

# STATE OF NEW YORK

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5296

2017-2018 Regular Sessions

## IN SENATE

March 20, 2017

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Introduced by Sen. RANZENHOFER -- (at request of the Dormitory Authority of the State of New York) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law and the education law, in relation to the powers and duties of the dormitory authority of the state of New York relative to financing for community colleges and certain related entities

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

1 Section 1. Paragraph b of subdivision 2 of section 1676 of the public  
2 authorities law is amended by adding two new undesignated paragraphs to  
3 read as follows:

4 Any entity that is (i) organized by officers, employees, alumni or  
5 students of a locally sponsored community college, including a locally  
6 sponsored community college established and operated by a community  
7 college region as set forth in section six thousand three hundred one of  
8 the education law, to support the locally sponsored community college;  
9 and (ii) qualified as an organization under the United States internal  
10 revenue code as exempt from income tax, other than any entity which is  
11 organized exclusively by students of the locally sponsored community  
12 college, for the financing, refinancing, acquisition, design,  
13 construction, reconstruction, rehabilitation, improvement, furnishing  
14 and equipping of any housing unit for the use of students, faculty,  
15 staff and their families or of any academic building, administration  
16 building, library, laboratory, classroom, health facility or other  
17 facility, building or structure essential, necessary or useful in  
18 furthering the academic, cultural, health or research programs of the  
19 locally sponsored community college, including all necessary and usual  
20 attendant and related facilities and equipment.

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

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1 A locally sponsored community college, for the acquisition, design,  
2 construction, reconstruction, rehabilitation and improvement of a commu-  
3 nity college dormitory in accordance with subdivision forty-one of  
4 section sixteen hundred eighty of this title.

5 § 2. Subdivision 1 of section 1680 of the public authorities law is  
6 amended by adding two new undesignated paragraphs to read as follows:

7 Any entity that is (i) organized by officers, employees, alumni or  
8 students of a locally sponsored community college, including a locally  
9 sponsored community college established and operated by a community  
10 college region as set forth in section six thousand three hundred one of  
11 the education law, to support the locally sponsored community college;  
12 and (ii) qualified as an organization under the United States internal  
13 revenue code as exempt from income tax, other than any entity which is  
14 organized exclusively by students of the locally sponsored community  
15 college, for the financing, refinancing, acquisition, design,  
16 construction, reconstruction, rehabilitation, improvement, furnishing  
17 and equipping of any housing unit for the use of students, faculty,  
18 staff and their families or of any academic building, administration  
19 building, library, laboratory, classroom, health facility or any other  
20 building, facility or structure essential, necessary or useful in  
21 furthering the academic, cultural, health or research programs for the  
22 locally sponsored community college, including all necessary and usual  
23 attendant and related facilities and community college, including all  
24 necessary and usual attendant and related facilities and equipment;  
25 provided however that any project proposed to be undertaken pursuant to  
26 this paragraph shall first be approved by the board of trustees of the  
27 locally sponsored community college; provided further and notwithstand-  
28 ing any provision of law to the contrary, that any such not-for-profit  
29 entity, the locally sponsored community college and the local sponsor  
30 are hereby authorized to take such actions and to enter into such agree-  
31 ments with the dormitory authority as are necessary to: (i) undertake  
32 the financing, refinancing, acquisition, design, construction, recon-  
33 struction, rehabilitation, improvement, furnishing and equipping of any  
34 project as provided in this paragraph, including, but not limited to,  
35 providing for the conveyance of property held in trust by the local  
36 sponsor for the uses and purposes of the locally sponsored community  
37 college to the not-for-profit entity; or (ii) grant the authority a lien  
38 on any revenues or property or any moneys to be received by the not-for-  
39 profit entity to the extent that such revenues, property or moneys are  
40 pledged by the entity to the dormitory authority to secure the payment  
41 of all amounts owed to the authority on account of any project undertak-  
42 en pursuant to this paragraph. All state and local officers are hereby  
43 authorized to pay all such funds so assigned and pledged to the dormito-  
44 ry authority or, upon the direction of the dormitory authority, to any  
45 trustee of any dormitory authority bond or note issued. Neither the  
46 state of New York, the local sponsor nor the locally sponsored community  
47 college shall take any action in such manner as to impair or diminish  
48 the rights and remedies of the authority pursuant to any such pledge and  
49 assignment and any lien or other security interest created pursuant to  
50 this paragraph.

