STATE OF NEW YORK

10157

IN SENATE

May 1, 2026

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law and the public authorities law, in relation to enacting the "utility fair acquisition act"

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

Section 1. Short title. This act shall be known and may be cited as the "utility fair acquisition act".

§ 2. Section 362 of the general municipal law, as amended by chapter 838 of the laws of 1945, is amended to read as follows:

§ 362. Financing the cost of public utility service. **1.** Any municipal corporation may finance the cost of such public utility service in whole or in part by levying taxes in the same manner as taxes are levied pursuant to law for any permanent improvement by such municipal corporation, or the same may be financed in whole or in part pursuant to the local finance law.

2. (a) In any acquisition by a municipal corporation of electric generation, transmission or distribution infrastructure currently operated by a public utility company or private energy provider, the appraised value shall be reduced by the proportional value of infrastructure that was financed through customer user fees, ratepayer surcharges, or other non-investor-funded mechanisms, as determined by the public service commission.

(b) The public service commission shall, upon request by a municipal corporation seeking to acquire utility assets, determine the extent to which such assets were financed through customer user fees, ratepayer surcharges, or other non-investor-funded mechanisms, and shall issue a report identifying the value of such contributions and recommending a commensurate reduction in the acquisition price.

§ 3. The public authorities law is amended by adding a new section 2859 to read as follows:

§ 2859. Financing the cost of a public utility service. Notwithstanding any other provisions of this title or the provisions of any general, special or local law, any public benefit corporation created pursuant to

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

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article five of this chapter which is authorized by law to produce, develop, distribute and sell water, water services, facilities and commodities shall have the power:

1. In any acquisition by a public utility corporation of generation, transmission or distribution infrastructure currently operated by a public utility company or private energy provider, the appraised value shall be reduced by the proportional value of infrastructure that was financed through customer user fees, ratepayer surcharges, or other non-investor-funded mechanisms, as determined by the public service commission.

2. The public service commission shall, upon request by a public utility corporation seeking to acquire utility assets, determine the extent to which such assets were financed through customer user fees, ratepayer surcharges, or other non-investor-funded mechanisms, and shall issue a report identifying the value of such contributions and recommending a commensurate reduction in the acquisition price.

§ 4. This act shall take effect immediately.