# STATE OF NEW YORK

1004

2025-2026 Regular Sessions

# IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. PAULIN -- read once and referred to the Committee on Local Governments

AN ACT to amend the county law, in relation to providing for the conveyance or lease of sewer system properties and responsibilities by cities, towns and villages in the county of Westchester when determined to be in the public interest

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

Section 1. The county law is amended by adding a new section 277-a to read as follows:

§ 277-a. Conveyance or lease to the county of Westchester by cities, towns and villages of sewer system property and the establishment of certain county sewer districts, extensions or special transitional zones of assessment in the county of Westchester. 1. As used in this section, the following terms shall have the following meanings:

a. "Charter" shall mean the charter and administrative code of the county of Westchester.

b. "City, town and village" shall mean a city, town or village in the county of Westchester, including towns or villages acting on behalf of town or village sewer districts.

c. "Commissioner of finance" shall mean the commissioner of finance of the county of Westchester.

d. "Commissioner of environmental facilities" shall mean the commissioner of environmental facilities of the county of Westchester.

e. "County" shall mean the county of Westchester, including when acting on behalf of a county sewer district.

f. "County legislature" shall mean the county legislature of the county of Westchester.

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

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g. "Governing board of a city, town or village in the county of Westchester" shall mean the finance board as such term is defined in section 2.00 of the local finance law.

h. "Sewer system" shall include sewage collection or conveyance facilities, treatment or disposal plants, buildings, land and rights in land, furnishings, equipment, machinery and apparatus, appurtenant facilities, all moneys on hand collected or received for the purposes of such sewer system, and all other items of property, either real or personal or mixed, acquired for or incidental to such sewer system.

i. "Sewer system consolidation agreement" shall mean an agreement between the county and a city, town or village in the county whereby the city, town or village shall convey or lease sewer system property to the county for operation, maintenance or improvement by the county described in subdivision two of this section.

j. "Special transitional zone of assessment" shall mean a zone of assessment within a county sewer district established to allocate all or a portion of the costs of facilitating a conveyance or lease of sewer system property by a city, town or village to the county and a transfer of responsibilities for the operation, maintenance and improvement thereof to the county sewer district. A special transitional zone of assessment may overlap all or portions of any zone of assessment established in a county sewer district to allocate the costs of the operation, maintenance and improvement of the county's trunk sewers and wastewater treatment plants and related facilities.

k. "Town sewer district" shall mean a sewer district governed by the provisions of articles twelve or twelve-A of the town law or a benefited area established to provide a sewer improvement pursuant to articles three-A or twelve-C of such law.

l. "Village sewer district" shall mean a sewer district governed by the provisions of article fourteen and section 17-1718 of the village law.

2. Notwithstanding the provisions of any general, special or local law, the county and any city, town or village in the county may enter into, and take the actions necessary to implement, sewer system consolidation agreements under this section to facilitate the conveyance or lease to the county of sewer system property and the transfer to the county of the responsibilities of operation, maintenance and improvement of sewer system property. Sewer system consolidation agreements shall include the following provisions:

a. an identification of the sewer system property of the city, town or village to be conveyed or leased to the county, the consideration, if any, for such conveyance or lease and the conditions, if any, under which the conveyance or lease could be reversed or canceled;

b. a description of any improvements of such property to be made by the county, the estimated cost thereof and the plan for financing such improvements;

c. determinations of whether the county shall undertake to establish special transitional zones of assessment under terms and conditions as may be agreed upon, and shall include a description and estimate of the costs to be allocated to the special transitional zone of assessment and a description of whether the costs allocated thereto shall be levied in the same manner as other county charges or in the manner described in section two hundred seventy or section two hundred seventy-one of this article, and if pursuant to section two hundred seventy-one, whether and under what circumstances such manner of levy is expected to be changed;

d. determinations of whether the county shall make a payment or payments to the city, town or village in respect of city, town or village debt service on indebtedness issued to finance sewer facilities or whether the county may finance the cost of acquisition of sewer facilities from cities, towns or villages through the issuance of bonds or notes in accordance with the local finance law, and in either case whether the city, town or village shall establish funds to receive all or a portion of the proceeds thereof, as may be necessary or convenient to facilitate such payments or as may be required by section six-l of the general municipal law, and whether the city, town or village shall call outstanding bonds for redemption at such times and under such conditions as may be agreed to;

