§ 2975. Recovery of state governmental costs from public authorities and public benefit corporations. 1. Notwithstanding any other provision of law to the contrary, every public authority and every public benefit corporation created by or pursuant to New York state law at least three of whose members are appointed by the governor, whether such authority or corporation is otherwise governed by this chapter (such entities, as so constituted, to be hereafter in this title referred to as "public benefit corporations"), shall reimburse to New York state an allocable share of state governmental costs attributable to the provision of services to public benefit corporations, as determined herein. The payment of such costs by public benefit corporations is a valid and proper purpose for which available authority funds may be applied.

2. (a) Annually the director of the division of the budget of the state of New York (such person to be hereafter in this title referred to as the "director of the budget"), in consultation with the state comptroller, shall determine the total amount of expenses incurred or to be incurred during the state's fiscal year in connection with the provision of central governmental services to public benefit corporations. Such expenses, in addition to the direct costs of personal service, shall include indirect costs of employee benefits, maintenance and operation, state equipment and facilities, rental for space occupied in state leased facilities or the fair market rental value of space occupied in state owned facilities, and contractual services, all as attributable to the provision of otherwise unreimbursed services to public benefit corporations by the New York state department of audit and control, department of law, executive chamber, division of the budget, the legislature, and such agencies, boards or commissions as the director of the budget determines provide such services to public benefit corporations.

(b) On or before November first, two thousand three and on or before November first of each year thereafter, the director of the budget shall determine the amount owed under this section by each public benefit corporation. The director of the budget may reduce, in whole or part, the amount of such assessment if the payment thereof would necessitate a state appropriation for the purpose, or would otherwise impose an extraordinary hardship upon the affected public benefit corporation. The

aggregate amount assessed under this section in any given state fiscal year may not exceed sixty-five million dollars.

3. The state treasurer shall impose and collect such assessments, which shall be paid no later than March thirty-first following the imposition of the assessments, and pay the same into the state treasury to the credit of the general fund.

3-a. A direct portion of these funds shall be allocated to fund the authorities budget office established by section four of this chapter.

4. The provisions of subdivisions two and three of this section shall not apply to any public benefit corporation which enters into a contract or agreement with the director of the budget which otherwise provides for cost recovery to the state and includes a provision that, in accordance with this subdivision, subdivisions two and three of this section shall not apply to such public benefit corporation. The circumstances for the entry into such contract or agreement may include, but shall not be limited to, the following:

(a) where such contract or agreement is for an amount which equals or exceeds the amount of the assessment provided by subdivision two of this section; or

(b) where the payment of all or a portion of the assessment provided by subdivision two of this section would necessitate, in the judgment of the director of the budget, an appropriation therefor by the state.

5. On or before June first, nineteen hundred ninety, and annually on or before June first, the director of the budget shall report to the respective chairpersons of the assembly ways and means committee and senate finance committee the amount of cost recovery obtained pursuant to this title and all contracts and agreements entered into pursuant to subdivision four of this section for the state fiscal year ending on the preceding March thirty-first.