§ 3632. Transfer of property; relationship with county; certain gifts, loans, and guarantees by the county. 1. (a) The county may give, grant, sell, convey, lend, license the use of, or lease to the corporation, and the corporation may accept any property (except monies appropriated by the county and payable to the corporation pursuant to subdivision three 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 Erie County Medical Center healthcare network to the corporation by agreement between the county and the corporation and any subsequent renewal or amendment thereof, by local law adopted by a majority vote of the Erie county legislature, 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 county may agree. No real property of the county consisting of any health facility operated on the effective date of this title by the Erie County Medical Center healthcare network shall be transferred to the corporation in fee, except under such restrictions regarding rights of first refusal in favor of the county and subject to a right of reverter in the event that the corporation should cease to use such property for the provision of research, education, and health care, or other rights, to repurchase the property as the Erie county legislature 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 county gives, grants, sells, conveys, lends, licenses, or leases any facilities to the corporation, the county 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 county may agree. The corporation, in furtherance of any purchase, conveyance, or lease of any property or facility from the county, may assume the primary responsibility for the payment of the principal and interest on any bonds or notes issued by the county for such property or facility.

2. The county may acquire by purchase, grant, lease, gift, or condemnation, pursuant to the eminent domain procedure law, real property in the name of the county 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 county shall appropriate sums of money to defray project costs or any other costs or expenses of the corporation, including operating expenses.

4. On the effective date of the transfer of the facilities and operations of the Erie County Medical Center healthcare network pursuant to an agreement between the corporation and the county, the Erie County Medical Center board of managers shall cease to be responsible for operation of the network; provided, however, that the county shall continue the existence of the board of managers in the event that the contract between the corporation and the county requires the operation of the network to revert to the county in the event that the corporation should cease to use such property for the provision of health care or the corporation otherwise fails to meet its obligations under any agreement between the county and the corporation.

5. The county shall maintain its efforts to provide annual operating funding to the corporation to permit it to serve all uninsured and under-insured patients, foster its role as a teaching hospital, and provide tertiary care services that are unavailable at other health care facilities in the western New York region. The county shall maintain and provide an operating contribution to the corporation in an annual amount that is the difference between the corporation's total revenues minus total expenses. For purposes of this section, total revenue and total expenses shall include amounts attributable to the corporation, any subsidiary of the corporation, and any entity providing health care services thereto. The manner of calculating the county's annual maintenance of effort of the corporation shall be the process followed by the county in determining the maintenance of effort for the network. The county shall have the right of audit at any time and from time to

time to confirm the details of corporate operations. The corporation shall provide monthly financial reports to the county that provide details concerning all business operations for the corporation on a consistent basis.

6. (a) Notwithstanding any general, special, or local law or charter provisions to the contrary, the county of Erie shall have the power and is hereby authorized, pursuant to section seven of article seventeen of the state constitution, to lend its 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 county is hereby authorized to prescribe such facilities by local law. 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 county as to its charges, profits, dividends, and disposition of its property or franchises, which agreement shall be binding and enforceable by the county insofar as such agreement regulates such charges, profits, dividends, and disposition of property. The county 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 county shall authorize such regulatory agreement by local law.

(b) In pursuance of the authority granted in this title, the county of Erie shall have the power and is hereby authorized, from time to time, to issue its bonds, notes, or other obligations in such principal amounts as it shall deem necessary, after taking into account other monies which may be available for the purposes set forth in this title. 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, the local finance law, and applicable local laws.

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

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

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

8. (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 Erie county legislature, amounts deposited for or on behalf of the Erie County Medical Center healthcare network in the liability and casualty and workers' compensation reserve funds established by the county pursuant to such sections of the general municipal law, and investment earnings thereof, may be withdrawn by the county 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 to such withdrawal or transfer, the corporation has agreed in writing to indemnify and hold harmless the county, and provide defense, for all claims, cases, proceedings, actions, or other matters against the county arising out of the properties, facilities, operations, or employees of the corporation, whether commenced before or after the date of transfer of such amounts, and to provide such other security for such obligation as the county may reasonably require.

9. The county shall be responsible for the payment of all outstanding

bonded indebtedness of the Erie County Medical Center healthcare network that was accumulated prior to the creation of the public benefit corporation.