§ 15.00 Indebtedness relative to municipal cooperative activities. a. Legislative intent. The provisions of title one-A of article two of this chapter are intended to effectuate the provisions of sections one and two-a of article eight of the constitution, as in force and effect on January first, nineteen hundred sixty, in relation to indebtedness contracted, either jointly or severally, for (a) a joint service described in section one of such article eight and (b) a joint water, sewage or drainage project described in paragraphs B, D and F of section two-a of such article eight.

b. Definitions. As used in this title:

1. The term "municipal corporation" means a county outside the city of New York, a city, a town, a village, or a school district.

2. The term "municipality" means a county outside the city of New York, a city, a town or a village.

3. The term "district," unless a specific type of district is referred to, means a county or town improvement district for which the county or town or towns in which such district is located is or are required to pledge its or their faith and credit for the payment of the principal of and interest on all indebtedness to be contracted for the purposes of such district.

4. The term "joint service" means a municipal facility, service, activity or undertaking described in section one of article eight of the constitution, but shall not include any object or purpose the indebtedness for which would be subject to the limitations of paragraph a of section 150.00 of this chapter.

5. The term "joint water, sewage or drainage project" means a joint project to provide for a common supply of water, the common conveyance, treatment and disposal of sewage or a common drainage system, as described in paragraphs B, D and F of section two-a of article eight of the constitution.

6. The term "joint indebtedness" means indebtedness contracted for or in relation to a joint service or a joint water, sewage or drainage project and for which the joint faith and credit of the municipal corporations or municipalities would be pledged for the payment thereof. Such term also shall include (a) indebtedness on account of the acquisition of real property the title to which has vested in the municipal corporations or municipalities, or the title to which they have agreed to accept pursuant to a contract therefor, and for which payment has not been made, (b) indebtedness arising from contracts and (c) involuntary indebtedness incurred in relation to a joint service or a joint water, sewage or drainage project and for which the municipal corporations or municipalities are jointly liable, where, from the context of this title, it is evident that indebtedness on account of real property liabilities, contract liabilities and involuntary indebtedness are intended to be included within the meaning of the term.

7. The term "several indebtedness" means indebtedness contracted for or in relation to a joint service or a joint water, sewage or drainage project and for which the faith and credit of a single municipal corporation or municipality would be pledged for the payment thereof. Such term also shall include (a) indebtedness on account of the acquisition of real property the title to which has vested in a municipal corporation or municipality, or in the participating municipal corporations or municipalities, or the title to which it has, or they have, agreed to accept pursuant to a contract therefor, and for which payment has not been made, (b) indebtedness arising from contracts and (c) involuntary indebtedness incurred in relation to a joint service or a joint water, sewage or drainage project and for which a municipal corporation or a municipality is not jointly liable, where, from the context of this title, it is evident that indebtedness on account of real property liabilities, contract liabilities and involuntary indebtedness are intended to be included within the meaning of the term.

c. Power to contract indebtedness; joint services and joint projects. 1. Municipal corporations. Two or more municipal corporations which have agreed to provide a joint service, either directly or on behalf of a district, pursuant to article five-G of the general municipal law, or

pursuant to any other law enacted by the legislature, may contract either joint indebtedness or several indebtedness to provide for such joint service. Such indebtedness shall not be contracted, however, unless there is an applicable period of probable usefulness prescribed in paragraph a of section 11.00 of this chapter under which each of the participating municipal corporations, acting separately, either directly or on behalf of a district, could have issued obligations pursuant to this chapter.

2. Municipalities. Two or more municipalities which, either directly or on behalf of a district, have agreed to provide a joint water, sewage or drainage project pursuant to any law enacted by the legislature may contract either joint indebtedness or several indebtedness to provide for such joint project. Such indebtedness shall not be contracted, however, unless there is an applicable period of probable usefulness prescribed in paragraph a of section 11.00 of this chapter under which each of the participating municipalities, acting separately, either directly or on behalf of a district, could have issued obligations pursuant to this chapter.

