

STATE OF NEW YORK

1768

2023-2024 Regular Sessions

IN ASSEMBLY

January 20, 2023

Introduced by M. of A. COLTON, ZEBROWSKI, BRONSON, REYES, NORRIS, DINOW-ITZ, DICKENS, MAGNARELLI, ZINERMAN, SAYEGH, STIRPE, L. ROSENTHAL -- Multi-Sponsored by -- M. of A. 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 Assembly, 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~~

~~e. the~~ without the legislature enacting a law granting such state authority such power if such authority provides written notification of its intention to organize such subsidiary corporation sixty days prior to such organization. Such written notice shall be provided to the governor, the speaker of the assembly, and the temporary president of

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

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1 the senate and shall be subject to denial by the governor, the senate,
2 or the assembly. Denial by the governor shall take the form of a signed
3 certification by the governor. Denial by either house of the legisla-
4 ture shall take the form of a resolution by such house. If the governor
5 and each house of the legislature receives notification of a proposed
6 organization during the months of January through March, the governor
7 and each house of the legislature may take any such action within sixty
8 days of receiving such notification, provided however, if the governor
9 and each house of the legislature receives notification of a proposed
10 organization and there is not sixty days remaining during the legisla-
11 tive session, the legislature may take any such action within sixty days
12 of January first of the following year. The state authority may not
13 effectuate the proposed organization of the subsidiary until such sixty
14 day period has elapsed. Any subsidiary corporation shall make the
15 reports and other disclosures as are required of state authorities,
16 unless the subsidiary corporation's operations and finances are consol-
17 idated with those of the authority of which it is a subsidiary.

18 § 2. This act shall take effect immediately.