

# STATE OF NEW YORK

9789

## IN ASSEMBLY

February 11, 2020

Introduced by M. of A. BRAUNSTEIN -- read once and referred to the  
Committee on Cities

AN ACT to amend the general municipal law and the New York state financial emergency act for the city of New York, in relation to the establishment by the city of New York of a revenue stabilization fund and variations from generally accepted accounting principles as applied to the budget and accounts of such city in connection with such fund

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

1 Section 1. Section 25 of the general municipal law, as added by chap-  
2 ter 406 of the laws of 2019, is amended to read as follows:

3 § 25. Treatment of capital costs and [~~restricted~~] certain fund  
4 balances of the city of New York; revenue stabilization fund of such  
5 city. Notwithstanding the provisions of any general or special state  
6 law or local law to the contrary, including but not limited to the New  
7 York city charter, the following shall apply with respect to the budget  
8 and accounts of the city of New York:

9 1. All costs that would be capital costs in accordance with generally  
10 accepted accounting principles, but for the application of governmental  
11 accounting standards board statement number forty-nine, shall be deemed  
12 to be capital costs for purposes of this chapter and any other provision  
13 of state or local law, including but not limited to the New York city  
14 charter, relevant to the treatment of such costs; [~~and~~]

15 2. The determination as to the existence of a deficit pursuant to the  
16 New York state financial emergency act for the city of New York, while  
17 such act remains in effect, and any other provision of state or local  
18 law, including but not limited to the New York city charter, shall be  
19 made without regard to changes in restricted fund balances, as defined  
20 by the governmental accounting standards board, where restrictions in  
21 relation to such fund balances are imposed by state or federal law or  
22 regulation, or otherwise by private or governmental parties other than  
23 the city of New York, and without regard to funds held in the health  
24 stabilization fund, the school crossing guards health insurance fund,  
25 any revenue stabilization fund established pursuant to section fifteen

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

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1 hundred twenty-eight of the New York city charter and the management  
2 benefits fund established by the city of New York. Deposits into any  
3 such revenue stabilization fund shall be deemed to be expenses of such  
4 city for all purposes in the fiscal year during which such deposits are  
5 made, and withdrawals from such fund shall be deemed to be revenues of  
6 such city for all purposes in the fiscal year during which such with-  
7 drawals are made; provided however, that surpluses of such city, whether  
8 accumulated from fiscal years ending prior to the effective date of the  
9 chapter of the laws of two thousand twenty that amended this subdivision  
10 or existing at the close of any fiscal year ending after such effective  
11 date, shall be deposited into such revenue stabilization fund as soon as  
12 practicable, and such deposits shall not be deemed expenses of the city  
13 in the fiscal years during which such deposits are made; and

14 3. The city of New York may establish and maintain a revenue stabili-  
15 zation fund pursuant to section fifteen hundred twenty-eight of the New  
16 York city charter. Except as required by subdivision two of this section  
17 with respect to surpluses, deposits into and withdrawals from such fund  
18 may be made by means of the procedures set forth in such charter for  
19 adoption or modification of the expense budget of such city, as applica-  
20 ble. The authority to establish a revenue stabilization fund set forth  
21 in this subdivision shall be in addition to any other authorization set  
22 forth in this article or other applicable law.

23 § 2. Paragraph a of subdivision 1 of section 8 of section 2 of chapter  
24 868 of the laws of 1975, constituting the New York state financial emer-  
25 gency act for the city of New York, as amended by chapter 406 of the  
26 laws of 2019, is amended to read as follows:

