

# STATE OF NEW YORK

1004--B

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the county law, in relation to providing for the conveyance or lease of sewer system properties located in the county of Westchester's New Rochelle sanitary sewer district and related management responsibilities to the county by municipalities in such district 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:

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

3 § 277-a. Conveyance or lease to the county of Westchester by a city,  
4 town or village in the county's New Rochelle sanitary sewer district of  
5 sewer system property and the establishment of certain county sewer  
6 districts, extensions or special transitional zones of assessment in the  
7 county of Westchester. 1. As used in this section, the following terms  
8 shall have the following meanings:

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

11 b. "City, town or village" shall mean the city of New Rochelle, town  
12 of Mamaroneck or villages of Larchmont or Pelham Manor in the county of  
13 Westchester.

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

16 d. "Commissioner of environmental facilities" shall mean the commis-  
17 sioner of environmental facilities 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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1 e. "County" shall mean the county of Westchester, including when  
2 acting on behalf of a county sewer district.

3 f. "County legislature" shall mean the county legislature of the coun-  
4 ty of Westchester.

5 g. "Governing board of a city, town or village in the county of West-  
6 chester" shall mean the finance board as such term is defined in section  
7 2.00 of the local finance law.

8 h. "Sewer system" shall include sewage collection or conveyance facil-  
9 ities, treatment or disposal plants, buildings, land and rights in land,  
10 furnishings, equipment, machinery and apparatus, appurtenant facilities,  
11 all moneys on hand collected or received for the purposes of such sewer  
12 system, and all other items of property, either real or personal or  
13 mixed, acquired for or incidental to such sewer system, provided that no  
14 such property shall be located outside the boundaries of the county's  
15 New Rochelle sanitary sewer district.

16 i. "Sewer system consolidation agreement" shall mean an agreement  
17 between the county and a city, town or village whereby such city, town  
18 or village shall convey or lease sewer system property to the county for  
19 operation, maintenance or improvement by the county described in subdi-  
20 vision two of this section.

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

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

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

39 2. Notwithstanding the provisions of any general, special or local  
40 law, the county and a city, town or village may enter into, and take the  
41 actions necessary to implement, sewer system consolidation agreements  
42 under this section to facilitate the conveyance or lease to the county  
43 of sewer system property and the transfer to the county of the responsi-  
44 bilities of operation, maintenance and improvement of sewer system prop-  
45 erty. Sewer system consolidation agreements shall include the following  
46 provisions:

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

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

54 c. determinations of whether the county shall undertake to establish  
55 special transitional zones of assessment under terms and conditions as  
56 may be agreed upon, and shall include a description and estimate of the

1 costs to be allocated to the special transitional zone of assessment and  
2 a description of whether the costs allocated thereto shall be levied in  
3 the same manner as other county charges or in the manner described in  
4 section two hundred seventy or section two hundred seventy-one of this  
5 article, and if pursuant to section two hundred seventy-one, whether and  
6 under what circumstances such manner of levy is expected to be changed;

7 d. determinations of whether the county shall make a payment or  
8 payments to the city, town or village in respect of city, town or  
9 village debt service on indebtedness issued to finance sewer system  
10 properties or whether the county may finance the cost of acquisition of  
11 sewer system properties from cities, towns or villages through the issu-  
12 ance of bonds or notes in accordance with the local finance law, and in  
13 either case whether the city, town or village shall establish funds to  
14 receive all or a portion of the proceeds thereof, as may be necessary or  
15 convenient to facilitate such payments or as may be required by section  
16 six-1 of the general municipal law, and whether the city, town or  
17 village shall call outstanding bonds for redemption at such times and  
18 under such conditions as may be agreed to;

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

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

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

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

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

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

50 3. A city, town or village may prepare and furnish to the county a  
51 report containing a map and a general description of the sewer system  
52 property which is proposed to be leased or conveyed and a description of  
53 its current condition. The report shall include the terms of any  
54 outstanding indebtedness issued to finance acquisition or improvement of  
55 such sewer system property and such additional information relevant to  
56 the assessment of the costs of operation, maintenance and improvement of

