STATE OF NEW YORK

5296

2017-2018 Regular Sessions

IN SENATE

March 20, 2017

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:

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

Any entity that is (i) organized by officers, employees, alumni or students of a locally sponsored community college, including a locally sponsored community college established and operated by a community college region as set forth in section six thousand three hundred one of the education law, to support the locally sponsored community college; and (ii) qualified as an organization under the United States internal revenue code as exempt from income tax, other than any entity which is organized exclusively by students of the locally sponsored community college, for the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of any housing unit for the use of students, faculty, staff and their families or of any academic building, administration building, library, laboratory, classroom, health facility or other facility, building or structure essential, necessary or useful in furthering the academic, cultural, health or research programs of the locally sponsored community college, including all necessary and usual 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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A locally sponsored community college, for the acquisition, design, construction, reconstruction, rehabilitation and improvement of a community college dormitory in accordance with subdivision forty-one of section sixteen hundred eighty of this title.

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

Any entity that is (i) organized by officers, employees, alumni or students of a locally sponsored community college, including a locally sponsored community college established and operated by a community college region as set forth in section six thousand three hundred one of the education law, to support the locally sponsored community college; and (ii) qualified as an organization under the United States internal revenue code as exempt from income tax, other than any entity which is organized exclusively by students of the locally sponsored community college, for the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of any housing unit for the use of students, faculty, staff and their families or of any academic building, administration building, library, laboratory, classroom, health facility or any other building, facility or structure essential, necessary or useful in furthering the academic, cultural, health or research programs for the locally sponsored community college, including all necessary and usual attendant and related facilities and community college, including all necessary and usual attendant and related facilities and equipment; provided however that any project proposed to be undertaken pursuant to this paragraph shall first be approved by the board of trustees of the locally sponsored community college; provided further and notwithstanding any provision of law to the contrary, that any such not-for-profit entity, the locally sponsored community college and the local sponsor are hereby authorized to take such actions and to enter into such agreements with the dormitory authority as are necessary to: (i) undertake the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of any project as provided in this paragraph, including, but not limited to, providing for the conveyance of property held in trust by the local sponsor for the uses and purposes of the locally sponsored community college to the not-for-profit entity; or (ii) grant the authority a lien on any revenues or property or any moneys to be received by the not-for-profit entity to the extent that such revenues, property or moneys are pledged by the entity to the dormitory authority to secure the payment of all amounts owed to the authority on account of any project undertaken pursuant to this paragraph. All state and local officers are hereby authorized to pay all such funds so assigned and pledged to the dormitory authority or, upon the direction of the dormitory authority, to any trustee of any dormitory authority bond or note issued. Neither the state of New York, the local sponsor nor the locally sponsored community college shall take any action in such manner as to impair or diminish the rights and remedies of the authority pursuant to any such pledge and assignment and any lien or other security interest created pursuant to this paragraph.

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

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

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

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

c. In the event of a failure of a locally sponsored community college to pay the dormitory authority when due all or part of amounts payable by the locally sponsored community college to the dormitory authority pursuant to a lease or agreement authorized by this subdivision, the dormitory authority shall forthwith make and deliver to the state comptroller a certificate stating the amount of the payment required to have been made by the locally sponsored community college, the amount paid by the locally sponsored community college, and the amount remaining unpaid by the locally sponsored community college. The state comptroller, after giving written notice to the director of the budget, shall pay to the dormitory authority the amount set forth in such certificate as remaining unpaid, which amount shall be paid from any monies appropriated by the state for or on account of the operating costs of the locally sponsored community college and not yet paid. The amount required to be paid by the state comptroller pursuant to this paragraph shall be paid to the dormitory authority as soon as practicable after receipt of the certificate of the dormitory authority and notice to the director of the budget is given, whether or not the moneys from which such payment is to be made are then due and payable to the locally sponsored community college. The amount of state appropriations payable to the locally sponsored community college from which the state comptroller has made a payment pursuant to this paragraph shall be reduced by the amount so paid to the dormitory authority, notwithstanding the amount appropriated and apportioned by the state to the locally sponsored community college, and the state shall not be obligated to make and the locally sponsored community college shall not be entitled to receive any additional apportionment or payment of state moneys. Nothing contained in this subdivision shall be construed to create an obligation upon the state to appropriate moneys for or on account of the operating costs of the locally sponsored community college, to preclude the state from reducing the amount of moneys appropriated or level of support provided for the operating costs of the locally sponsored community college from the amount appropriated or level of support provided in any prior fiscal year, or to preclude the state from altering or modifying the manner in which it

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

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

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

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

b. Notwithstanding any provision of law to the contrary, a community college is authorized to take such actions and to enter into such agreements with the dormitory authority as are necessary to undertake the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of a community college dormitory; and in connection therewith, to grant the dormitory authority a lien on any revenues or property or any moneys to be received by the community college derived from the operations of the project being financed to the extent that such revenues, property or moneys are pledged by the community college to the dormitory authority to secure the payment of all amounts owed to the dormitory authority on account of any community college dormitory undertaken pursuant to this subdivision; provided, further, that any such agreements may provide that the obligation of the community college to make rental or other payments to the dormitory authority shall constitute a general obligation of the community college payable from all monies legally available to the community college (including amounts provided for operating aid by the local sponsor or sponsors to the community college pursuant to subdivision one of this section or amounts provided for operating aid by the state to the community college). All state and local officers are hereby authorized to pay all such funds so assigned and pledged to the dormitory authority or, upon the direction of the dormitory authority, to any trustee of any dormitory authority bond or note issue. Neither the state of New York, the state university of New York nor a local sponsor shall take any action in such manner as to impair or diminish the rights and remedies of the dormitory authority pursuant to any such pledge and assignment and any lien or other security interest created pursuant to this subdivision.

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

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

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

§ 6. This act shall take effect immediately