§ 1285. Special powers of the corporation. In order to effectuate the purposes of this title, the corporation shall have the following special powers:

1. Construction, operation and maintenance of sewage treatment works, sewage collecting systems and solid waste disposal facilities on behalf of a municipality. (a) The corporation and any municipality having power to construct sewage treatment works, sewage collecting systems or solid waste disposal facilities by resolution of its governing body may enter into a contract for the construction of sewage treatment works, sewage collecting systems or solid waste disposal facilities by the corporation for such municipality upon such terms and conditions as the corporation shall determine to be reasonable, including but not limited to the reimbursement of all costs of such construction and claims arising therefrom.

(b) The corporation and any municipality having power to operate and maintain sewage treatment works or solid waste disposal facilities by resolution of its governing body may enter into a contract for the operation and maintenance of sewage treatment works or solid waste disposal facilities by the corporation for such municipality upon such terms and conditions as the corporation shall determine to be reasonable, including but not limited to the reimbursement of all costs of such operation and maintenance and claims arising therefrom.

(c) No such contract shall be deemed to be a contract for public work or purchase within the meaning of the general municipal law.

(d) The corporation and any state agency having the power may enter into a contract for the planning, construction, operation and maintenance of sewage treatment works, sewage collecting systems, solid waste disposal facilities, and for the removal, disposal and remediation of petroleum storage tanks and the remediation of the sites thereof, as the case may be, for and on behalf of such state agency; the corporation and any such state agency may enter into a contract pursuant to which the corporation may provide for the collection, conveyance, treatment and disposal of sewage, storage, separating, treatment, recycling, reconstituting, compacting, composting, shredding, converting, utilization, processing, pyrolization or final disposal of solid waste by means of sewage collecting systems, sewage treatment works, or solid

waste disposal facilities, as the case may be, owned, constructed, operated and maintained by the corporation. Any such contract entered into by any such state agency and the corporation for the purposes of removal, disposal and remediation of petroleum storage tanks and the remediation of the sites thereof, may provide for ownership, construction, operation and maintenance of such projects by the corporation or by any such state agency and any such contract shall be subject to the approval of the director of the budget. Any such contract or contracts shall be upon such terms and conditions as the corporation and such state agency shall determine to be reasonable, including but not limited to the reimbursement of all costs of planning, financing, construction and operation and maintenance, and any claims arising therefrom. No such contract shall be deemed to be a contract for public work or purchase within the meaning of the state finance law.

2. Loans to municipalities and certain state agencies. The corporation may make loans to any municipality, or any state agency authorized to issue bonds or notes not constituting a debt or liability within the meaning of section eleven of article seven of the state constitution, for the construction of any sewage treatment works, sewage collecting system or solid waste disposal facility. Any loan by the corporation to any such state agency shall be subject to the approval of the director of the budget. The corporation may accept as evidence of the indebtedness of any such municipality or any state agency authorized to issue bonds or notes not constituting a debt or liability of the state within the meaning of section eleven of article seven of the state constitution, only the municipal bonds or notes of such municipality or bonds or notes of such state agency. Any such loan shall be in an amount or amounts not to exceed the cost of construction of any such sewage treatment works, sewage collecting system or solid waste disposal facility required to be financed by the municipality or such state agency. In connection with the making of any such loans, the corporation may fix and collect such fees and charges, including but not limited to reimbursement of all costs of financing by the corporation, as the corporation shall determine to be reasonable.

