§ 126.00 Exclusion of certain indebtedness for school purposes; New York City. a. In ascertaining the power of the city of New York to contract indebtedness, there may be excluded the outstanding indebtedness contracted by such city for school purposes, evidenced by bonds, to the extent to which state aid for common schools, not exceeding two million five hundred thousand dollars, shall be applied by such city to meet the interest and the annual requirements for the amortization and payment of part or all of one or more issues of such bonds.

b. Such exclusion shall be effective only during a fiscal year of the city in which its expense budget provides for the payment of such debt service from such state aid for common schools.

c. At any time during a fiscal year for which the expense budget of the city provides for the payment of such debt service from such state aid or at any time prior to such fiscal year but after the expense budget for such fiscal year has been finally adopted, an application may be filed with the state comptroller for the purpose of obtaining an exclusion of such outstanding indebtedness. Such application shall be made on behalf of the city by its chief fiscal officer in his discretion, or by its chief fiscal officer on the direction of its finance board. The application shall be verified by the chief fiscal officer or finance board making the application. The application shall be in such form and shall contain such information as shall be prescribed by the state comptroller.

d. Within five days after the filing of such application with the state comptroller, such chief fiscal officer making the application shall cause a notice to be published that such application has been filed with the state comptroller. Such notice shall be published in the official newspaper or newspapers of the city. The notice also shall contain a statement of the amount of outstanding indebtedness sought to be excluded and a statement of the amount of state aid for schools allocated to the payment of debt service. Proof of publication of such notice shall be filed in the office of the state comptroller. A copy of the application and of all financial statements, documents, computations

and other data and information which will be submitted by the chief fiscal officer of such city to the state comptroller in support of such application shall be filed in the office of such chief fiscal officer and shall be public records.

e. After the filing of such application, the state comptroller shall review the facts set forth therein. The state comptroller shall have the power to examine the accounts and records of the city with respect to such application. He may also require the chief fiscal officer and other public officers, boards and agencies of such city to furnish such additional data and information in their possession as he deems necessary to enable him to make his determination.

f. The state comptroller shall issue a written certificate setting forth his determination as to the extent to which any such outstanding indebtedness may be excluded. If an exclusion is allowed by the state comptroller, such certificate shall constitute the authorization for the exclusion of such amount of such indebtedness in ascertaining the power of such city to contract indebtedness. If the state comptroller disallows the application, the certificate shall set forth the reasons for such disallowances. The determination of the state comptroller shall be conclusive. The certificate of the state comptroller shall not be issued until ten days after the filing of such proof of publication in the office of the state comptroller and shall be issued within twenty days after such filing. The certificate of the state comptroller granting an exclusion shall be effective until the close of the fiscal year for which an application has been filed setting forth that the expense budget of the city provides for the payment of debt service from state aid for common schools. The certificate of the state comptroller shall be executed under his hand and seal in duplicate. One of such certificates shall be filed in the department of audit and control and the other in the office of the chief fiscal officer of such city. Both of such certificates shall be public records.