§ 29.00 Budget notes. a. 1. Any municipality or district corporation, other than a fire district, may issue budget notes during any fiscal year for any unforeseeable public emergency during such year such as epidemic, conflagration, riot, storm, flood, earthquake or other unusual peril to the lives and property of the citizens of such unit of government in such amount as the finance board shall determine to be necessary, but no municipality may issue such notes for emergencies in behalf of any local improvement district. Any school district may issue budget notes during any fiscal year to provide temporary school buildings or facilities in such year when such buildings or facilities are necessitated because of an unforeseeable public emergency during such year such as epidemic, conflagration, riot, storm, flood, earthquake or other unusual circumstance preventing the use in whole or in part, of the buildings or other facilities used by such school district.

2. Any municipality or district corporation which adopts an annual budget may issue budget notes during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget for such fiscal year in an amount not to exceed five per centum of the amount of such annual budget.

Notwithstanding the foregoing limitation, any fire district may issue budget notes pursuant to this subdivision in the amount of at least one thousand dollars. In addition, any county which adopts an annual budget may issue budget notes pursuant to this subdivision without limitation as to amount for necessary expenditures for the apprehension and prosecution of persons charged with the commission of crime and for which an insufficient or no provision has been made in the annual budget for such fiscal year. If, however, any such municipality or district corporation may issue budget notes for any such expenditures pursuant to the provisions of any other paragraph of this section, such municipality or district corporation shall not issue budget notes for any such expenditures pursuant to this subdivision. Any town, and any county, in computing "the amount of the annual budget" for the purposes of this subdivision shall not include any amounts which are to be paid in the first instance from improvement district assessments.

3. A school district may issue budget notes during the last nine months of any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget for such fiscal year in an amount not to exceed five per centum of such annual budget. The foregoing limitation shall not be applicable in any case in which a budget note resolution has been adopted by the finance board of a school district and has been approved by a majority of the qualified voters of the school district present and voting at any annual or special meeting of the school district held pursuant to the provisions of the education law during the last nine months of such fiscal year. The notice for any such meeting, in addition to complying with applicable provisions of the education law, must state that such budget note resolution will be submitted for approval by the voters at such meeting; the purpose for which moneys are proposed to be borrowed under such resolution; the total amount proposed to be borrowed, and the fiscal year in which taxes are required to be levied for the payment of the budget note proposed to be issued. The vote at any such meeting on such proposition shall be by ballot, or ascertained by taking and recording the ayes and noes of such qualified voters attending and voting at such meeting.

3-a. Notwithstanding any other provisions of this section, where a school district can demonstrate to the satisfaction of the commissioner of education extenuating circumstances that a waiver is warranted for the adoption of a budget note resolution by its finance board, upon certification by the chief executive officer to the commissioner of education, in such form as the commissioner of education shall determine pursuant to guidelines developed, for the purpose of making additional accruals requirements in the two thousand four--two thousand five or two thousand five--two thousand six school years associated with changes in accounting methodologies for liabilities for employer and employee contributions due and payable to a public retirement system that will result in a tax increase to the residents of the district in the following school year, a school district may issue budget notes during the last nine months of the school year in which such resolution is adopted, or during the first three months of the following school year, in an amount not to exceed the amount of such additional accruals for

public pension liabilities. The limitation on the amount of budget notes contained in subdivision three of this paragraph shall not be applicable to notes issued pursuant to this section and the amount of budget notes issued pursuant to this section shall not be included in the computation of such limitation.

4. Any fire district may issue budget notes for expenditures for necessary repairs to any fire-fighting apparatus, fire-fighting vehicles or other motorized equipment of such fire district which has been damaged as the result of an accident; but only to the extent that budgetary appropriations for such purpose and the proceeds of insurance received on account of such damage and on hand at the time the repairs are completed are insufficient to pay for such damage. Unless a budgetary appropriation for the payment of such notes is in existence at the time the proceeds of any such insurance are received, such proceeds shall be used only for the payment of such notes.

5. Any municipality or fire district may issue budget notes during any fiscal year to provide for the payment in such fiscal year of the cost of insurance secured to indemnify against liability for benefits payable under the volunteer firefighters' benefit law and for which cost an insufficient or no provision was made in the annual budget of the municipality or fire district for such fiscal year. The aggregate amount of any such notes which may be issued for such purpose in a fiscal year commencing after December thirty-first, nineteen hundred sixty-five, shall not exceed the sum by which the actual cost of such insurance to be paid in the fiscal year in which such notes are issued exceeds the actual cost of such insurance in the fiscal year prior to the fiscal year in which such notes are issued; provided, however, that this limitation shall not apply in a case where the municipality or fire district has not incurred any such cost in the fiscal year prior to that in which such notes are issued.

6. Any fire district may issue budget notes for expenditures for water supply and in relation to fire hydrant maintenance and rental costs; but only to the extent that budgetary appropriations for such purpose under subdivision twelve of section one hundred seventy-six of the town law

are insufficient to pay increased charges which the public service commission has authorized and the fire district is required to pay in the fiscal year in which the budget note is issued for such maintenance or rental.