51 A locally sponsored community college, for the acquisition, design,  
52 construction, reconstruction, rehabilitation and improvement of a commu-  
53 nity college dormitory in accordance with subdivision forty-one of this  
54 section.

55 § 3. Section 1680 of the public authorities law is amended by adding a  
56 new subdivision 41 to read as follows:

1 41. a. For the purposes of this subdivision, a "community college  
2 dormitory" shall mean a housing unit, including all necessary and  
3 attendant and related facilities and equipment acquired, designed,  
4 constructed, reconstructed, rehabilitated and improved, or otherwise  
5 provided through the dormitory authority in accordance with the  
6 provisions of the dormitory authority act for the use of students,  
7 married students, faculty, staff and the families thereof at a locally  
8 sponsored community college.

9 b. The dormitory authority is hereby empowered and authorized to enter  
10 into a lease or other agreement with a locally sponsored community  
11 college to finance, refinance, acquire, design, construct, reconstruct,  
12 rehabilitate, improve, furnish and equip one or more community college  
13 dormitories. Such lease or other agreement may provide for the payment  
14 of annual rentals and other payments by the locally sponsored community  
15 college to the dormitory authority and contain such other terms and  
16 conditions as may be agreed upon by the parties thereto, including but  
17 not limited to provisions relating to the maintenance and operation of  
18 the community college dormitories, the establishment of reserve funds,  
19 indemnities and the disposition of a community college dormitory or the  
20 interest of the dormitory authority therein prior to or upon the termi-  
21 nation or expiration of such lease or other agreement.

22 c. In the event of a failure of a locally sponsored community college  
23 to pay the dormitory authority when due all or part of amounts payable  
24 by the locally sponsored community college to the dormitory authority  
25 pursuant to a lease or agreement authorized by this subdivision, the  
26 dormitory authority shall forthwith make and deliver to the state comp-  
27 trroller a certificate stating the amount of the payment required to have  
28 been made by the locally sponsored community college, the amount paid by  
29 the locally sponsored community college, and the amount remaining unpaid  
30 by the locally sponsored community college. The state comptroller, after  
31 giving written notice to the director of the budget, shall pay to the  
32 dormitory authority the amount set forth in such certificate as remain-  
33 ing unpaid, which amount shall be paid from any monies appropriated by  
34 the state for or on account of the operating costs of the locally spon-  
35 sored community college and not yet paid. The amount required to be paid  
36 by the state comptroller pursuant to this paragraph shall be paid to the  
37 dormitory authority as soon as practicable after receipt of the certif-  
38 icate of the dormitory authority and notice to the director of the budg-  
39 et is given, whether or not the moneys from which such payment is to be  
40 made are then due and payable to the locally sponsored community  
41 college. The amount of state appropriations payable to the locally spon-  
42 sored community college from which the state comptroller has made a  
43 payment pursuant to this paragraph shall be reduced by the amount so  
44 paid to the dormitory authority, notwithstanding the amount appropriated  
45 and apportioned by the state to the locally sponsored community college,  
46 and the state shall not be obligated to make and the locally sponsored  
47 community college shall not be entitled to receive any additional appor-  
48 tionment or payment of state moneys. Nothing contained in this subdivi-  
49 sion shall be construed to create an obligation upon the state to appro-  
50 priate moneys for or on account of the operating costs of the locally  
51 sponsored community college, to preclude the state from reducing the  
52 amount of moneys appropriated or level of support provided for the oper-  
53 ating costs of the locally sponsored community college from the amount  
54 appropriated or level of support provided in any prior fiscal year, or  
55 to preclude the state from altering or modifying the manner in which it

1 provides for the operating costs of the locally sponsored community  
2 college.

