§ 122.00 Pay-as-you-go financing by the city of New York; ascertainment of indebtedness arising therefrom. a. Whenever the city of New York is required by law to pay for all or any part of the cost of a capital improvement by direct budgetary appropriation in any fiscal year or by the issuance of capital notes, the finance board of such city may, by resolution, elect to exclude from the tax limitation prescribed by section ten of article eight of the state constitution all or part of the taxes required for such direct budgetary appropriation or for the redemption of such capital notes. The amount so excluded shall be deemed to be indebtedness to the same extent and in the same manner as if such amount had been financed through indebtedness payable in equal annual installments over the period of probable usefulness of such capital improvement, as determined by section 11.00 of this chapter.

b. This section shall apply only to taxes required for a budgetary appropriation, or for the redemption of a capital note issued, for the payment, prior to the expiration of the fiscal year in which such capital improvement is completed, of all or any part of the cost of such capital improvement.

c. Where taxes required for such direct budgetary appropriation or for the redemption of such capital notes are so excluded from the tax limitation prescribed by section ten of article eight of the state constitution, the cost of the capital improvement or improvements for which the direct budgetary appropriation was made or the capital notes issued shall, to the extent of the amount of such taxes, be required by law to be financed in such manner and from no other source. Where taxes so raised are so excluded from such tax limitation, and where a surplus exists in the amount of taxes so excluded after paying all costs of a capital improvement or by reason of the abandonment of the acquisition or construction of a capital improvement, such surplus may be transferred, in the manner provided by law, to and may be used only for the purpose of (1) an appropriation for, or a capital reserve fund created or to be created for, a capital improvement having a like or lesser period of probable usefulness than the capital improvement for which such taxes were raised, or (2) an appropriation for the payment of interest on or principal of serial bonds of an issue having a maximum

maturity of more than two years and maturing at or prior to the expiration of the period of probable usefulness of the capital improvement for which such taxes were raised.

d. The chief fiscal officer of such city shall determine the amount to be deemed indebtedness pursuant to this section, and shall set forth his determination in a statement in writing, executed in duplicate, signed and verified by him, which shall be in such form and contain such information as shall be prescribed by the state comptroller. Both copies of such statement shall be forwarded to the state comptroller, and, if approved by him, the determination therein set forth shall be conclusive. One copy of such determination, together with the approval of the state comptroller, shall be filed in the office of the department of audit and control and the other in the office of the chief fiscal officer of such city. Both of such copies shall be public records.

e. For the purposes of this section the term "capital improvement" shall include also boats, fire fighting vehicles and apparatus, machinery and apparatus for construction and maintenance, and motor vehicles having periods of probable usefulness assigned in subdivisions twenty-six, twenty-seven, twenty-eight and twenty-nine of paragraph a of section 11.00 of this chapter.

f. Any amounts determined to be deemed indebtedness of any county, city, other than the city of New York, village or school district in accordance with the provisions of this section or section eleven of article eight of the constitution as in force and effort prior to January first, nineteen hundred fifty-two, shall not be deemed to be indebtedness on and after such date.