e. determinations of whether and to what extent the county and the city, town or village shall indemnify each other for liabilities for work performed or existing conditions;

f. determinations of whether employees of the city, town or village shall be transferred to the county and become county employees under such terms and conditions as such employees and the parties may agree, subject to the rights and privileges of such employees under labor agreements and applicable law, and whether employees of cities, towns and villages not so transferred to the county may continue to be employed by such cities, towns and villages to provide services to the county sewer district under such terms as may be agreed upon;

g. estimates of capital cost of the sewer system property conveyed or leased, which may include planning, design, acquisition and construction costs of such property and improvements thereto, the costs of preparation of reports described in subdivision three of this section and the sewer system consolidation agreement, and any other expenses incurred in furtherance of the making of the sewer system consolidation agreement, and the amounts of the capital cost to be charged against properties in a special transitional zone of assessment, to be paid by the county through a county sewer district or to be paid by the city, town or village;

h. estimates of the operating expenses of the property conveyed or leased under the sewer system consolidation agreement, and a statement of the portions of the operating expenses to be annually charged against properties in a special transitional zone of assessment, to be paid by the county through a county sewer district or to be paid by the city, town or village;

i. terms describing the actions necessary to amend the sewer system consolidation agreement; and

j. terms describing the conditions under which the sewer system consolidation agreement may be extended.

3. Any city, town or village may prepare and furnish to the county a report containing a map and a general description of the sewer system property which is proposed to be leased or conveyed and a description of its current condition. The report shall include the terms of any outstanding indebtedness issued to finance acquisition or improvement of such sewer system property and such additional information relevant to the assessment of the costs of operation, maintenance and improvement of such sewer system property as the county may request. Upon presentation of such report the county legislature may refer the same to the commissioner of environmental facilities for a plan and report with respect thereto. If the county legislature refers the report to the commissioner of environmental facilities, said commissioner shall thereupon prepare and furnish to the county legislature a plan and report describing capi-

tal improvements, if any, to such sewer system property which the commissioner of environmental facilities recommends be undertaken following its conveyance or lease to the county. This plan and report shall include the estimated costs thereof, together with an estimate of the operating and maintenance costs of such property. The plan and report shall also contain such other data and information as shall have been requested by the county legislature or as may be determined by the commissioner of environmental facilities to be appropriate under the circumstances. Upon review of the plan and report, the county legislature may, if a majority of the county legislature approves the plan and report, authorize the preparation of a draft sewer system consolidation agreement and direct that such plan and report be furnished to the city, town or village. The county and the city, town or village may then prepare a draft sewer system consolidation agreement. The draft sewer system consolidation agreement shall be presented to and approved as to form by the county legislature and the governing body of the city, town or village prior to the calling of a hearing under subdivisions seven and five of this section, respectively. Such draft sewer system consolidation agreement shall not be binding nor shall it be executed until after a public hearing and authorization by the county legislature and the governing body of the city, town or village, as provided for in subdivisions six and eight of this section.

4. In addition to existing authority to establish county sewer districts or extensions, the county legislature, in furtherance of a sewer system consolidation agreement, may establish a special transitional zone of assessment in any county sewer district, and to the extent such special transitional zone of assessment would fall in whole or in part outside any county sewer district, may coincidentally establish a county sewer district encompassing such area or extend an existing county sewer district to encompass such area, in the manner hereinafter provided. Each special transitional zone of assessment shall have boundaries coterminous with the area provided with a sewer system by any city, town or village, for the purpose of facilitating the conveyance or lease to the county all or a portion of the property of cities, towns or villages relating to the collection and conveyance of sewage to county trunk sewers and the transfer of all or a portion of the responsibilities for the operation, maintenance and improvement thereof.