3. Construction, operation and maintenance of sewage collecting

systems, sewage treatment works and solid waste disposal facilities. (a) The corporation and a municipality having power to construct, operate and maintain sewage treatment works, sewage collecting systems or solid waste disposal facilities, by resolution of its governing body may enter into a contract pursuant to which the corporation may provide for the collection, conveyance, treatment and disposal of sewage or the storage, separating, treatment, recycling, reconstituting, compacting, composting, shredding, converting, utilizing, processing, pyrolization or final disposal of solid wastes by means of sewage treatment works or solid waste disposal facilities, as the case may be, owned and constructed by the corporation and operated and maintained by the corporation or, for and on behalf of the corporation, by such municipality or by any person, as may be approved by the corporation and such municipality, and by means of sewage collecting systems owned and constructed by the corporation for and on behalf of such municipality pursuant to a contract whereby title to such sewage collecting systems shall vest in such municipality in accordance with the provisions of paragraph (c) of this subdivision, and operated and maintained by such municipality upon such terms and conditions as the corporation shall determine to be reasonable. Such contract or contracts shall, except in the case of a sewer corporation now existing in a city, contain provisions in accordance with the requirements of paragraph (b) or (c) of this subdivision, and, in addition thereto and consistent therewith, may provide for the payment to the corporation by such municipality, annually or otherwise, of such sum or sums of money, computed at fixed amounts or by a formula based on any factors or other matters or in any other manner, as said contract or contracts may provide, and the sum or sums so payable may include provision for all or any part or a share of the amounts necessary (i) to pay or provide for the expense of operation and maintenance of any such project including, without limitation, insurance, extensions, betterments and replacements and the principal of and interest on any bonds or notes of the corporation, and (ii) to provide for any deficits resulting from failure to secure sums payable to the corporation by such municipality, any other municipality or from any other cause, and (iii) to maintain such reserves or sinking funds for any of the foregoing as may be required by the terms of any contract of the corporation or as may be deemed necessary or desirable by the

corporation. Such contract or contracts may also contain provisions as to the financing and payment of expenses to be incurred by the corporation and determined by it to be necessary for its purposes prior to the placing in operation of any such project, and may provide for the payment by such municipality to the corporation for application to such expenses or indebtedness therefor such sum or sums of money, not in the aggregate exceeding an amount stated or otherwise limited in said contract or contracts, plus interest thereon, as said contract or contracts may provide and as the governing body of said municipality shall, by virtue of its authorization of and entry into said contract or contracts, determine to be necessary for the purposes of the corporation. Except as otherwise provided in this subdivision, any such contract may be made with or without consideration and for a specified or an unlimited time and on any terms and conditions which may be approved by such municipality and which may be agreed to by the corporation in conformity with its contracts with the holders of any of its bonds or notes, and shall be valid whether or not an appropriation with respect thereto is made by such municipality prior to authorization or execution thereof. The corporation may sell, transfer or dispose of, in any manner it deems desirable any materials, substances or sources or forms of energy derived from any corporate activity, including but not limited to sludge, raw materials, by-products; heat, oil, steam or electric energy in accordance with any contract pursuant to this paragraph or pursuant to paragraphs (b) and (d) of subdivision one of section twelve hundred eighty-five of this title. Such municipality is hereby authorized to do and perform any and all acts or things necessary, convenient or desirable to carry out and perform every such contract and to provide for the payment or discharge of any obligation thereunder in the same manner as other obligations of such municipality. Subject to any such contracts with the holders of its bonds or notes, the corporation is hereby authorized to do and perform any and all acts or things necessary, convenient or desirable to carry out and perform every such contract and, in accordance with any such contract to waive, modify, suspend or reduce charges which would otherwise be charged and collected by the corporation within the municipality.

A municipality shall not be liable for any act or omission of the

corporation, its officers, agents, servants or contractors in the performance of any such contract by the corporation.

(b) Except as provided in paragraph (c) of this subdivision, any contract entered into by the corporation and any municipality, other than a sewer corporation now existing in a city, pursuant to this subdivision shall provide that the municipality shall not acquire any vested rights in any such works or facility by reason of such contract, and, in the case of a county, city, or village, that all or any portion of the annual payments, as the case may be, made by such municipality, shall be deemed to be current operating expenses of such municipality within the meaning of section ten of article eight of the state constitution where all or any portion of such payments are or may be required to be raised by tax on real estate in any fiscal year of such municipality.