3 d. Notwithstanding any provision of law to the contrary, the state of  
4 New York shall not be required to provide a share of the capital costs  
5 of a community college dormitory financed pursuant to this subdivision  
6 and the provisions of this subdivision shall not apply to any project  
7 pursuant to which the state appropriates funds pursuant to subdivision  
8 eight of section six thousand three hundred four of the education law.  
9 Except as provided in this subdivision, all provisions of this title not  
10 inconsistent with the provisions of this subdivision shall be applicable  
11 with respect to any bonds of the dormitory authority issued to obtain  
12 funds for any purpose authorized under this subdivision for the benefit  
13 of a locally sponsored community college and with respect to the powers  
14 of the dormitory authority.

15 § 4. Section 6304 of the education law is amended by adding a new  
16 subdivision 14 to read as follows:

17 14. a. For the purposes of this subdivision, a "community college  
18 dormitory" shall mean a housing unit, including all necessary and  
19 attendant and related facilities and equipment acquired, designed,  
20 constructed, reconstructed, rehabilitated and improved, or otherwise  
21 provided through the dormitory authority in accordance with the  
22 provisions of the dormitory authority act for the use of students,  
23 married students, faculty, staff and the families thereof at a community  
24 college.

25 b. Notwithstanding any provision of law to the contrary, a community  
26 college is authorized to take such actions and to enter into such agree-  
27 ments with the dormitory authority as are necessary to undertake the  
28 financing, refinancing, acquisition, design, construction, recon-  
29 struction, rehabilitation, improvement, furnishing and equipping of a  
30 community college dormitory; and in connection therewith, to grant the  
31 dormitory authority a lien on any revenues or property or any moneys to  
32 be received by the community college derived from the operations of the  
33 project being financed to the extent that such revenues, property or  
34 moneys are pledged by the community college to the dormitory authority  
35 to secure the payment of all amounts owed to the dormitory authority on  
36 account of any community college dormitory undertaken pursuant to this  
37 subdivision; provided, further, that any such agreements may provide  
38 that the obligation of the community college to make rental or other  
39 payments to the dormitory authority shall constitute a general obli-  
40 gation of the community college payable from all monies legally avail-  
41 able to the community college (including amounts provided for operating  
42 aid by the local sponsor or sponsors to the community college pursuant  
43 to subdivision one of this section or amounts provided for operating aid  
44 by the state to the community college). All state and local officers are  
45 hereby authorized to pay all such funds so assigned and pledged to the  
46 dormitory authority or, upon the direction of the dormitory authority,  
47 to any trustee of any dormitory authority bond or note issue. Neither  
48 the state of New York, the state university of New York nor a local  
49 sponsor shall take any action in such manner as to impair or diminish  
50 the rights and remedies of the dormitory authority pursuant to any such  
51 pledge and assignment and any lien or other security interest created  
52 pursuant to this subdivision.

53 c. A local sponsor is authorized to lease or otherwise make available  
54 to the dormitory authority for the purposes set forth in this subdivi-  
55 sion real property held in trust by the local sponsor for the uses and  
56 purposes of the community college.

1 d. Notwithstanding any provision of law to the contrary, the  
2 provisions of this subdivision shall not apply to any project pursuant  
3 to which the state appropriates funds pursuant to subdivision eight of  
4 this section and the state of New York shall not be required to provide  
5 a share of the capital costs of a community college dormitory financed  
6 pursuant to this subdivision. No community college shall pledge any  
7 moneys appropriated pursuant to subdivision eight of this section in  
8 connection with any project financed pursuant to this subdivision.

9 § 5. Each project undertaken by the dormitory authority pursuant to  
10 this act shall be deemed a public work to be performed in accordance  
11 with the provisions of article 8 of the labor law and subject to  
12 sections 222 and 224 of the labor law and the enforcement of prevailing  
13 wage requirements by the New York state department of labor. Each  
14 project undertaken by the dormitory authority pursuant to this act shall  
15 be subject to the provisions of article 15-A of the executive law, arti-  
16 cle 8 of the environmental conservation law and sections 139-d, 139-j  
17 and 139-k of the state finance law. Each project undertaken by the  
18 dormitory authority pursuant to this act shall comply with section 21 of  
19 chapter 464 of the laws of 1972 to the extent such section requires  
20 compliance with section 101 of the general municipal law.

21 § 6. This act shall take effect immediately