STATE OF NEW YORK

4940

2021-2022 Regular Sessions

IN ASSEMBLY

February 9, 2021

Introduced by M. of A. GALEF, ZEBROWSKI, LAVINE, J. RIVERA, SEAWRIGHT, BARRON, CAHILL -- Multi-Sponsored by -- M. of A. BARCLAY, SIMON -- read once and referred to the Committee on Education

AN ACT to amend the general municipal law, in relation to authorizing all school districts to establish reserve funds

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

Section 1. Paragraph (a) of subdivision 2 of section 6-n of the general municipal law, as amended by chapter 246 of the laws of 2020, is amended to read as follows:

(a) The governing board of any municipal corporation may establish a reserve fund to be known as the insurance reserve fund. Upon the creation of the fund, the municipality may make expenditures from the fund for any loss, claim, action or judgment for which the municipal corporation is authorized or required to purchase or maintain insurance, except those kinds of risks for which insurance is authorized pursuant to paragraph one, two, three, fifteen, sixteen, seventeen, eighteen, twenty-two or twenty-three of subsection (a) of section one thousand one hundred thirteen of the insurance law, or for payments in lieu of contributions under article eighteen of the labor law; provided however, that no municipality shall make an expenditure from such fund for any loss, claim, action or judgment for which the municipal corporation has established a reserve fund under any other provision of law; provided, further that the Scarsdale union free school district, the Mamaroneck union free school district, the Minisink Valley central school district, the Vernon Verona Sherrill central school district, the Ithaca city school district, the Kenmore-Town of Tonawanda union free school district, the Bedford central school district, the Grand Island central school district, the Tonawanda city school district, the enlarged city school district of Middletown, the Frontier central school district, and the Binghamton city school district **and any other school district** may

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

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establish insurance reserve funds in compliance with this section and article seventy-four of the education law**, in an amount and manner determined by a qualified and independent actuary certified by the American Academy of Actuaries to be reasonable and necessary,** and such school districts may make expenditures in compliance with this section and article seventy-four of the education law from such reserve fund for any loss, claim, action or judgment for which the school districts are authorized or required to purchase or maintain insurance for the kinds of risks for which insurance is authorized pursuant to paragraph three of subsection (a) of section one thousand one hundred thirteen of the insurance law.

§ 2. This act shall take effect on the first of July next succeeding the date on which it shall have become a law.