27 a. For its fiscal years ending June thirtieth, nineteen hundred seven-  
28 ty-nine through June thirtieth, nineteen hundred eighty-one, the city's  
29 budget covering all expenditures other than capital items shall be  
30 prepared and balanced so that the results thereof would not show a defi-  
31 cit when reported in accordance with the accounting principles set forth  
32 in the state comptroller's uniform system of accounts for municipi-  
33 palities, as the same may be modified by the comptroller, in consulta-  
34 tion with the city comptroller, for application to the city; subject to  
35 the provision of subdivision four of section three thousand thirty-eight  
36 of the public authorities law with respect to contributions by the city  
37 or other public employer to any retirement system or pension fund and  
38 subject to the provision of paragraph (c) of subdivision five of section  
39 three thousand thirty-eight of the public authorities law with respect  
40 to expense items included in the capital budget of the city. For the  
41 fiscal year ending June thirtieth, nineteen hundred eighty-two, and for  
42 each fiscal year thereafter, the city's budget covering all expenditures  
43 other than capital items shall be prepared and balanced so that the  
44 results thereof would not show a deficit when reported in accordance  
45 with generally accepted accounting principles and would permit compar-  
46 ison of the budget with the report of actual financial results prepared  
47 in accordance with generally accepted accounting principles. With  
48 respect to financial plans that include the fiscal years ending June  
49 thirtieth, nineteen hundred seventy-nine through June thirtieth, nine-  
50 teen hundred eighty-one, the city's budget covering all expenditures  
51 other than capital items shall be prepared in accordance with generally  
52 accepted accounting principles and there shall be substantial progress  
53 in each such fiscal year towards achieving a city budget covering all  
54 expenditures other than capital items the results of which would not  
55 show a deficit when reported in accordance with generally accepted  
56 accounting principles. The city shall eliminate expense items from its

1 capital budget not later than the commencement of the fiscal year ending  
2 June thirtieth, nineteen hundred eighty-two. For the fiscal year ending  
3 June thirtieth, nineteen hundred eighty-nine, and for each fiscal year  
4 thereafter, the budgets covering all expenditures other than capital  
5 items of each of the covered organizations shall be prepared and  
6 balanced so that the results thereof would not show a deficit when  
7 reported in accordance with generally accepted accounting principles;  
8 and for each fiscal year prior thereto, there shall be substantial  
9 progress towards such goal. Notwithstanding the foregoing and the  
10 provisions of any general or special state law or local law to the  
11 contrary, including but not limited to the New York city charter: (i)  
12 all costs that would be capital costs in accordance with generally  
13 accepted accounting principles, but for the application of governmental  
14 accounting standards board statement number forty-nine, shall be deemed  
15 to be capital costs for purposes of this act and any other provision of  
16 state or local law, including but not limited to the New York city char-  
17 ter, relevant to the treatment of such costs; and (ii) the determination  
18 as to the existence of a deficit pursuant to this act and any other  
19 provision of state or local law, including but not limited to the New  
20 York city charter, shall be made without regard to changes in restricted  
21 fund balances, as defined by the governmental accounting standards  
22 board, where restrictions in relation to such fund balances are imposed  
23 by state or federal law or regulation, or otherwise by private or  
24 governmental parties other than the city of New York, and without regard  
25 to funds held in the health stabilization fund, the school crossing  
26 guards health insurance fund, any revenue stabilization fund established  
27 pursuant to section fifteen hundred twenty-eight of the New York city  
28 charter and the management benefits fund established by the city of New  
29 York. Deposits into any such revenue stabilization fund shall be deemed  
30 to be expenses of such city in the fiscal year in which such deposits  
31 are made, and withdrawals from such fund shall be deemed to be revenues  
32 of such city in the year in which such withdrawals are made; provided  
33 however, that surpluses of such city, whether accumulated from fiscal  
34 years ending prior to the effective date of the chapter of the laws of  
35 two thousand twenty that amended this paragraph or existing at the close  
36 of any fiscal year ending after such effective date, shall be deposited  
37 into such revenue stabilization fund as soon as practicable, and such  
38 deposits shall not be deemed expenses of the city in the fiscal year in  
39 which such deposits are made.

40 § 3. This act shall take effect immediately.