

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.

LBD05006-01-7