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markets' Fuel NY program, from an assessment on gas and electric corporations (Part MM)

The People of the State of New York, represented in Senate and Assembly, do enact as follows:
Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2017-2018 state fiscal year. Each component is wholly contained within a Part identified as Parts A through MM. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Section 13 of part U1 of chapter 62 of the laws of 2003 amending the vehicle and traffic law and other laws relating to increasing certain motor vehicle transaction fees, as amended by section 1 of part A of chapter 58 of the laws of 2015, is amended to read as follows:

§ 13. This act shall take effect immediately; provided however that sections one through seven of this act, the amendments to subdivision 2 of section 205 of the tax law made by section eight of this act, and section nine of this act shall expire and be deemed repealed on April 1, 2020; [provided further, however, that the amendments to subdivision 3 of section 205 of the tax law made by section eight of this act shall expire and be deemed repealed on March 31, 2018;] provided further, however, that the provisions of section eleven of this act shall take effect April 1, 2004 and shall expire and be deemed repealed on April 1, 2020.
§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART B

Section 1. Paragraph (f) of subdivision 15 of section 385 of the vehicle and traffic law, as amended by section 4 of part C of chapter 59 of the laws of 2004, the third undesignated paragraph as amended by chapter 277 of the laws of 2014, is amended to read as follows:

(f) 1. The department of transportation, or other issuing authority, may issue an annual permit for a vehicle designed and constructed to carry loads that are not of one piece or item, which is registered in this state. Motor carriers having apportioned vehicles registered under the international registration plan must either have a currently valid permit at the time this provision becomes effective or shall have designated New York as its base state or one of the eligible jurisdictions of operation under the international registration plan in order to be eligible to receive a permit issued pursuant to [subparagraph] clause (i), (ii) or (ii-a) of subparagraph eight of this paragraph. No permit issued pursuant to this paragraph shall be valid for the operation or movement of vehicles on any state or other highway within any city not wholly included within one county unless such permit was issued by the city department of transportation of such city.

2. Effective January first, two thousand five, no vehicle or combination of vehicles issued a permit pursuant to this paragraph shall cross a bridge designated as an R-posted bridge by the commissioner of transportation or any other permit issuing authority absent a determination by such commissioner or permit issuing authority that the permit appli-
cant has demonstrated special circumstances warranting the crossing of
such bridge or bridges and a determination by such commissioner or
permit issuing authority that such bridge or bridges may be crossed
safely, provided, however, that in no event shall a vehicle or combina-
tion of vehicles issued a permit under this paragraph be permitted to
cross a bridge designated as an R-posted bridge if such vehicle or
combination of vehicles has a maximum gross weight exceeding one hundred
two thousand pounds, and provided further, however, that nothing
contained herein shall be deemed to authorize any vehicle or combination
of vehicles to cross any such bridge within any city not wholly included
within one county unless such vehicle or combination of vehicles has
been issued a valid permit by the city department of transportation of
such city pursuant to this subdivision.

3. No vehicle having a model year of two thousand six or newer shall
be issued a permit pursuant to this paragraph unless each axle of such
vehicle or combination of vehicles, other than steerable or trackable
axles, is equipped with two tires on each side of the axle, any air
pressure controls for lift axles are located outside the cab of the
vehicle and are beyond the reach of occupants of the cab while the vehi-
cle is in motion, the weight on any grouping of two or more axles is
distributed such that no axle in the grouping carries less than eighty
percent of any other axle in the grouping and any liftable axle is
steerable or trackable; and, further provided, after December thirty-
first, two thousand nineteen, no permit shall be issued pursuant to this
paragraph to a vehicle of any model year that does not meet the require-
ments of this provision, except that such permits may be issued prior to
January first, two thousand twenty to a vehicle that does not meet the
requirement concerning axle grouping weight distribution, but meets all other requirements of this section.