3. General provisions. (a) The financing of a joint service or a joint water, sewer or drainage project may include but shall not be limited to (1) the acquisition of land and permanent and temporary rights in land, (2) the original furnishings, equipment, machinery or apparatus for a physical public betterment or improvement or required for the purposes for which the public betterment or improvement is to be used, and the replacement of such furnishings, equipment, machinery or apparatus, (3) the acquisition, construction, reconstruction, conversion or alterations, of, or additions to, buildings, (4) the acquisition of motor vehicles, machinery or apparatus to be used in the work of constructing, reconstructing, converting, altering, or adding to, repairing or maintaining a physical public betterment or removing the snow and ice therefrom, (5) appraisals of real property by experts to assist in the assessment thereof for taxation, (6) the payment of judgments, claims, awards or sums described in and subject to the limitations of subdivision thirty-three of paragraph a of section 11.00 and required to be paid because of such joint service or joint water,

sewage or drainage project, (7) the temporary financing in anticipation of the collection of taxes, assessments, rents, rates or charges or the receipt of money as provided in subdivision thirty-six of paragraph a of section 11.00, (8) the financing of the protection of tax liens and foreclosure costs described in and subject to the limitations of subdivision thirty-seven of paragraph a of section 11.00 and (9) the temporary financing of miscellaneous expenditures by the issuance of budget notes as provided in subdivision forty of paragraph a of section 11.00.

(b) A municipal corporation shall not contract indebtedness for a joint service, and a municipality shall not contract indebtedness for a joint water, sewage or drainage project, to a greater extent than it is authorized by law to spend money for any such service or project and provided also that this section shall not relieve any such unit of government of any duty imposed by law to include in its annual budget or tax levy or otherwise to pay from current funds all or part of any expenditure that it may make for any such service or project.

(c) Where the agreement between the municipal corporations or municipalities in relation to any joint service or any joint water, sewage or drainage project does not provide that the indebtedness which is to be contracted is to be joint indebtedness, the amounts of indebtedness which are to be contracted severally by the parties to the agreement shall be in the proportions specified in the agreement. Where the agreement does not provide how the indebtedness shall be contracted, and the parties cannot otherwise agree, the indebtedness shall be contracted as joint indebtedness.

(d) Any involuntary indebtedness which is incurred because of a joint service or joint water, sewage or drainage project shall, until satisfied, be deemed the joint indebtedness of the parties to the agreement. The payment of any such indebtedness, however, may be financed by the issuance of obligations severally by such parties for specific proportions of the amount thereof according to the terms of the agreement. Where the agreement does not provide how such involuntary indebtedness shall be financed, and the parties cannot otherwise agree, the obligations issued to finance the payment thereof shall be joint indebtedness.

(e) Where joint indebtedness is contracted pursuant to the provisions

of this section the participating municipal corporations or municipalities, by joint action of their finance boards or their chief fiscal officers, as the case may be, may issue obligations pursuant to the provisions of this chapter in the same manner as a single county, city, town, village or school district and shall pledge the joint faith and credit of the issuers for the payment of all such indebtedness.

(f) Notwithstanding any other provision of this title, or of any other provision of law, in relation to (1) the allocation and apportionment of joint indebtedness for the purpose of determining the debt-contracting power of a municipal corporation or municipality or (2) the exclusion of any such joint indebtedness in determining the debt-contracting power of a municipal corporation or municipality, the liability of the participating municipal corporations or municipalities for the payment of the principal of an interest on such joint indebtedness shall be a joint liability of the participating municipal corporations or municipalities.

(g) Where there has been a pledge of the faith and credit of any municipal corporation or municipality pursuant to section 100.00 of this chapter for the payment of any several indebtedness, or of any joint indebtedness, in relation to a joint service or a joint water, sewage or drainage project, provisions shall be made annually by appropriation for the payment of the interest thereon and of the amounts required for the redemption thereof in compliance with the provisions of section two of article eight of the constitution. If at any time the respective appropriating authorities of any such municipal corporation or municipality shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The chief fiscal officer of any such participating municipal corporation or municipality may be required to set apart and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness. All laws requiring the withholding of state aid in the event of the default in the payment of the principal of and interest on indebtedness shall be applicable in the event of a default in the payment of the principal of and interest on any such several indebtedness or joint indebtedness.

(h) The powers which may be exercised by a finance board in relation to such joint indebtedness or several indebtedness shall include, but

shall not be limited to, the following:

1. Determining the period of probable usefulness for any object or purpose or class thereof.

2. Determining the subdivision of paragraph a of section 11.00 of this chapter which applies to any object or purpose or class thereof.

3. Authorizing the issuance of bonds and the issuance and renewal of bond anticipation notes, capital notes, tax anticipation notes, revenue anticipation notes and budget notes subject to the provisions of this section and sections 21.00, 23.00, 24.00, 25.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 33.10, 34.00, 35.00, 36.00, 37.00, 38.10, 39.00, 40.00 and 41.10 of this chapter.

