§ 368. Exploration, development and production of natural gas fields by school districts. 1. "Natural gas producing facility" as used in this article shall mean all real estate, fixtures, and personal property operated, owned, used or to be used for or in connection with or to facilitate the production, conveyance, transportation, distribution, or furnishing of natural gas.

2. Notwithstanding any general or special law to the contrary, any school district may engage in the exploration and development of natural gas fields, and further, may construct, lease, purchase, own, acquire, use and/or operate any natural gas producing facility which is situated on real property owned by the school district for the purpose of producing, conveying, transporting and furnishing natural gas for school district purposes. A school district producing natural gas in excess of the amount required for school district purposes may convey, transport, furnish, sell or transfer such excess.

3. No school district, other than a city school district, may perform any of the acts authorized under the provisions of this section unless and until the provisions of the education law relating to voter approval of such acts have been complied with.

4. Any school district may acquire the necessary rights to extend pipes across public highways or other lands for the purpose of transporting natural gas from the natural gas producing facility to other real property owned by the school district.

5. Any school district may finance the cost of exploration, development and production of natural gas and the cost of the natural gas producing facility in whole or in part by levying taxes in the manner authorized by the education law, or the same may be financed in whole or in part pursuant to the local finance law.

6. The exploration, development and production of such natural gas and the purchase, acquisition, leasing and construction of such natural gas producing facility shall be effected by such school district in the same manner as other contracts, purchases and leases are effected by and for

such school districts and shall be governed by all laws applicable thereto.

7. All of the provisions of article four of the public service law and article twenty-three of the environmental conservation law, so far as the same are applicable, shall apply to a school district which furnishes to itself natural gas under this section except that a school district need not apply to or obtain from the public service commission a certificate of authority.

8. Nothing herein shall be construed to authorize the sale or transfer of natural gas by a school district to any other person except as provided in subdivision two hereof.

9. For the purposes of this section, school district shall be defined to include a board of cooperative educational services, provided however, that the provisions of subdivision three of this section shall not apply to such boards of cooperative educational services, and provided further that:

a. No board of cooperative educational services may perform any of the acts authorized under the provisions of this section unless and until (i) a proposition is submitted to the voters of any such board of cooperative educational services in accordance with the provisions of subdivision two of section nineteen hundred fifty-one of the education law and (ii) any such board of cooperative educational services and all of its component school districts enter into an agreement or agreements providing for the performance of any such acts.

b. No such component school district shall enter into an agreement or agreements unless such agreement or agreements have been approved by a majority vote of the entire voting strength of the board of education of such a component school district.

c. Any such agreement or agreements shall also provide for the sharing of the cost of exploring, developing or producing natural gas and the cost of the natural gas producing facility among each component school

district. Such agreement or agreements in addition to providing for all other matters deemed necessary and proper shall (i) set forth the cost of such exploration, development or production of natural gas and the cost of the natural gas producing facility and costs incidental thereto and (ii) provide for an allocation and apportionment of such costs among the component school districts on such equitable basis as the parties thereto shall determine and agree, and the proportion of the total cost to be provided by each such district in accordance with such allocation and apportionment. Such agreement or agreements shall be executed by all the component school districts of such board of cooperative educational services and such board of cooperative educational services. Such agreement or agreements may provide that each component school district of such a board of cooperative educational services shall issue an agreed upon amount of its obligations in a total amount sufficient to acquire or construct such facilities, or that all component districts of such board shall together issue joint obligations pledging the full faith and credit for all component districts jointly and that each such district shall pay a specified share of annual debt service on such joint obligations in accordance with the provisions of article five-g of this chapter and applicable provisions of the local finance law.

d. Each such component school district is authorized to finance its share of the cost of exploring, developing or producing natural gas and the cost of the natural gas producing facility together with the costs incidental to such financing, including, but not limited to legal fees, printing, engraving and publication of notices, either from any current funds legally available therefor, or by the issuance of obligations pursuant to the local finance law; provided, however, that (i) no approval of the voters of such component school district shall be required, (ii) the voting of a special tax or a tax to be collected in installments shall not be a condition precedent to the adoption of a bond resolution for such object or purpose, (iii) a majority vote of the entire voting strength of the board of education shall be sufficient for adoption of such a bond resolution, which bond resolution may be adopted at a regular meeting, or a special meeting of the board of education called on not less than twelve hours oral or written notice, which may be held either within or outside of such district, (iv) any such bond

resolution shall be adopted prior to the execution by the board of cooperative educational services and the component school districts of such board of cooperative educational services of the agreement required by paragraph b of this subdivision.

e. Such agreement shall further provide that title to the natural gas producing facility shall vest in the board of cooperative educational services which title shall be held by the board of cooperative educational services for the benefit and on behalf of all the component school districts of such board executing such agreement.

f. Nothing herein contained shall be construed to permit any school district in a city as defined in subdivision two-b of section 2.00 of the local finance law to contract indebtedness for such specific object or purpose in excess of the limitation prescribed by subdivision b of section 104.00 of such law, without complying with the provisions of subdivision c thereof. A school district, other than a school district in a city, may not issue bonds or bond anticipation notes for such specific object or purpose in excess of the limitation prescribed by subdivision d of section 104.00 of such law, without complying with the requirements of paragraphs one through three of such subdivision.