§ 160.05. Financial restructuring board for local governments. 1. There shall be a financial restructuring board for local governments which shall consist of ten members: the director of the budget who shall be chair of the board, the attorney general, the state comptroller, and the secretary of state, each of whom may designate a representative to attend sessions of the board on his or her behalf, and six members appointed by the governor, one of whom upon the recommendation of the temporary president of the senate, one of whom upon the recommendation of the speaker of the assembly, and four other members appointed by the governor, one of whom shall have significant experience in municipal financial and restructuring matters. In making such appointments, the governor shall consider regional diversity. Appointees shall serve at the pleasure of his or her appointing authority. The appointee of the governor who has been designated as having significant experience in municipal financial and restructuring matters shall receive fair compensation for his or her services performed pursuant to this section in an amount to be determined by the director of the budget and all members shall be reimbursed for all reasonable expenses actually and necessarily incurred by him or her in the performance of his or her duties. The board shall have the power to act by an affirmative vote of a majority of the total number of members and shall render its findings and recommendations within six months of being requested to act by a fiscally eligible municipality. The provisions of section seventeen of the public officers law shall apply to members of the board. No member of the board shall be held liable for the performance of any function or duty authorized by this section. The work of the board shall be conducted with such staff as the director of the budget, the secretary of state, the attorney general and the state comptroller shall make available. All proceedings, meetings and hearings conducted by the board shall be held in the city of Albany.

2. A "fiscally eligible municipality" shall mean any county, city, excluding a city with a population greater than one million, town, or village that the board, on a case by case basis, determines would benefit from the services and assistance which the board has legal authority to offer. In evaluating whether a municipality is a fiscally eligible municipality, the board shall consider the average full value

property tax rate of such public employer and the average fund balance percentage of such public employer and such other criteria as the board deems relevant. For purposes of this section, "full value property tax rate" shall mean the amount to be raised by tax on real estate by a local government in a given fiscal year divided by the full valuation of taxable real estate for that same fiscal year as reported to the office of the state comptroller; "average full value property tax rate" shall mean the sum of the full value property tax rates for the five most recent fiscal years divided by five; "fund balance percentage" shall mean the total fund balance in the general fund of a local government in a given fiscal year divided by the total expenditures from the general fund for that same fiscal year as reported to the office of the state comptroller; and "average fund balance percentage" shall mean the sum of the fund balance percentages for the five most recently completed fiscal years divided by five.

(a) If the average full value property tax rate of such municipality is greater than the average full value property tax rate of seventy-five percent of counties, cities, towns, and villages, with local fiscal years ending in the same calendar year as of the most recently available information, the board must find that such municipality is a fiscally eligible municipality. The office of the state comptroller shall make publicly available the list of counties, cities, towns, and villages that have an average full value property tax rate that meets such criteria in each local fiscal year. If a municipality has not reported to the office of the state comptroller the information necessary to calculate its average full value property tax rate, such municipality may not be deemed a fiscally eligible municipality and the provisions of this section shall not apply.

(b) If the average fund balance percentage of such municipality is less than five percent, the board must find that such municipality is a fiscally eligible municipality. The office of the state comptroller shall make publicly available the list of counties, cities, towns, and villages that have an average fund balance percentage that meets such criteria in each local fiscal year. If a municipality has not reported to the office of the state comptroller the information necessary to calculate its average fund balance percentage, such municipality may not be deemed a fiscally eligible municipality and the provisions of this

section shall not apply.

3. (a) Upon the request of a fiscally eligible municipality, by resolution of the governing body of such municipality with the concurrence of the chief executive of such municipality, the financial restructuring board for local governments may undertake a comprehensive review of the operations, finances, management practices, economic base and any other factors that in its sole discretion it deems relevant to be able to make findings and recommendations on reforming and restructuring the operations of the fiscally eligible municipality. As part of such recommendations, the board may propose that such municipality agree to fiscal accountability measures, as determined by the board, including, but not limited to, multi-year financial planning. It may also identify cost-saving measures, recommend consolidation of functions or agencies within such municipality or between such municipality and other municipalities, consistent with existing law, identify and make available, to the extent otherwise permitted by law, grants and loans on such terms and conditions as it deems appropriate, and make such other recommendations as the board may deem just and proper but in no event shall the sum of all awards made by the board to a single fiscally eligible municipality be greater than five million dollars. If such award is a loan, it may not be for a term longer than ten years. In the event a grant or loan is made, the board may condition such award on the fiscally eligible municipality submitting a report or reports on such actions taken by the fiscally eligible municipality pursuant to the board's recommendations, and the board shall require that the eligible municipality must adopt and implement all the board's recommendations as a condition to receiving an award or awards. Before making final recommendations, the board shall consult with the fiscally eligible municipality. Such recommendations shall not be final and binding on a fiscally eligible municipality unless it formally agrees to abide by and implement such recommendations in which event such recommendations and the terms provided thereunder shall be final and binding on such municipality.

(b) Notwithstanding paragraph t of subdivision ten of section fifty-four of the state finance law and irrespective of whether there has been a determination or finding of fiscal eligibility under this

section, upon the request of any county, city, excluding a city with a population of greater than one million, town, or village which (1) has elected to engage in multi-year planning with the assistance of an external financial advisor, and (2) has been identified as experiencing fiscal stress, the financial restructuring board for local governments may determine that all or part of the cost to the county, city, town, or village for such external advisor shall be subject to reimbursement from monies appropriated to such board for the making of grants and loans.

4. The board may hold hearings and shall have authority to require the production of any information that it deems necessary to undertake its comprehensive review. The board shall post on a publicly available website all recommendations and findings made pursuant to this section.

5. The board shall also be authorized to resolve an impasse pursuant to subdivision four-a of section two hundred nine of the civil service law.