STATE OF NEW YORK

10102

IN SENATE

April 29, 2026

Introduced by Sen. SERRANO -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT authorizing the South Country central school district, in the county of Suffolk, to finance certain deficits by the issuance of bonds and providing for advance school aid to such district; and providing for the repeal of such provisions upon expiration thereof (Part A); and to amend part III of chapter 58 of the laws of 2023, amending the general municipal law and the executive law relating to directing the state inspector general to appoint an independent monitor for the Orange county industrial development agency, in relation to the effectiveness thereof; and providing for the repeal of such provisions upon expiration thereof (Part B)

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

Section 1. This act enacts into law major components of legislation necessary to implement the state fiscal plan for the 2026-2027 state fiscal year. Each component is wholly contained within a Part identified as Parts A through B. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. South Country central school district deficit financing. 1. The South Country central school district (hereinafter referred to in this section as the "district"), in the county of Suffolk, is hereby authorized to issue serial bonds, subject to the provisions of section 10.10 of the local finance law, on or before October 31, 2027, in an

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

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aggregate principal amount not to exceed eleven million dollars ($11,000,000) for the specific object or purpose of liquidating actual deficits in its general fund at the close of the fiscal year ending June 30, 2026 as certified by the state comptroller. In anticipation of the issuance and sale of such serial bonds, bond anticipation notes are hereby authorized to be issued.

2. Notwithstanding the provisions of any other law, general, special or local, the board of education of the district is hereby authorized to levy a tax to be collected in annual installments sufficient to pay the principal of and interest on said bonds and bond anticipation notes and to adopt a bond resolution authorizing the serial bonds authorized to be issued pursuant to this section.

3. Amounts provided from the proceeds of obligations issued pursuant to this section in excess of the amount of the deficit as confirmed by the state comptroller shall be accounted for in the same manner as prescribed by the state comptroller pursuant to section 36 of the general municipal law for real property taxes levied for a planned balance pursuant to subdivision 21 of section 2021 of the education law.

4. Notwithstanding any inconsistent provision of paragraph d of section 10.10 of the local finance law, the board of education of the district shall make adjustments to the district's proposed budget consistent with any recommendations by the state comptroller and the commissioner of education.

§ 2. South Country central school district state aid advance. The South Country central school district (hereinafter referred to in this section as the "district") shall be paid on an accelerated schedule pursuant to this section.

1. (a) Notwithstanding any other provisions of law, for aid payable in the school years 2025-26 through 2054-55 upon application to the commissioner of education submitted not sooner than the second Monday in June of the school year in which such aid is payable and not later than the Friday following the third Monday in June of the school year in which such aid is payable, the district shall be eligible to receive an apportionment pursuant to this section in an amount equal to the product of up to seven million dollars ($7,000,000) and the quotient of the positive difference of thirty minus the number of school years elapsed since the 2025-26 school year divided by thirty, provided, however, that for the 2025-26 school year such application shall be submitted no later than May 7, 2026.

(b) Funds apportioned pursuant to this subdivision shall be used for services and expenses of the district and shall be applied to support of its educational programs and any liability incurred by the district in carrying out its functions and responsibilities under the education law.

2. The claim for an apportionment to be paid to the district pursuant to subdivision 1 of this section shall be submitted to the commissioner of education on a form prescribed for such purpose, and shall be payable upon determination by such commissioner that the form has been submitted as prescribed and that the district has complied with the reporting requirements of this section. For each school year in which application is made pursuant to subdivision 1 of this section, such approved amount shall be payable on or before June thirtieth of such school year upon the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of education in the manner prescribed by law from moneys appropriated for general support of public schools, provided, however, that for the 2025-26 school year such approved amount shall be payable on or before May 18, 2026.

3. Notwithstanding the provisions of section 3609-a of the education law, an amount equal to the amount paid to the district during the base year pursuant to subdivisions 1 and 2 of this section shall first be deducted from general aid payments due during the current school year pursuant to subparagraphs 4 and 5 of paragraph a of subdivision 1 of section 3609-a of the education law from the fixed fall payments payable pursuant to subparagraph 4 of such paragraph, and any remainder to be deducted from the individualized payments due to the district pursuant to paragraph b of such subdivision shall be deducted on a chronological basis starting with the earliest payment due the district.

4. Notwithstanding any other provisions of law, the sum of payments made to the district during the base year pursuant to subdivisions 1 and 2 of this section plus payments made to the district during the current year pursuant to section 3609-a of the education law shall be deemed to truly represent all aids paid to the district during the current school year pursuant to such section 3609-a for the purposes of computing any adjustments to such aids that may occur in a subsequent school year.

5. In the 2026-27 through 2054-55 school years, the chief fiscal officer of the district shall monitor all budgets and for each budget, shall prepare a quarterly report of summarized budget data depicting overall trends of actual revenues and budget expenditures for the entire budget as well as individual line items. Such report shall compare revenue estimates and appropriations as set forth in such budget with the actual revenues and expenditures made to date. All quarterly reports shall be accompanied by a recommendation from the superintendent of schools or chief fiscal officer to the board of education setting forth any remedial actions necessary to resolve any unfavorable budget variance including the overestimation of revenue and underestimation of appropriations. The chief fiscal officer shall also prepare, as part of such report, a quarterly trial balance of general ledger accounts in accordance with generally accepted accounting principles as prescribed by the state comptroller. All reports shall be completed within sixty days after the end of each quarter and shall be submitted to the chief fiscal officer and the board of education of the district, the state division of budget, the office of the state comptroller, the commissioner of education, the chair of the assembly ways and means committee and the chair of the senate finance committee.

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2026; provided however, that:

1. section one of this act shall expire and be deemed repealed December 31, 2037; and

2. section two of this act shall expire and be deemed repealed June 30, 2055.

PART B

Section 1. Section 3 of part III of chapter 58 of the laws of 2023, amending the general municipal law and executive law relating to directing the state inspector general to appoint an independent monitor for the Orange county industrial development agency, is amended to read as follows:

§ 3. This act shall take effect immediately; provided however, that subdivisions two, three, four and five of section 912 of the general municipal law, as added by section one of this act, and subdivision 8 of section 54 of the executive law, as added by section two of this act,

shall expire and be deemed repealed [~~three~~] **four** years after such effective date.

§ 2. This act shall take effect immediately; provided, however, that upon enactment of legislation constituting the 2026-2027 budget, this act shall cease to have force and effect and shall be deemed repealed.

§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through B of this act shall be as specifically set forth in the last section of such Parts.