§ 1012-a. Emergency contributions to county of Niagara and city of Niagara Falls. 1. On June seventh, nineteen hundred fifty-six a collapse of the rock wall of the Niagara river resulted in the substantial destruction of a hydro-electric power generating plant which annually produced more than three billion kilowatt hours of low-cost electric energy, most of which was used by industrial plants employing great numbers of workers in the city of Niagara Falls and vicinity. These industries would be forced to curtail their operations drastically or abandon them and thousands of jobs would be lost if the industries were not able to obtain necessary power at high cost on a temporary basis from the hydro-electric power commission of Ontario. This commission is using not only Ontario's share of the water of the Niagara river under the treaty signed on February twenty-seventh, nineteen hundred fifty, between the United States and Canada, but also a large part of New York's share of such water. To provide for the retention and expansion of existing industry and the attraction of new industry vital to the economy of the area and to the defense of the United States, it is essential that power authority of the state of New York complete a power project to utilize all of the waters of the Niagara available in the United States. The destruction caused by the rock slide resulted in reducing to the extent of some ten million dollars the total valuation of real property subject to taxation in the city of Niagara Falls. This will result in a temporary tax loss to the county of Niagara and the city of Niagara Falls of approximately seven hundred thousand dollars per year with resulting hardship to taxpayers. An increase in the tax base sufficient to offset such loss cannot be brought about until industrial activities in the area are expanded and increased through the availability of low-cost power from such new New York hydro-electric power project. An emergency justifying financial relief to the county of Niagara and city of Niagara Falls exists and will continue until such a project is completed. It is recognized that public authorities constitute valuable governmental entities in the state, performing important functions on a businesslike basis through the use of private funds borrowed from prudent investors without state or municipal credit, and that the integrity and independence of these authorities must be maintained and their present exemption from taxation protected.

2. Power authority of the state of New York is hereby authorized to include in financing the cost of its Niagara river project a total sum of (1) three million dollars in addition to that otherwise required and to contribute such additional total sum as emergency relief to the county of Niagara and city of Niagara Falls on the basis of decreasing annual allotments over a five-year construction and expansion period; such annual allotments shall be allocated for school and other purposes in the same proportion as other moneys collected as real property taxes in such city; and (2) the power authority of the state of New York is hereby authorized to expend the sum of one and one-half million dollars for local improvements in the city of Niagara Falls incidental to or reasonably related to the Niagara power project of the authority.