5. Following the approval of a draft sewer system consolidation agreement, the governing body of the city, town or village shall hold a public hearing on the draft sewer system consolidation agreement. Such public hearing shall be called by such governing body, which shall direct that notice thereof be published and posted not less than fourteen days prior to the date set for such hearing. Such notice shall be given, in the case of towns, in the manner prescribed in section one hundred ninety-three of the town law, and in the case of cities and villages, in the manner prescribed for general elections. Such notice shall state in general terms that it is proposed to petition the county legislature to enter into a sewer system consolidation agreement and, if contemplated by the sewer system consolidation agreement, to establish or extend a county sewer district or establish a special transitional zone of assessment for the purpose of facilitating the conveyance or lease of property to the county and its operation, maintenance and improvement of such property, as set forth in the draft sewer system consolidation agreement. Such notice shall generally identify the particular sewer system proposed to be conveyed or leased, the proposed improvements thereto, if any, and the estimated maximum cost thereof,

and shall describe the boundaries of the proposed, district, extension or special transitional zone of assessment in a manner sufficient to permit definite and conclusive identification of all parcels of property included therein. Such notice shall also state where the draft sewer system consolidation agreement is available for public inspection, and shall set forth the time when and place where such hearing shall be held.

6. If the governing board shall decide, after such public hearing and upon the evidence given thereat, that it is in the public interest to petition the county legislature to enter into the sewer system consolidation agreement pursuant to this section, it shall authorize the supervisor of the town or mayor of the village or chief executive officer of a city as that term is defined in the local finance law, as the case may be, to:

a. execute such petition and file the same with the clerk of the county legislature; and

b. execute the sewer system consolidation agreement, if the county elects to enter into the sewer system consolidation agreement.

Such petition shall generally identify the particular sewer system proposed to be conveyed or leased and shall describe the boundaries of the area served thereby in a manner sufficient to permit definite and conclusive identification of all parcels of property included therein.

7. Upon receipt of such petition and after the approval of the form of the draft sewer system consolidation agreement, the county legislature may call a public hearing to enter into the sewer system consolidation agreement and, if contemplated thereby, to establish a special transitional zone of assessment or establish or extend a county sewer district. Notice of such public hearing shall be given not less than fourteen days prior to the date of the hearing in the manner prescribed in section two hundred fifty-four of this article. In addition, a copy of such notice shall be served upon or mailed to the city, town or village which presented such petition not less than fourteen days prior to the day set therein for such hearing. Such notice shall contain:

a. a general description of the sewer system property proposed to be conveyed or leased;

b. a description of the boundaries of any proposed district, extension or special transitional zone of assessment in a manner sufficient to permit definite and conclusive identification of all parcels of property included therein;

c. the estimated maximum amount to be expended for proposed improvements;

d. a statement of the proposed manner of assessing costs allocable to the special transitional zone of assessment, indicating whether it is proposed to levy assessments pursuant to the charter in the same manner as county charges or as described in section two hundred seventy or section two hundred seventy-one of this article;

e. a statement of whether and to what extent the county sewer district will assume the payment of outstanding obligations, contracts and other indebtedness of the city, town or village for the purposes of or in relation to the sewer system proposed to be conveyed or leased;

f. shall state where the draft sewer system consolidation agreement is available for public inspection; and

g. shall specify the time when and place where the county legislature will meet to consider the matter and to hear all parties interested therein concerning the same.

