPTROLLER MAY REQUIRE SUCH OTHER INFORMATION AS THE COMPTROLLER DEEMS
49 NECESSARY TO COMPLETE THE REVIEW OF AFFORDABILITY. THE COMPTROLLER SHALL
50 MAKE ANY RECOMMENDATIONS WITHIN THIRTY DAYS OF RECEIPT OF ALL INFORMA-
51 TION NECESSARY TO COMPLETE THE REVIEW OF AFFORDABILITY.

52 C. FOR EACH FISCAL YEAR OCCURRING DURING THE TIME DEFICIT BONDS OR
53 NOTES ARE OUTSTANDING, THE CHIEF FISCAL OFFICER OF THE MUNICIPALITY ON
54 WHOSE BEHALF SUCH DEFICIT BONDS OR NOTES HAVE BEEN ISSUED SHALL MONITOR
55 ITS BUDGETS AND FOR EACH BUDGET, PREPARE A QUARTERLY REPORT OF SUMMA-
56 RIZED BUDGET DATA DEPICTING OVERALL TRENDS OF ACTUAL REVENUES AND BUDGET

1 EXPENDITURES FOR THE ENTIRE BUDGET RATHER THAN INDIVIDUAL LINE ITEMS.
2 SUCH REPORTS SHALL COMPARE REVENUE ESTIMATES AND APPROPRIATIONS AS SET
3 FORTH IN SUCH BUDGET WITH THE ACTUAL REVENUES AND EXPENDITURES MADE TO
4 DATE. ALL QUARTERLY REPORTS SHALL BE ACCOMPANIED BY A RECOMMENDATION BY
5 THE CHIEF EXECUTIVE OFFICER SETTING FORTH ANY REMEDIAL ACTION NECESSARY
6 TO RESOLVE ANY UNFAVORABLE BUDGET VARIANCE INCLUDING THE OVERESTIMATION
7 OF REVENUES AND THE UNDERESTIMATION OF APPROPRIATIONS, AND SHALL BE
8 COMPLETED WITHIN THIRTY DAYS OF THE END OF EACH QUARTER. THE ABOVE QUAR-
9 TERLY BUDGETARY REPORT SHALL BE PREPARED IN ACCORDANCE WITH GENERALLY
10 ACCEPTED ACCOUNTING PRINCIPLES. THESE REPORTS SHALL BE SUBMITTED TO THE
11 LOCAL GOVERNING BODY AND CHIEF EXECUTIVE OFFICER OF SUCH MUNICIPALITY,
12 THE STATE DIRECTOR OF THE BUDGET, THE STATE COMPTROLLER, THE CHAIRMAN OF
13 THE ASSEMBLY WAYS AND MEANS COMMITTEE AND THE CHAIRMAN OF THE SENATE
14 FINANCE COMMITTEE.

15 D. PARAGRAPHS A, B AND C OF THIS SUBDIVISION SHALL ALSO APPLY TO ANY
16 MUNICIPALITY THAT DIRECTLY OR INDIRECTLY UTILIZES THE PROCEEDS OF DEBT
17 ISSUED BY ANY PUBLIC BENEFIT CORPORATION OR NOT-FOR-PROFIT CORPORATION
18 TO FUND A DEFICIT OF THE MUNICIPALITY. ANY SUCH MUNICIPALITY SHALL
19 COMPLY WITH SUCH PARAGRAPHS BEGINNING WITH ITS FISCAL YEAR IN WHICH SUCH
20 DEBT HAS BEEN ISSUED, TO AND INCLUDING THE LAST FISCAL YEAR DURING WHICH
21 SUCH DEBT OR ANY DEBT TO REFUND SUCH DEBT IS OUTSTANDING.

22 S 67. INCONSISTENCY WITH OTHER LAWS. TO THE EXTENT THIS ARTICLE IS
23 INCONSISTENT WITH ANY GENERAL, SPECIAL OR LOCAL LAW CONCERNING BUDGET
24 PROCEDURES, THIS ARTICLE SHALL APPLY.

25 S 68. NOTICE OF BENCHMARKS AND ADDITIONAL CRITERIA. THE COMPTROLLER,
26 AT LEAST BIENNIALLY, SHALL PROVIDE TO MUNICIPALITIES NOTICE, IN SUCH
27 MANNER AS THE COMPTROLLER DEEMS APPROPRIATE, OF ALL BENCHMARKS, ALL
28 COMMONLY ACCEPTED CRITERIA OR FISCAL STRESS OR SUSCEPTIBILITY TO FISCAL
29 STRESS, AND ANY DEFINITION OF NON-RECURRING REVENUES AS MAY BE SPECIFIED
30 BY THE COMPTROLLER FOR PURPOSES OF THIS ARTICLE.

31 S 69. REPORTS. NOT LATER THAN DECEMBER THIRTY-FIRST OF EACH YEAR, THE
32 COMPTROLLER SHALL FILE AN ANNUAL REPORT WITH THE GOVERNOR, THE CHAIR OF
33 THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS AND MEANS
34 COMMITTEE, AND THE STATE DIRECTOR OF THE BUDGET ON THE FINANCIAL CONDI-
35 TION, DURING THEIR LAST COMPLETED FISCAL YEARS, OF THE MUNICIPALITIES
36 WHICH ARE SUBJECT TO THE PROVISIONS OF SECTION SIXTY-THREE, SIXTY-FOUR,
37 SIXTY-FIVE OR SIXTY-SIX OF THIS ARTICLE. THE REPORT SHALL BE IN SUFFI-
38 CIENT FORM AND DETAIL TO PERMIT AN ACCURATE DEPICTION OF THE FINANCIAL
39 CONDITION OF EACH SUCH MUNICIPALITY. THE COMPTROLLER SHALL ALSO NOTIFY
40 THE GOVERNOR, THE CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF
41 THE ASSEMBLY WAYS AND MEANS COMMITTEE, AND THE STATE DIRECTOR OF THE
42 BUDGET, AS SOON AS PRACTICABLE, IN ANY CASE WHERE THE COMPTROLLER HAS
43 IDENTIFIED A MUNICIPALITY PURSUANT TO SECTION SIXTY-THREE, SIXTY-FOUR OR
44 SIXTY-SIX OF THIS ARTICLE.

45 S 69-A. NO DUPLICATION. NOTHING IN THIS ARTICLE SHALL BE INTERPRETED
46 TO REQUIRE EITHER THE COMPTROLLER OR A MUNICIPALITY TO DUPLICATE AN
47 OVERSIGHT OR REPORTING FUNCTION DUE TO THE APPLICATION OF MORE THAN ONE
48 PROVISION OF THIS ARTICLE OR ANY OTHER RELATED PROVISION OF LAW TO SUCH
49 FUNCTION.

50 S 3. This act shall take effect immediately.