(c) Any contract entered into by the corporation and any municipality pursuant to this subdivision may provide that at the termination thereof the title to the works or facility shall vest in the municipality or its successor in interest, if any, free and clear of any indebtedness contracted by the corporation. Any such contract entered into by the corporation and any municipality which provides that title shall so vest in the municipality or its successor in interest, other than a sewer authority now existing in a city, shall be subject to the following provisions:

(1) The term of any such contract shall not exceed the period of probable usefulness of the works or facility as provided in section 11.00 of the local finance law, computed from the date of the first indebtedness contracted by the corporation for such works or facility.

(2) The annual payments to be made by the municipality to the corporation to enable the corporation to pay the principal of any such indebtedness contracted by it to finance the cost of such works or facility shall commence within two years after any such indebtedness or portion thereof shall have been contracted and no such annual payment shall be more than fifty percentum in excess of the smallest prior annual payment for such purpose.

(3) The municipality shall pledge its full faith and credit for the payment of such annual payments described in subparagraph two of this paragraph (c) and also for the payments required to be made to the

corporation to enable it to pay the interest on any such indebtedness.

(4) The total amount of any unpaid annual payments in relation to the principal of any such indebtedness shall be deemed to be indebtedness of the county, city, town or village for a capital improvement within the meaning of subparagraph (b) of subdivision three of paragraph a of section 135.00 of the local finance law or indebtedness contracted by a district corporation pursuant to subdivision seven of paragraph a of such section 135.00, as the case may be.

(5) The total amount of any unpaid annual payments in relation to the construction or reconstruction of facilities for the conveyance, treatment and disposal of sewage shall be deemed to be indebtedness of the county, city, town or village within the meaning of subdivision four-a of section 136.00 of the local finance law.

(6) The annual payments by a county, city or village in relation to such indebtedness and interest shall be deemed to be "indebtedness" and "interest" within the meaning of section ten of article eight of the state constitution.

(7) The contract shall not be renegotiated, or amended, in such manner as to constitute a refunding within the meaning of section two of article eight of the state constitution.

(8) The contract shall not be applicable to any works or facility constructed or reconstructed to effectuate the purposes of article eighteen of the state constitution.

(9) The municipality shall not be liable for a default on the obligations of the corporation. If the expenditure of money, or the issuance of obligations, for a project would be subject to the adoption of a proposition pursuant to paragraph b of section 38.00 of the local finance law, a contract between a district corporation and the corporation pursuant to the provisions of this paragraph (c) shall be subject to approval at an election or meeting in the same manner as provided in such section 38.00.

In the case of a district corporation subject to the provisions of section 102.00 of the local finance law, the annual payments to be made to the corporation to enable it to pay the principal of any indebtedness contracted by it to finance the cost of the project shall be deemed to be indebtedness within the meaning of such section and section 120.00 of

such law and any contract entered into between the district corporation and the corporation pursuant to the provisions of this paragraph (c) shall be subject to the consent of the city, town or village affected as provided in such section 102.00.

A contract pursuant to the provisions of this paragraph (c) shall be deemed to be an issuance of bonds, bond anticipation notes or capital notes for the purposes of subdivisions three, four, five, and seven of section 104.10 of the local finance law insofar as the contract shall provide for annual payments to the corporation to enable it to pay the principal of indebtedness contracted by it to finance the cost of any project.