7. Any fire district which elects to become liable for payments in lieu of contributions pursuant to section five hundred sixty-five of the labor law and is required by the commissioner of labor to pay into the unemployment insurance fund an amount equal to the amount of benefits paid to claimants and charged to such fire district's account may issue budget notes for such expenditures for the amount required to be so paid in the fiscal year in which the budget note is issued, but only to the extent that budgetary appropriations for such purpose are insufficient to pay such claim.

8. Any county, city, village, town, town on behalf of an ambulance district, or town on behalf of a fire protection district which contracts with an ambulance service which is not organized pursuant to section two hundred nine-b of the general municipal law, may issue budget notes during the first fiscal year in which it is required to pay contributions to the volunteer ambulance workers' service award program, but only to the extent that budgetary appropriations for such purpose are insufficient to pay such contributions.

b. Any municipality which adopts an annual budget may issue budget notes during any fiscal year for either or both the following purposes:

1. The payment of the expenses for the removal of snow and ice, exclusive of salaries and wages of regular employees except for overtime work and work on Sundays and holidays, or

2. The payment of the expenses for the demolition of unsafe buildings, to the extent that an insufficient provision shall have been made therefor in the annual budget for such fiscal year, if such municipality is required by statute, local law or ordinance to include in its annual budget for such fiscal year and each fiscal year thereafter either (a) an amount equal to at least the average of all expenditures for such

purpose during each of the five preceding fiscal years for each purpose for which such budget notes are to be issued, or (b) such amount as is prescribed in the schedule set forth below, for each purpose for which such budget notes are to be issued:

1. For such fiscal year, an amount equal to at least one-fifth of the average of all expenditures for such purpose during each of the five preceding fiscal years.

2. For the first fiscal year succeeding such fiscal year, an amount equal to at least two-fifths of the average of all expenditures for such purpose during each of the five preceding fiscal years.

3. For the second fiscal year succeeding such fiscal year, an amount equal to at least three-fifths of the average of all expenditures for such purpose during each of the five preceding fiscal years.

4. For the third fiscal year succeeding such fiscal year, an amount equal to at least four-fifths of the average of all expenditures for such purpose during each of the five preceding years.

5. For the fourth fiscal year succeeding such fiscal year and for each succeeding fiscal year thereafter, an amount equal to at least the average of all expenditures for such purpose during each of the five preceding fiscal years.

Any city, any county and any village having a population of five thousand or more, as determined pursuant to the latest available federal census, may adopt a local law or ordinance, and any other municipality may adopt an ordinance requiring the inclusions of such amounts set forth in the above schedule for either of or both such purposes in its annual budget.

c. Any city which is required pursuant to law to include annually in its annual budget an amount for:

1. Judgments which may be obtained against the city and which may become due and payable during the fiscal year for which the budget is

adopted,

2. Claims which may be settled or compromised and become payable during such fiscal year, and

3. The repaving of streets

may issue budget notes for any of such purposes during a fiscal year if the amount included in the annual budget for such fiscal year is insufficient therefor.

d. Any municipality, school district or district corporation which is required by law to include in its annual budget the amount of judgments or compromised or settled claims which are outstanding at the time such budget is prepared, may issue budget notes for the payment of any such judgment or claim. Such notes may be issued at any time prior to the earliest time at which tax anticipation notes may be issued by such municipality, school district or district corporation pursuant to section 24.00 of this chapter in anticipation of the levy or collection of taxes for such budget. If such notes are issued in a fiscal year prior to the preparation of an annual budget during such fiscal year, an appropriation for their redemption shall be included in such next budget when it is prepared. If such notes are issued after an appropriation has been included in an annual budget for the payment of the judgments or claims for which the notes are issued, such notes shall be redeemed from such appropriation. Such budget notes may be renewed from time to time, but such notes including renewals thereof shall mature not later than the close of the fiscal year for which such annual budget is adopted.

e. Any city, county or town, during any fiscal year or, in the case of the city of New York, within ninety days after the close of such fiscal year, for which it shall make a supplemental, deficiency or additional appropriation for one or more purposes authorized by or under the provisions of the social services law, including the administration thereof, may issue budget notes for the amount of the local share of the cost thereof.

e-1. If any town has made an appropriation in its annual budget for

any fiscal year for its share of the cost of an approved project under article eight-A of the highway law, and the appropriation is insufficient, the town may issue budget notes in such fiscal year to finance such share in an amount not to exceed fifty per centum of the town's share of the cost of such project. Budget notes may not be issued under any other paragraph of this section to finance any portion of the town's share of the cost of an approved project under such article eight-A of the highway law.

f. If any municipality which is authorized or required by law to include in its annual budget an estimate of the amount of state, county district and other county taxes to be levied on the real property within such municipality for or during the fiscal year for which such budget is adopted, underestimates the amount that is actually levied, such municipality may issue budget notes for the payment of all or part of such deficiency.