1 such sewer system property as the county may request. Upon presentation  
2 of such report the county legislature may refer the same to the commis-  
3 sioner of environmental facilities for a plan and report with respect  
4 thereto. If the county legislature refers the report to the commissioner  
5 of environmental facilities, said commissioner shall thereupon prepare  
6 and furnish to the county legislature a plan and report describing capi-  
7 tal improvements, if any, to such sewer system property which the  
8 commissioner of environmental facilities recommends be undertaken  
9 following its conveyance or lease to the county. This plan and report  
10 shall include the estimated costs thereof, together with an estimate of  
11 the operating and maintenance costs of such property. The plan and  
12 report shall also contain such other data and information as shall have  
13 been requested by the county legislature or as may be determined by the  
14 commissioner of environmental facilities to be appropriate under the  
15 circumstances. Upon review of the plan and report, the county legisla-  
16 ture may, if a majority of the county legislature approves the plan and  
17 report, authorize the preparation of a draft sewer system consolidation  
18 agreement and direct that such plan and report be furnished to the city,  
19 town or village. The county and the city, town or village may then  
20 prepare a draft sewer system consolidation agreement. The draft sewer  
21 system consolidation agreement shall be presented to and approved as to  
22 form by the county legislature and the governing body of the city, town  
23 or village prior to the calling of a hearing under subdivisions seven  
24 and five of this section, respectively. Such draft sewer system consol-  
25 idation agreement shall not be binding nor shall it be executed until  
26 after a public hearing and authorization by the county legislature and  
27 the governing body of the city, town or village, as provided for in  
28 subdivisions six and eight of this section.

29 4. In addition to existing authority to establish county sewer  
30 districts or extensions, the county legislature, in furtherance of a  
31 sewer system consolidation agreement, may establish a special transi-  
32 tional zone of assessment in any county sewer district, and to the  
33 extent such special transitional zone of assessment would fall in whole  
34 or in part outside any county sewer district, may coincidentally estab-  
35 lish a county sewer district encompassing such area or extend an exist-  
36 ing county sewer district to encompass such area, in the manner herein-  
37 after provided. Each special transitional zone of assessment shall have  
38 boundaries coterminous with the area provided with a sewer system by any  
39 city, town or village, for the purpose of facilitating the conveyance or  
40 lease to the county all or a portion of the property of cities, towns or  
41 villages relating to the collection and conveyance of sewage to county  
42 trunk sewers and the transfer of all or a portion of the responsibil-  
43 ities for the operation, maintenance and improvement thereof.

44 5. Following the approval of a draft sewer system consolidation agree-  
45 ment, the governing body of the city, town or village shall hold a  
46 public hearing on the draft sewer system consolidation agreement. Such  
47 public hearing shall be called by such governing body, which shall  
48 direct that notice thereof be published and posted not less than four-  
49 teen days prior to the date set for such hearing. Such notice shall be  
50 given, in the case of towns, in the manner prescribed in section one  
51 hundred ninety-three of the town law, and in the case of cities and  
52 villages, in the manner prescribed for general elections. Such notice  
53 shall state in general terms that it is proposed to petition the county  
54 legislature to enter into a sewer system consolidation agreement and, if  
55 contemplated by the sewer system consolidation agreement, to establish  
56 or extend a county sewer district or establish a special transitional

1 zone of assessment for the purpose of facilitating the conveyance or  
2 lease of property to the county and its operation, maintenance and  
3 improvement of such property, as set forth in the draft sewer system  
4 consolidation agreement. Such notice shall generally identify the  
5 particular sewer system proposed to be conveyed or leased, the proposed  
6 improvements thereto, if any, and the estimated maximum cost thereof,  
7 and shall describe the boundaries of the proposed, district, extension  
8 or special transitional zone of assessment in a manner sufficient to  
9 permit definite and conclusive identification of all parcels of property  
10 included therein. Such notice shall also state where the draft sewer  
11 system consolidation agreement is available for public inspection, and  
12 shall set forth the time when and place where such hearing shall be  
13 held.

14 6. If the governing board shall decide, after such public hearing and  
15 upon the evidence given thereat, that it is in the public interest to  
16 petition the county legislature to enter into the sewer system consol-  
17 idation agreement pursuant to this section, it shall authorize the chief  
18 executive officer as that term is defined in the local finance law, as  
19 the case may be, to:

20 a. execute such petition and file the same with the clerk of the coun-  
21 ty legislature; and

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

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

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

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

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

45 c. the estimated maximum amount to be expended for proposed improve-  
46 ments;

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

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

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

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

6 8. If, based upon the evidence presented at such public hearing and  
7 after due consideration of the petition, the plan and report of the  
8 commissioner of environmental facilities and other data provided to it,  
9 the county legislature shall determine that it is in the public interest  
10 to enter into the sewer system consolidation agreement, it shall by  
11 majority vote adopt an act authorizing the execution of the sewer system  
12 consolidation agreement. If the county legislature shall determine that  
13 it is not in the public interest to enter into the sewer system consol-  
14 idation agreement, it shall adopt an act so stating and terminating the  
15 proceedings with respect thereto. The parties to a sewer system consol-  
16 idation agreement may from time to time amend the sewer system consol-  
17 idation agreement, provided that, if an amendment would a. increase the  
18 estimated capital cost to be assessed against properties in a special  
19 transitional zone of assessment for the improvements proposed in the  
20 sewer system consolidation agreement; b. increase the share of operation  
21 and maintenance costs to be annually assessed against a special transi-  
22 tional zone of assessment; or c. eliminate from or add parcels to a  
23 special transitional zone of assessment, the amendment may be authorized  
24 only after public hearings held by each party in the same manner as the  
25 original sewer system consolidation agreement following determinations  
26 by the parties that such amendment is in the public interest after hear-  
27 ings held as required for the original sewer system consolidation agree-  
28 ment. Nothing in this section shall modify the special acts of the  
29 legislature and local laws of the county of Westchester governing county  
30 sewer districts and the assessments made and taxes levied in connection  
31 therewith, and the county of Westchester may continue to operate county  
32 sewer districts in conformity therewith, irrespective of whether the  
33 county sewer district has undertaken to own, operate, maintain or  
34 improve sewers which are not trunk sewers pursuant to this section or  
35 otherwise undertakes to provide sewage collection and conveyance facili-  
36 ties in addition to trunk sewers.

