STATE OF NEW YORK

6795

2021-2022 Regular Sessions

IN SENATE

May 17, 2021

Introduced by Sen. MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Education

AN ACT to amend the education law and the general municipal law, in relation to authorizing industrial development agencies to finance certain facilities for the small city school districts

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

Section 1. Section 2503 of the education law is amended by adding a new subdivision 22 to read as follows:

22. Shall authorize small city school districts to enter into leases, subleases or any other agreements with industrial development agencies for the financing, re-financing or reimbursement of the costs of the acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for, school district capital facilities in accordance with the provisions of article eighteen-A of the general municipal law.

§ 2. Section 858 of the general municipal law is amended by adding a new subdivision 20 to read as follows:

(20) (a) To enter into agreements with small city school districts including but not limited to, leases and subleases for the financing, re-financing or reimbursement of the costs of the acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for, school district capital facilities. For purposes of this subdivision, agency shall have the same meaning as subdivision one of section eight hundred fifty-four of this title and shall include the industrial development agencies established pursuant to titles eleven and fifteen of article eight of the public authorities law.

(b) All contracts entered into by an agency pursuant to the provisions of this subdivision shall be deemed to be state contracts within the meaning of that term as set forth in article fifteen-A of the executive

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

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law, and the agency shall be deemed, for the purposes of this subdivision, a contracting agency as the term is used in such article.

(c) No lease, sublease or other agreement by and between the school district of any small city and an agency for the purpose of financing or re-financing school district capital facilities or school district capital equipment pursuant to the provisions of this subdivision shall constitute indebtedness for the purposes of section 104.00 of the local finance law.

(d) Any such lease, sublease, or other agreement shall not constitute or create indebtedness of the state or a political subdivision for purposes of article seven or eight of the state constitution or section 20.00 of the local finance law, shall be deemed executory only to the extent of money appropriated annually therefor by the state or political subdivision and shall not constitute a contractual obligation in excess of the amounts so appropriated; provided, however, that the total amount of unpaid payments due under any such lease, sublease or agreement on account of principal due on bonds issued by an agency shall be deemed to be indebtedness within the meaning of subdivision three of paragraph a of section 135.00 of the local finance law except to the extent that any portion of the indebtedness, if issued by the school district, would be excluded pursuant to section 136.00 of the local finance law.

(e) A small city school district shall have the full power and authority to enter into such leases, subleases, or any other agreements under this subdivision with other small city school districts for the purpose of jointly contracting for such indebtedness.

§ 3. This act shall take effect immediately.