4. Prescribing the terms, form and contents of obligations, the place of payment thereof, and providing for the sale, execution, issuance and delivery and cancellation thereof subject to the provisions of this section and sections 50.00, 51.00, 52.00, 53.00, 54.00, 55.00, 55.10, 56.00, 57.00, 58.00, 59.00, 60.00, 61.00, 62.00, 62.10, 63.00 and 63.10 of this chapter, except as otherwise provided in subparagraph (u) of this subdivision.

5. Entering into contracts with a bank or trust company for the place of payment of obligations and for the purpose of having a bank or trust company act as paying agent or as registration agent subject to the provisions of this section and sections 54.00 and 70.00 of this chapter.

6. Adopting the procedure specified in sections 80.00 and 81.00 of this chapter which would be requisite to making sections 82.00, 83.00 and 84.00 of this chapter applicable.

7. Repealing or revoking resolutions or certificates authorizing the issuance of obligations, subject, however, to the provisions of section 41.00 of this chapter.

8. Refunding of capital notes pursuant to the provisions of section

91.00 of this chapter, except that the provisions of paragraph b of section 107.00 of this chapter shall not be applicable in any such refunding of joint indebtedness or several indebtedness.

9. Reissuing obligations in place of lost, destroyed, partially destroyed or defaced obligations pursuant to section 104.00 of this chapter.

10. Depositing and investing the proceeds of obligations subject to the provisions of section 165.00 of this chapter.

11. Authorizing the temporary use of funds pursuant to section 165.10 of this chapter.

(i) The finance boards of the participating municipal corporations or municipalities shall provide that the place of payment of bonds or notes constituting joint indebtedness shall be in the office of an appropriate officer of one of the participating municipal corporations or municipalities if a contract is not made with a bank or trust company as the place of payment as provided in section 54.00 of this chapter.

(j) The finance boards of the participating municipal corporations or municipalities shall designate an appropriate officer of one of the participating municipal corporations or municipalities as registration agent in relation to any bonds or notes constituting joint indebtedness if a contract is not entered into with a bank or trust company to act as registration agent as provided in section 70.00 of this chapter. The officer so designated shall perform all of the duties and keep all of the records in relation to such joint indebtedness required by sections 70.00, 71.00, 72.00, 73.00, 74.00, 75.00 and paragraph d of section 164.00 of this chapter.

(k) The finance board of the participating municipal corporations or municipalities shall designate an appropriate officer of one of the participating municipal corporations or municipalities to keep the record of any bonds or notes constituting joint indebtedness as required by section 163.00 of this chapter.

(l) Notwithstanding any other provisions of this section, if any power of a finance board of any participating municipal corporation or municipality may be delegated to its chief fiscal officer or to any

other official or body under any section of this chapter, such chief fiscal officer or other official or body may exercise the powers so delegated in relation to matters to which this title and other provisions of this chapter apply.

(m) Notwithstanding any other provisions of this section, where any power may be delegated to the chief fiscal officers of the participating municipal corporations or municipalities pursuant to this section, the finance boards of the participating municipal corporations or municipalities may agree that any such power may be delegated to and exercised by one of such chief fiscal officers.

(n) Where any action is taken in relation to joint indebtedness for which the joint faith and credit of the participating municipal corporations or municipalities would be pledged, or in relation to obligations issued pursuant to this chapter, the finance boards of each of the participating municipal corporations or municipalities must separately authorize such action to be taken, except as otherwise provided in subparagraphs (l) and (m) of this subdivision. Such separate authorization by each such finance board shall be subject to the provisions of this chapter, and of local laws enacted pursuant to this chapter, which would be applicable in the event that the object or purpose in relation to which action is being taken was the object or purpose solely of the county, city, town, village or school district which the finance board represents.

(o) Where the fiscal years of the participating municipal corporations or municipalities are not the same and where joint indebtedness is to be or has been contracted by the issuance or renewal of tax anticipation notes, revenue anticipation notes, capital notes and budget notes or any action is required to be taken in, or limitation is applicable in connection with, a "fiscal year," the finance boards of such participants may determine that the "fiscal year" for such purposes shall be the same as the fiscal year of one of the participants.

(p) Notwithstanding the provisions of section 31.00 of this chapter, any school district which is a participating municipal corporation in relation to a joint service may, in connection with such joint service, adopt one or more bond resolutions or capital note resolutions authorizing the issuance of bonds or capital notes as several indebtedness, or may participate in the adoption of any such resolution

authorizing the issuance of bonds or capital notes as joint indebtedness, for a class of objects or purposes for which objects or purposes serial bonds may be issued, subject, however, to the applicable provisions of section 37.00 of this chapter.

