§ 101.00 Giving or loaning of municipal credit and contracting indebtedness other than for municipal purposes prohibited. a. No municipality, school district or district corporation shall:

1. Give or loan its credit to or in aid of any individual, or public or private corporation or association, or private undertaking, or

2. Contract indebtedness except for the purposes of such municipality, school district or district corporation.

Notwithstanding the foregoing provisions of this paragraph:

1. If any municipality or any county or town on behalf of an improvement district is authorized by a general law or by a special law (a) to provide a supply of water, in excess of its own needs, for sale to any other public corporation or improvement district, (b) to provide facilities, in excess of its own needs, for the conveyance, treatment and disposal of sewage, from any other public corporation or improvement district, or (c) to provide facilities, in excess of its own needs, for drainage purposes from any other public corporation or improvement district, the indebtedness contracted by the municipality for such an object or purpose shall be deemed to be for a county, city, town or village purpose, as the case may be.

2. If any two or more municipalities and county and town improvement districts are authorized by a general law or by a special law (a) to provide for a common supply of water, (b) to provide for the common conveyance, treatment and disposal of sewage or (c) to provide for a common drainage system, the joint indebtedness, or the several indebtedness for a specific proportion of the cost, contracted by the municipality for such an object or purpose shall be deemed to be for a county, city, town or village purpose, as the case may be.

3. If any two or more municipalities and school districts and county and town improvement districts are authorized by a general law or by a special law to join together to provide any municipal facility, service, activity or undertaking which each of such units has the power to provide separately, the joint indebtedness, or the several indebtedness

for a specific proportion of the cost, contracted by the municipality or school district for such an object or purpose shall be deemed to be for county, city, town, village or school district purpose, as the case may be.

b. This section shall not be deemed to prevent:

1. A county from contracting indebtedness for the following purposes:

(a) Advancing to a city, town or school district, pursuant to law, the amount of unpaid taxes.

(b) Financing tax refunds required to be made by section seven hundred twenty-six of the real property tax law.

(c) Paying to the state the state tax levied against such county.

2. A town from contracting indebtedness for the following purposes:

(a) Advancing to a county or school district, pursuant to law, the amount of unpaid taxes.

(b) Paying to a county such town's share of the state tax levied against such county if such town is required by law to levy and collect such tax.

3. A city from contracting indebtedness for the following purposes:

(a) Advancing to a county or school district, pursuant to law, the amount of unpaid taxes.

(b) Paying to a county such city's share of the state tax levied against such county if such city is required by law to levy and collect such tax.

4. A municipality from making such provision for the aid, care and support of the needy, including the aid, care and support of neglected and dependent children and of the needy sick, as may be authorized by law.

5. A county, city or town from providing, pursuant to law, for the care, support, maintenance and secular education of inmates of orphan asylums, homes for dependent children or incarcerated individuals in correctional institutions and of children placed in family homes by

authorized agencies, whether under public or private control.

6. A municipality or school district, when authorized by law, from using its credit for

(a) The examination or inspection of any school or institution of learning wholly or in part under the control or direction of any religious denomination, or in which any denominational tenet or doctrine is taught, or

(b) The transportation of children to and from any school or institution of learning.

7. A city, town or village from giving or loaning its credit when authorized to do so by the legislature pursuant to the provisions of article eighteen of the state constitution.

8. A county, city or town from increasing, pursuant to law, pension benefits payable to retired members of a police department or fire department or to widows, dependent children or dependent parents of members or retired members of a police department or fire department.

9. A municipality, school district or district corporation from increasing, pursuant to law, the amount of pension of any member of a retirement system of the state, or of a subdivision of the state.

10. A municipality, school district or district corporation from providing, pursuant to law, for the protection by insurance or otherwise against the hazards of unemployment, sickness and old age.

11. A municipality or school district from providing, pursuant to law, for the education and support of the blind, the deaf, the mute, the physically handicapped and juvenile delinquents or for health and welfare services for all children.

12. A city, town or village from expending or loaning its money, property or credit as consideration for the effectuation of all or part of the public purpose provided for in sections eleven-a and thirty-six-a of the private housing finance law.

13. A municipality from making loans of money or credit to or in aid of any eligible corporation or association for the purpose of providing hospital or other facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or appurtenant thereto, as may be authorized by law pursuant to section seven of article seventeen of the state constitution.