g. If any portion of the taxes or assessments levied by a municipality, school district or district corporation in any fiscal year are cancelled prior to the collection thereof pursuant to a determination by a court in an action or proceeding brought by the taxpayer, or, in the case of a school district with the written approval and consent of the commissioner of education under section thirty-five hundred twelve of the education law, such municipality, school district or district corporation may issue budget notes in the fiscal year in which any such cancellation occurs in an amount not in excess of the amount of taxes or assessments so cancelled. The proceeds of such notes shall be used only for the purposes for which such taxes or assessments so cancelled were levied, or for the redemption of tax anticipation notes which had been issued in anticipation of the collection of the taxes or assessments so cancelled and for the redemption of which notes no other provision has been made, or for the redemption of budget notes in renewal of which they were issued.

h. Any county which does not adopt an annual budget may issue budget notes during any fiscal year to pay accounts, claims, demands or charges which may be directed to be paid pursuant to the provisions of any law

in an amount not in excess of the total amount of such accounts, claims, demands or charges directed to be paid in such fiscal year and for which an insufficient or no provision was made in the estimate upon which the tax levy for such fiscal year was based. No county shall issue budget notes pursuant to this paragraph on or after January first, nineteen hundred fifty-one; provided that budget notes issued prior to such date pursuant to this paragraph may be renewed as provided in paragraph j of this section.

i. Any town on behalf of a town improvement district situated therein, or any county on behalf of a county improvement district situated therein, may issue budget notes during any fiscal year for expenditures for which an insufficient or no provision is made in the annual estimate for such improvement district as finally adopted for such fiscal year in an amount not to exceed five per centum of the amount of such annual estimate.

j. Except as otherwise provided in paragraph d of this section, budget notes may be renewed from time to time but such notes, including the renewals thereof, shall mature not later than the close of the fiscal year succeeding the fiscal year in which such notes are issued. However, such notes, including the renewals thereof, may mature not later than the close of the second fiscal year succeeding the fiscal year in which such notes are issued, when authorized and issued during a fiscal year at a time subsequent to the date of the adoption of the annual budget for the next succeeding fiscal year, by a municipality, school district or district corporation in which the total amount of taxes or assessments levied for a fiscal year is determined pursuant to an annual budget adopted during the fiscal year preceding such fiscal year.

k. Budget notes shall be redeemed out of the taxes or assessments levied or to be levied for the fiscal year in which they mature or out of other revenues of that fiscal year legally available for that purpose.

l. Notwithstanding the provisions of any general, special or local law, any municipality, school district or district corporation, which

has the power to issue budget notes under this section, shall to the same extent have the power to appropriate and expend money received from the proceeds of the sale of budget notes for the purposes for which such notes are issued.

m. Notwithstanding the provisions of this section or any other law, no city shall issue budget notes for the purpose of providing funds for the payment pursuant to section thirty-six-a of the rapid transit law, or otherwise, of the amounts which the board of transportation or any other agency of such city determines or estimates, claims (including claims reduced to judgment) or certifies to the board of estimate or other analogous local authority of such city, as the sum by which the revenues derived from operation of any railroad, as defined in section two of the rapid transit law, fail or will fail to provide for any costs and expenses of operation and maintenance of such railroad for any period or periods commencing on or after July first, nineteen hundred fifty-three. For the purpose of this paragraph, such costs and expenses shall also include the payments or contributions paid or payable by the board of transportation or the city during such period to any employees' pension or retirement system on account of membership therein of officers and employees of such board of transportation.

n. Notwithstanding any other provision of this section, except where any obligations other than budget notes are or have been issued for the object or purpose described in subdivision fifty-nine of paragraph a of section 11.00 of this chapter, budget notes may be issued by a municipality, school district or district corporation, or by a county on behalf of a county improvement district situated therein or by a town on behalf of a town improvement district situated therein, pursuant to an irrevocable election to finance all or part of the employer's share of the cost of retroactive coverage provided to its employees under the federal old-age and survivors insurance system pursuant to section one hundred thirty-eight-a of the retirement and social security law where an insufficient or no provision is or has been made in the annual budget for such cost.

o. Notwithstanding any other provision of this section, if any city in

this state having a population of one million or more includes in its annual budget for the fiscal year nineteen hundred seventy-one--nineteen hundred seventy-two an estimate in an amount not to exceed one hundred million dollars of additional revenues available to it as a result of a federal program of general or special revenue sharing or any similar program or any combination of such programs which relieves a financial burden which would otherwise require expenditure from city tax receipts in such amount for the fiscal year, and if that estimate should exceed the amount of such revenue that actually becomes available to it, such city may issue during the last quarter of such fiscal year budget notes which shall have a maximum maturity of not more than one year for the payment of all or part of the amount of such overestimate, upon a determination by the state budget director of the amount of such overestimate.