(q) A bond resolution, a capital note resolution or a budget note resolution adopted in compliance with the provisions of sections 32.00 and 40.00 of this chapter for a joint service or a joint water, sewage or drainage project shall state the total amount of the indebtedness which is to be contracted severally by the issuance of bonds, capital notes or budget notes by each of the participating municipal corporations or municipalities for the object or purpose or class thereof set forth in the resolution, or, if joint indebtedness is to be contracted, any such resolution shall set forth the total amount of the joint indebtedness which is to be contracted and the amounts which it is estimated will be allocated and apportioned to each of the participating municipal corporations or municipalities for the purpose of ascertaining their debt-contracting powers.

(r) Notices to be published in relation to a mandatory or permissive referendum pursuant to sections 33.10, 35.00, 36.00 and 37.00 of this chapter, and notices required to be published in connection with the voting of a special tax or a tax to be collected in installments as a condition precedent to the adoption of a bond resolution for a joint service or joint water, sewage or drainage project, shall state the total amount of the indebtedness which is to be contracted severally by the issuance of bonds and capital notes by each of the participating municipal corporations or municipalities for the object or purpose or class thereof for which it is proposed that bonds or capital notes will be issued, or, if joint indebtedness is to be contracted, any such notice shall set forth the total amount of the joint indebtedness which is to be contracted and the amounts which it is estimated will be allocated and apportioned to each of the participating municipal corporations or municipalities for the purpose of ascertaining their debt-contracting powers.

(s) The notice required to be published in an official newspaper pursuant to section 81.00 of this chapter shall, where joint indebtedness is to be incurred, be published in the official newspaper or newspapers of each of the participating municipal corporations or

municipalities or if there be no such newspaper or newspapers, then in one or more newspapers having general circulation in such municipal corporations or municipalities as the finance boards shall designate, except that where any newspaper is the official newspaper of all of the participating municipal corporations or municipalities or is the only newspaper designated by the finance boards as a newspaper having general circulation in all of the participating municipal corporations or municipalities only one notice need be published in any such newspaper.

(t) If bonds which would constitute several indebtedness are sold at private sale pursuant to the provisions of paragraph b of section 63.00 of this chapter, the amount of such bonds shall be included in any computation of the total amount of bonds which may be sold at private sale in any fiscal year of the issuer.

(u) Bonds which would constitute joint indebtedness may be sold at private sale pursuant to and, except as hereinafter provided, subject to the provisions of paragraph b of section 63.00 of this chapter. The total amount of such bonds which may be so sold at private sale in any calendar year shall not exceed one million dollars. The limitation of paragraph b of section 63.00 in relation to the total amount of bonds which may be sold at private sale in any fiscal year of the issuer shall not be applicable to bonds sold pursuant to this subparagraph. The amount of any bonds sold pursuant to this subparagraph shall not be included in computing the total amount of bonds not constituting joint indebtedness which could be sold at private sale in any fiscal year of the issuer pursuant to paragraph b of section 63.00.

(v) The provisions of paragraph b of section 107.00 of this chapter in relation to down payment shall not apply in relation to any joint service or joint water, sewage or drainage project which is to be financed in whole or in part by the issuance of obligations constituting joint indebtedness or several indebtedness of the participating municipal corporations or municipalities.

(w) The limitations on the amount of budget notes which may be issued in any fiscal year and which are set forth in subdivisions two and three of paragraph a of section 29.00 of this chapter and in paragraph i of such section shall not be applicable to budget notes issued for the purposes permitted by such subdivisions two and three of paragraph a and such paragraph i of section 29.00 and in relation to a joint service or

a joint water, sewage or drainage project. Such budget notes issued for such purposes shall not affect the power of a county, city, town, village or school district to issue budget notes for other purposes under such provisions of section 29.00 of this chapter.

(x) The provisions of sections 160.00, 160.10, 161.00, 162.00, 165.00, 166.00, 167.00, 170.00 and 180.00 of this chapter relating to action by the finance board, delegation of powers and duties, negotiability of obligations, tax exemption, use of proceeds, inclusive of premiums, from the sale of obligations, legal actions and appeals, powers to adopt local laws and liberal construction, and all other pertinent provisions of this chapter essential to effectuate the objects and purposes of this title, shall be applicable in relation to the indebtedness and financing of a joint service or a joint water, sewage or drainage project, except as otherwise expressly provided in this title.