37 9. As part of the implementation of the sewer system consolidation  
38 agreement, the county may adopt an act to establish a special transi-  
39 tional zone of assessment or establish or extend a county sewer  
40 district, which act shall include the following:

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

49 b. a general description of the sewer system property to be conveyed  
50 or leased to the county in accordance with the sewer system consol-  
51 idation agreement;

52 c. a determination as to whether assessments for district purposes  
53 will be levied pursuant to the charter in the same manner as county  
54 charges or as described in section two hundred seventy or section two  
55 hundred seventy-one of this article in accordance with the notice of the  
56 public hearing held pursuant to subdivision seven of this section;

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

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

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

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

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

42 12. a. The principal of and interest on all outstanding bonds and  
43 notes of a city, town or village issued to pay all or part of the cost  
44 of any sewer system conveyed or leased to a county district pursuant to  
45 this section shall continue to be paid when due by such city, town or  
46 village, and, if a sewer system consolidation agreement with the county  
47 so provides, from moneys provided for such purpose by the county from  
48 county district funds raised or appropriated therefor. If the county has  
49 agreed to make such payments, the county commissioner of finance shall  
50 from time to time pay such moneys to the fiscal officer of such city,  
51 town or village sufficiently in advance to permit the payment of all or  
52 the agreed upon portion of such principal and interest when due. All  
53 other obligations and contract liabilities of a city, town or village  
54 assumed by the county in a sewer system consolidation agreement shall be  
55 paid directly from funds of the county in the same manner as other coun-  
56 ty sewer district claims.

1 b. If bonds have been authorized by a city, town or village pursuant  
2 to the local finance law to pay all or a part of the cost of the acqui-  
3 sition, construction or reconstruction of or addition to a sewer system  
4 or the replacement of equipment, machinery, apparatus or furnishings  
5 therefor, and in anticipation of the issuance of such bonds such city,  
6 town or village has issued a bond anticipation note or notes or has  
7 otherwise contracted indebtedness to be paid from the proceeds of such  
8 bonds, and prior to the issuance of such bonds and the payment of such  
9 note or notes or other indebtedness, such sewer system has been conveyed  
10 or leased to the county pursuant to this section, the county may issue  
11 its bonds for the object or purpose of paying such note or notes or  
12 other indebtedness. The period of probable usefulness of the object or  
13 purpose for which such bonds may be issued by the county pursuant to  
14 this subdivision shall be the same as the period of probable usefulness  
15 specified in paragraph a of section 11.00 of the local finance law for  
16 the object or purpose for which the bonds were authorized by such city,  
17 town or village prior to such transfer. Such period shall be that which  
18 was in effect at the time of such transfer unless such period has been  
19 subsequently shortened, in which event the shorter period in effect at  
20 the time of the issuance of the bonds by the county shall apply. For the  
21 purposes of paragraphs b, b-1 and c of section 21.00 of the local  
22 finance law, the date of the earliest bond anticipation note issued by  
23 such city, town or village shall be considered as the date of the earli-  
24 est bond anticipation note issued in anticipation of the bonds issued by  
25 the county for the object or purpose. Except as herein provided, such  
26 bonds shall be authorized and issued by the county in accordance with  
27 the provisions of the local finance law.

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

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

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

54 15. The provisions of section one hundred nineteen-o of the general  
55 municipal law shall apply to sewer system consolidation agreements made  
56 under this section, except that, irrespective of the term limits set

1 forth in section one hundred nineteen-o of the general municipal law,  
2 such agreements may have terms which extend for up to fifty years and  
3 which may be renewed periodically as provided therein for a term not  
4 exceeding fifty years. The expiration of any such agreements shall not  
5 affect actions completed under such agreements, including the conveyance  
6 or lease of property or any change in the status of employees trans-  
7 ferred to the county pursuant thereto. This section does not replace or  
8 diminish the authority of the county and cities, towns and villages in  
9 the county to make agreements under section one hundred nineteen-o of  
10 the general municipal law in addition to the sewer system consolidation  
11 agreements authorized by this section.

12 § 2. This act shall take effect immediately.