8. If, based upon the evidence presented at such public hearing and after due consideration of the petition, the plan and report of the commissioner of environmental facilities and other data provided to it, the county legislature shall determine that it is in the public interest to enter into the sewer system consolidation agreement, it shall by majority vote adopt an act authorizing the execution of the sewer system consolidation agreement. If the county legislature shall determine that it is not in the public interest to enter into the sewer system consolidation agreement, it shall adopt an act so stating and terminating the proceedings with respect thereto. The parties to a sewer system consolidation agreement may from time to time amend the sewer system consolidation agreement, provided that, if an amendment would a. increase the estimated capital cost to be assessed against properties in a special transitional zone of assessment for the improvements proposed in the sewer system consolidation agreement; b. increase the share of operation and maintenance costs to be annually assessed against a special transitional zone of assessment; or c. eliminate from or add parcels to a special transitional zone of assessment, the amendment may be authorized only after public hearings held by each party in the same manner as the original sewer system consolidation agreement following determinations by the parties that such amendment is in the public interest after hearings held as required for the original sewer system consolidation agreement. Notwithstanding the provisions of sections two hundred fifty-six, two hundred fifty-eight and two hundred sixty-eight of this article, or any other law, no act adopted pursuant to this section shall be subject to permissive referendum, nor shall the permission of the state comptroller be required to establish or extend a district pursuant hereto or to create a special transitional zone of assessment in any county sewer district, or, from time to time, to increase and improve the facilities of any county sewer district in the county of Westchester. Nothing in this section shall modify the special acts of the legislature and local laws of the county of Westchester governing county sewer districts and the assessments made and taxes levied in connection therewith, and the county of Westchester may continue to operate county sewer districts in conformity therewith, irrespective of whether the county sewer district has undertaken to own, operate, maintain or improve sewers which are not trunk sewers pursuant to this section or otherwise undertakes to provide sewage collection and conveyance facilities in addition to trunk sewers.

9. As part of the implementation of the sewer system consolidation agreement, the county may adopt an act to establish a special transitional zone of assessment or establish or extend a county sewer district, which act shall include the following:

a. an accurate description of the boundaries of any such district, extension, or special transitional zone of assessment in a manner sufficient to permit definite and conclusive identification of all parcels of property included therein, provided, however, if such district, extension or special transitional zone of assessment is coterminous with a city, town or village it shall be a sufficient compliance with this paragraph to so state without describing the boundaries of such city, town or village;

b. a general description of the sewer system property to be conveyed or leased to the county in accordance with the sewer system consolidation agreement;

c. a determination as to whether assessments for district purposes will be levied pursuant to the charter in the same manner as county charges or as described in section two hundred seventy or section two

hundred seventy-one of this article in accordance with the notice of the public hearing held pursuant to subdivision seven of this section;

d. a determination as to the effective date or dates for the conveyance or lease of the property described in accordance with paragraph b of this subdivision, having due regard to the fiscal year of the county and the city, town or village concerned and the availability of funds for the operation, maintenance and improvement of the sewer system by the county;

e. a determination assuming responsibility for the payment of all or the agreed portion of all obligations, contracts and other indebtedness of the city, town or village, as the case may be, incurred for the purposes of or in relation to the sewer system property to be conveyed or leased which shall be outstanding as of the effective date of such conveyance or lease, the exact amount and details thereof to be subject to future determination by agreement in such manner as may be provided therein; and

f. such other terms, conditions and provisions with respect to the establishment of such district and such conveyance or lease, not inconsistent with the provisions of this section, as the county legislature may determine to be necessary or desirable under the circumstances.

10. The clerk of the county legislature, within ten days after the adoption thereof, shall file a certified copy of such act with the clerk of the city, town or village concerned, who shall present the same to the governing board at the next meeting thereof. Such governing board shall thereupon proceed to adopt such resolutions or ordinances and take such other action as shall be necessary or convenient to effectuate a conveyance or lease of sewer system property to the county in accordance with the provisions of this section and such act. In addition, in the case of a town or a village sewer district, and if so provided in an agreement with the county, the governing board may adopt an order dissolving such district effective as of the date of such conveyance or lease, a certified copy of which shall be recorded in the office of the county clerk, or, if such district is not to be dissolved, the governing board may adopt an order describing the remaining functions and responsibilities of the district.

11. All or an agreed upon portion of assessments levied by, or fees, rates, rents or other charges due or moneys owing to any city, town or village with respect to any sewer system and remaining unpaid as of the effective date of the conveyance or lease thereof to a county district pursuant to this section shall be collected by the city, town or village concerned in the same manner as if such conveyance or lease had not been made, and upon receipt shall be paid over to the county commissioner of finance to be applied for the purposes of such county sewer district.