(d) Where a county, city, town or village is prevented from utilizing the provisions of this subdivision, by the provision of any general or special law, county, city or village charter which (i) requires that any project must be constructed, operated and maintained by the municipality, (ii) limits the period of time for which a municipality may contract, (iii) requires that the cost shall be paid for by taxes levied for the fiscal year in which the expenditure is to be made, (iv) requires that the cost shall be financed pursuant to the local finance law or (v) only permits any such project to be constructed subject to either mandatory or permissive referendum, such county, city, town or village may adopt a local law superseding the provisions of any such general or special law, county, city or village charter. Any such local law shall be subject to mandatory referendum, or referendum on petition in the manner provided in sections twenty-three or twenty-four, as the case may be, of the municipal home rule law, if the issuance, or the resolution authorizing the issuance, of serial bonds having a maturity of more than ten years to finance any such project would be required, under or pursuant to the provisions of sections 33.10, 34.00, 35.00 or 36.00 of the local finance law or any other law, to be subject to mandatory or permissive referendum.

4. The corporation is empowered to lease or rent a project constructed and owned by the corporation pursuant to any contract with a municipality or state agency as herein provided for, to any person, as may be approved by the municipality or state agency. The corporation may

make available the use or services of any such project, with the approval of such municipality or state agency, to one or more persons, or any combination thereof, upon such terms and conditions as the corporation may determine reasonable.

5. When requested by the governing body of a municipality, or when requested by a person or state agency, the corporation may advise such municipality, person or state agency on matters relating to the planning, construction, operation and maintenance of sewage treatment works, sewage collecting systems, solid waste disposal facilities, and any other projects which the corporation is authorized to construct pursuant to any provisions of this title, on matters relating to the identification, collection, handling, separation and disposal of waste, and on matters relating to the prevention and control of air emissions and water discharges subject to regulation pursuant to the environmental conservation law, and pursuant to a contract with a municipality, person or state agency, may render technical assistance and may undertake research, planning and testing with respect to any such matter, and the corporation may make a reasonable charge to such municipality, person or state agency for the performance of any such functions authorized by this subdivision.

6. In selecting a location for any projects constructed pursuant to subdivision one or subdivision three of this section, the corporation shall take into consideration the character of the area of any proposed location and the zoning regulations, if any, applicable to such area.

7. When requested by the governing body of a municipality or by a state agency, any contract pursuant to either subdivision one or subdivision three of this section, except a contract pursuant to which the municipality shall not acquire a vested interest in the project, may provide as part of a project and upon the site of such project, for the construction and financing, pursuant to the provisions of this title, by the authority of such other facilities, betterments, improvements and appurtenances for which such municipality or state agency has the power to provide. Such construction and financing shall be permitted when necessary to develop or restore such site to a beneficial municipal or

public use, and in accordance with the plans or design of the project prepared and approved by such municipality or state agency, or as may be prepared by the corporation on behalf of such municipality or state agency.

8. The corporation is empowered to enter into one or more contracts with any person designated by the corporation to be a responsible agent for the planning, design, construction and operation of one or more solid waste processing pilot projects. The corporation shall require such person to supply it with such plans, estimates of costs, time schedules, designs, and other data as the corporation shall determine to be reasonable to enable proper identification of costs. Such pilot projects are to determine which methods of recycling solid wastes, including, but not limited to shredding, compression, high-temperature incineration, pyrolization, separation or any other new technology for resource recovery in solid waste management are most feasible for large-scale implementation by the corporation and by municipalities in this state, having due regard for the resources to be recovered, net costs, amount of land required, and environmental considerations. The corporation shall issue annual reports as to the results of these projects, containing recommendations not inconsistent with those findings, and shall make copies of the report, findings and supporting data available to any municipality in this state. For this purpose the corporation is authorized to apply to the United States Public Health Service, Environmental Protection Agency, United States Department of Agriculture, or any other appropriate authority for grants of such federal funds as may be available toward the financing of or contracting for such projects.

The corporation shall transmit a copy of its report to the commissioner of environmental conservation, who shall hold public hearings on its recommendations, pursuant to section 3-0301 of the environmental conservation law, at which hearings testimony shall be taken from all interested parties. Following the termination of said hearings, the department of environmental conservation may make additional findings, if any, and shall have the power to promulgate rules and regulations and/or propose legislation, consistent with its

findings, to implement the report.