**§ 3607. Transfer of property; relationship with the towns; certain gifts, loans and guarantees by the towns.** 1. (a) Either town may give, grant, sell, convey, loan, license the use of, or lease to the corporation any property (except monies appropriated by the town and payable to the corporation pursuant to subdivision three and paragraph (a) of subdivision four of this section) which are useful in connection with the exercise by the corporation of any of its powers under this title in order to transfer the facilities and operations of the Clifton-Fine Hospital to the corporation by agreement between the towns and the corporation and any subsequent renewal or amendment thereof, by local law adopted by a majority of both town boards, notwithstanding any general, special or local law, ordinance, resolution or charter.

(b) Any such gift, grant, sale, conveyance, loan, license or lease shall be upon such terms and conditions, for such consideration, if any, and for such term or terms of years, subject to the rights of the holders of any bonds, as the corporation and the towns may agree. No real property of the towns consisting of any health facility currently operated by the Clifton-Fine Hospital shall be transferred to the corporation in fee, except under such restrictions regarding rights of first refusal, or other rights, to repurchase the property as the town boards shall approve by act, and subject to a restrictive covenant prohibiting the corporation from pledging or mortgaging the fee interest in the property. In the event that the town gives, grants, sells, conveys, loans, licenses or leases any facilities to the corporation, the towns may contract with the corporation to lease, borrow, license, operate, maintain, manage and provide services for such facilities upon such terms and conditions and for such term or terms of years, subject to the rights of holders of bonds, as the corporation and the towns may agree. The corporation, in furtherance of any purchase, conveyance or lease of any property or facility from the towns, may assume the primary responsibility for the payment of the principal and interest on any bonds or notes issued by the towns for such property or facility.

2. The town may acquire by purchase, grant, lease, gift or condemnation pursuant to the eminent domain procedure law, real property in the name of the towns for any corporate purpose of the corporation.

3. In addition to any other powers granted to it by law and consistent with the constitution and other provisions of law, the towns may, from time to time, appropriate sums of money to defray project costs or any other costs or expenses of the corporation including operating expenses.

Subject to the rights of bondholders, the towns may determine if the monies so appropriated shall be subject to repayment by the corporation to the towns and, in such event, the manner and time or times for such repayment.

4. In addition to the authority granted elsewhere in this title and by other applicable laws, the corporation and the towns may enter into a contract or contracts from time to time providing for one or more of the following:

(a) the payment of sums appropriated by the towns pursuant to subdivision three of this section;

(b) the payment of sums for health care services provided by the corporation which could otherwise be provided directly by the towns, including services for uncompensated care;

(c) services to be provided by the towns to or on behalf of the corporation;

(d) the transfer of employees of the towns to the corporation as provided in section thirty-six hundred four of this title;

(e) indemnification by the corporation to the towns for claims associated with establishment of and operation of the corporation and its health facilities;

(f) the gift, grant, sale, conveyance, loan, license or lease by the towns to the corporation of any property (except monies appropriated by the county and payable to the corporation pursuant to subdivision three and paragraph (a) of this subdivision) or facilities which are useful in connection with the exercise by the corporation of any of its powers under this title not transferred pursuant to the authority granted in paragraph (a) of subdivision one of this section, which gift, grant, sale, conveyance, loan, license or lease shall nevertheless be subject to paragraph (b) of subdivision one of this section; and

(g) such other matters as may be appropriate to accomplish the purposes hereof.

Any such contract or contracts shall be authorized by the towns by act adopted by majority vote of the town boards. Such contract or contracts shall include such terms and conditions, be for such consideration, if any, and have such term or terms of years, as the corporation and the towns may agree.

5. (a) Notwithstanding any general, special or local law or charter provisions to the contrary, the towns of Clifton and Fine shall have the power and are hereby authorized, pursuant to section seven of article seventeen of the state constitution, to lend money or credit to or in aid of the corporation or any subsidiary thereof for the purpose of providing health related facilities or hospital facilities for the prevention, diagnosis or treatment of human disease, pain, injury, disability, deformity or physical condition, and for facilities incidental or appurtenant thereto as may be prescribed by law. The towns are hereby authorized to prescribe such facilities by local law of the towns. The corporation or any such subsidiary thereof, as a condition to any such loan of money or credit, shall enter into a regulatory agreement with the towns as to its charges, profits, dividends and disposition of its property of franchises, which agreement shall be binding and enforceable by the towns insofar as this regulates such charges, profits, dividends and disposition of property. The towns may elect in such regulatory agreement to refrain from exercising all or any portion of its authority to so regulate such charges, profits, dividends and disposition of property to the extent such charges, profits, dividends and disposition of property are regulated by the state or any agency thereof. The towns shall authorize such regulatory agreement by local law.

(b) In pursuance of the authority granted herein, the towns shall have the power and is hereby authorized from time to time to issue bonds, notes or other obligations in such principal amounts as they shall deem necessary, after taking into account other monies which may be available for the purposes set forth herein. Such bonds, notes or obligations shall be issued for the purpose of making loans to the corporation or any subsidiary thereof, paying interest on such bonds, notes or other obligations, establishment of reserves to secure such notes, bonds, or

other obligations, and paying all other obligations and expenditures incidental to and necessary or convenient for the making of such loans. Such bonds, notes or obligations shall be issued in accordance with the applicable provisions of this chapter and the local finance law and applicable local laws.

(c) Any guarantee by the towns made pursuant to the authority granted in this section shall be authorized by act or acts of the towns in the same manner as such act or acts authorizing the issuance of bonds of the towns for the purposes for which such guarantee is undertaken.

(d) The towns shall also be authorized to enact laws governing the conditions under which such loans, commitments and guarantees shall be made.

6. For purposes of subdivision four of paragraph a of section 25.00 of the local finance law, amounts to be derived by the towns from the corporation, or any subsidiary thereof, shall be included in the term "other income".

7. (a) Notwithstanding the provisions of any other state or local law to the contrary, including, but not limited to, sections six-n and six-j of the general municipal law, with the approval of the town boards, amounts deposited for or on behalf of the Clifton-Fine Hospital in the liability and casualty and workers' compensation reserve funds established by the towns pursuant to said sections of the general municipal law, and investment earnings thereon, may be withdrawn by the towns from such funds and transferred to the corporation and shall be used by the corporation for the purposes for which such funds were established.

(b) No amounts shall be withdrawn and transferred to the corporation pursuant to this subdivision unless prior thereto the corporation has agreed in writing to indemnify and hold harmless the towns, and provide defense, for all claims, cases, proceedings, actions or other matters against the towns arising out of the properties, facilities, operations or employees of the corporation of the Clifton-Fine Hospital, whether commenced before or after the date of transfer of said amounts, and to provide such other security for this obligation as the towns may reasonably require.