

# STATE OF NEW YORK

7049

2017-2018 Regular Sessions

## IN ASSEMBLY

March 29, 2017

Introduced by M. of A. COLTON, ZEBROWSKI, JAFFEE, ABINANTI, BRONSON --  
Multi-Sponsored by -- M. of A. LOPEZ, McDONOUGH -- read once and  
referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to prohibiting  
the formation of a subsidiary of a public authority without prior  
permission of the legislature

The People of the State of New York, represented in Senate and Assem-  
bly, do enact as follows:

Section 1. Subdivision 1 of section 2827-a of the public authorities  
law, as added by chapter 506 of the laws of 2009, is amended to read as  
follows:

1. Notwithstanding any law to the contrary, no state authority shall  
hereafter have the power to organize any subsidiary corporation unless  
the legislature shall have enacted a law granting such state authority  
such power for the organization of a specific corporation[~~, provided,  
however, that a state authority may organize a subsidiary corporation  
pursuant to the following requirements:~~

~~a. the purpose for which the subsidiary corporation shall be organized  
shall be for a project or projects which the state authority has the  
power to pursue pursuant to its corporate purposes;~~

~~b. the primary reason for which the subsidiary corporation shall be  
organized shall be to limit the potential liability impact of the  
subsidiary's project or projects on the authority or because state or  
federal law requires that the purpose of a subsidiary be undertaken  
through a specific corporate structure; and~~

~~c. the~~ . Any subsidiary corporation shall make the reports and other  
disclosures as are required of state authorities, unless the subsidiary  
corporation's operations and finances are consolidated with those of the  
authority of which it is a subsidiary.

§ 2. This act shall take effect immediately.

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

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