12. a. The principal of and interest on all outstanding bonds and notes of a city, town or village issued to pay all or part of the cost of any sewer system conveyed or leased to a county district pursuant to this section shall continue to be paid when due by such city, town or village, and, if a sewer system consolidation agreement with the county so provides, from moneys provided for such purpose by the county from county district funds raised or appropriated therefor. If the county has agreed to make such payments, the county commissioner of finance shall from time to time pay such moneys to the fiscal officer of such city, town or village sufficiently in advance to permit the payment of all or the agreed upon portion of such principal and interest when due. All other obligations and contract liabilities of a city, town or village assumed by the county in a sewer system consolidation agreement shall be

paid directly from funds of the county in the same manner as other county sewer district claims.

b. If bonds have been authorized by a city, town or village pursuant to the local finance law to pay all or a part of the cost of the acquisition, construction or reconstruction of or addition to a sewer system or the replacement of equipment, machinery, apparatus or furnishings therefor, and in anticipation of the issuance of such bonds such city, town or village has issued a bond anticipation note or notes or has otherwise contracted indebtedness to be paid from the proceeds of such bonds, and prior to the issuance of such bonds and the payment of such note or notes or other indebtedness, such sewer system has been conveyed or leased to the county pursuant to this section, the county may issue its bonds for the object or purpose of paying such note or notes or other indebtedness. The period of probable usefulness of the object or purpose for which such bonds may be issued by the county pursuant to this subdivision shall be the same as the period of probable usefulness specified in paragraph a of section 11.00 of the local finance law for the object or purpose for which the bonds were authorized by such city, town or village prior to such transfer. Such period shall be that which was in effect at the time of such transfer unless such period has been subsequently shortened, in which event the shorter period in effect at the time of the issuance of the bonds by the county shall apply. For the purposes of paragraphs b, b-1 and c of section 21.00 of the local finance law, the date of the earliest bond anticipation note issued by such city, town or village shall be considered as the date of the earliest bond anticipation note issued in anticipation of the bonds issued by the county for the object or purpose. Except as herein provided, such bonds shall be authorized and issued by the county in accordance with the provisions of the local finance law.

c. If, at the time of such transfer, the city, town or village has outstanding bonds issued to finance the conveyed or leased sewer facilities, the county may issue refunding bonds under and subject to the provisions of section 90.10 of the local finance law or section 90.00 of the local finance law, except, if the bonds to be refunded are refunding bonds, for paragraph I thereof, to pay the principal, interest and redemption premium of the bonds of the city, town or village of the bonds to be refunded, with savings to the county calculated as if the principal, interest and redemption premium on the bonds to be refunded were to be considered bonds of the county.

13. The county legislature, and each city, town and village, are hereby authorized to adopt all such further acts and to take or direct all such additional proceedings as may be necessary or desirable to effectuate the purposes and intent of this section.

14. The county, cities, towns and villages may expend capital funds to conduct evaluations, surveys and analysis of county sewer facilities and the sewer facilities of cities, towns and villages in the county which may be useful in identifying whether or not the conveyance or lease of particular city, town or village sewer facilities to the county would be in the public interest and in planning, structuring and negotiating a conveyance or lease of city, town or village facilities to the county, and the county may elect to reimburse such costs incurred by cities, towns or villages and to allocate the costs thereof. All of such costs not paid from current funds may be financed by the county as part of the cost of the acquisition of sewer facilities by the county, irrespective of whether any such acquisition is subsequently completed.

**15. The provisions of section one hundred nineteen-o of the general municipal law shall apply to sewer system consolidation agreements made under this section, except that, irrespective of the term limits set forth in section one hundred nineteen-o of the general municipal law, such agreements may have terms which extend for up to fifty years and which may be renewed periodically as provided therein for a term not exceeding fifty years. The expiration of any such agreements shall not affect actions completed under such agreements, including the conveyance or lease of property or any change in the status of employees transferred to the county pursuant thereto. This section does not replace or diminish the authority of the county and cities, towns and villages in the county to make agreements under section one hundred nineteen-o of the general municipal law in addition to the sewer system consolidation agreements authorized by this section.**

§ 2. This act shall take effect immediately.