4. A divisible load permit may only be transferred to a replacement vehicle by the same registrant or transferred with the permitted vehicle as part of the sale or transfer of the permit holder's business; or, if the divisible load permit is issued pursuant to [subparagraph] clause (iv), (v) or (vi) of subparagraph eight of this paragraph for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess and has been effective for the five years preceding a transfer of such permit, the permit may be transferred with the permitted vehicle in the sale of the permitted vehicle to the holder of a permit issued pursuant to [subparagraph] clause (iv), (v) or (vi) of subparagraph eight of this paragraph for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess.

5. If a permit holder operates a vehicle or combination of vehicles in violation of any posted weight restriction, the commissioner of transportation may impose a civil penalty as provided by section one hundred forty-five of the transportation law and/or cancel, suspend or revoke the permit issued to such vehicle or combination of vehicles and such permit shall be deemed void as of the next day and shall not be reissued for a period of up to twelve calendar months.

6. Until June thirtieth, nineteen hundred ninety-four, no more than sixteen thousand power units shall be issued annual permits by the department for any twelve-month period in accordance with this paragraph. After June thirtieth, nineteen hundred ninety-four, no more than sixteen thousand five hundred power units shall be issued annual permits by the department for any twelve-month period. After December thirty-first, nineteen hundred ninety-five, no more than seventeen thousand
power units shall be issued annual permits by the department for any
twelve-month period. After December thirty-first, two thousand three, no
more than twenty-one thousand power units shall be issued annual permits
by the department for any twelve-month period. After December thirty-
first, two thousand five, no more than twenty-two thousand power units
shall be issued annual permits by the department for any twelve-month
period. After December thirty-first, two thousand six, no more than
twenty-three thousand power units shall be issued annual permits by the
department for any twelve-month period. After December thirty-first, two
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issued annual permits by the department for any twelve-month period.
After December thirty-first, two thousand twenty-two, no more than thir-
ty-one thousand power units shall be issued annual permits by the
department for any twelve-month period. After December thirty-first, two
thousand twenty-three, no more than thirty-two thousand power units
shall be issued annual permits by the department for any twelve-month
period. After December thirty-first, two thousand twenty-four, no more
than thirty-three thousand power units shall be issued annual permits by
the department for any twelve-month period. After December thirty-first, two thousand twenty-five, no more than thirty-five thousand power units shall be issued annual permits by the department for any twelve-month period.

Whenever permit application requests exceed permit availability, the department shall renew annual permits that have been expired for less than four years which meet program requirements, and then shall issue permit applicants having less than three divisible load permits such additional permits as the applicant may request, providing that the total of existing and new permits does not exceed three. Remaining permits shall be allocated by lottery in accordance with procedures established by the commissioner in rules and regulations. After December thirty-first, two thousand sixteen, the department may permanently increase the maximum number of power units issued an annual permit by no more than two thousand additional permits above the previous year's total in accordance with procedures established by the commissioner in rules and regulations.

7. The department of transportation may issue a seasonal agricultural permit in accordance with [subparagraphs] clauses (i), (ii) and (iii) of subparagraph eight of this paragraph that will be valid for four consecutive months with a fee equal to one-half the annual permit fees established under this subdivision.

8. For a vehicle issued a permit in accordance with [subparagraphs] clauses (iii), (iv), (v) and (vi) of this [paragraph] subparagraph, such a vehicle must have been registered in this state prior to January first, nineteen hundred eighty-six or be a vehicle or combination of vehicles which replace such type of vehicle which was registered in this state prior to such date provided that the manufacturer's recommended
maximum gross weight of the replacement vehicle or combination of vehicles does not exceed the weight for which a permit may be issued and the maximum load to be carried on the replacement vehicle or combination of vehicles does not exceed the maximum load which could have been carried on the vehicle being replaced or the registered weight of such vehicle, whichever is lower, in accordance with the following [subparagraphs] clauses:

(i) A permit may be issued for a vehicle having at least three axles and a wheelbase not less than sixteen feet and for a vehicle with a trailer not exceeding forty-eight feet. The maximum gross weight of such a vehicle shall not exceed forty-two thousand five hundred pounds plus one thousand two hundred fifty pounds for each foot and major fraction of a foot of the distance from the center of the foremost axle to the center of the rearmost axle, or one hundred two thousand pounds, whichever is more restrictive provided, however, that any four axle group weight shall not exceed sixty-two thousand pounds, any tridem axle group weight shall not exceed fifty-seven thousand pounds, any tandem axle weight does not exceed forty-seven thousand pounds and any single axle weight shall not exceed twenty-five thousand pounds.

Any additional special authorizations contained in a currently valid annual permit shall cease upon the expiration of such current annual permit.

(ii) A permit may be issued subject to bridge restrictions for a vehicle or a combination of vehicles having at least six axles and a wheel base of at least thirty-six and one-half feet. The maximum gross weight of such vehicle or combination of vehicles shall not exceed one hundred seven thousand pounds and any tridem axle group weight shall not exceed
fifty-eight thousand pounds and any tandem axle group weight shall not exceed forty-eight thousand pounds.

(ii-a) A permit may be issued subject to bridge restrictions for a combination of vehicles having at least seven axles and a wheelbase of at least forty-three feet. The maximum gross weight of such combination of vehicles shall not exceed one hundred seventeen thousand pounds, any four axle group weight shall not exceed sixty-three thousand pounds, any tridem axle group weight shall not exceed fifty-eight thousand pounds, any tandem axle group weight shall not exceed forty-eight thousand pounds, and any single axle weight shall not exceed twenty-five thousand pounds.

Each axle of such combination of vehicles, other than steerable or trackable axles, shall be equipped with two tires on each side of the axle, any air pressure controls for lift axles shall be located outside the cab of the combination of vehicles and shall be beyond the reach of occupants of the cab while the combination of vehicles is in motion, the weight on any grouping of two or more axles shall be distributed such that no axle in the grouping carries less than eighty percent of any other axle in the grouping, and any liftable axle of such combination of vehicles shall be steerable or trackable.

(iii) A permit may be issued for a vehicle having two axles and a wheelbase not less than ten feet, with the maximum gross weight not in excess of one hundred twenty-five percent of the total weight limitation as set forth in subdivision ten of this section. Furthermore, until December thirty-first, nineteen hundred ninety-four, any single rear axle weight shall not exceed twenty-eight thousand pounds. After December thirty-first, nineteen hundred ninety-four, any axle weight shall not exceed twenty-seven thousand pounds.
(iv) Within a city not wholly included within one county and the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess, a permit may be issued for a vehicle having at least three axles and a wheelbase not exceeding forty-four feet nor less than seventeen feet or for a vehicle with a trailer not exceeding forty feet.

Until December thirty-first, nineteen hundred ninety-four, a permit may only be issued for such a vehicle having a maximum gross weight not exceeding eighty-two thousand pounds and any tandem axle group weight shall not exceed sixty-two thousand pounds.

After January first, nineteen hundred ninety-five, the operation of such a vehicle shall be further limited and a permit may only be issued for such a vehicle having a maximum gross weight not exceeding seventy-nine thousand pounds and any tandem axle group weight shall not exceed fifty-nine thousand pounds, and any tridem shall not exceed sixty-four thousand pounds.

A permit may be issued only until December thirty-first, nineteen hundred ninety-four for a vehicle having at least three axles and a wheelbase between fifteen and seventeen feet. The maximum gross weight of such a vehicle shall not exceed seventy-three thousand two hundred eighty pounds and any tandem axle group weight shall not exceed fifty-four thousand pounds.

No vehicle having a model year of two thousand six or newer shall be issued a permit pursuant to this subparagraph for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess unless it is equipped with at least four axles, and further provided, after December thirty-first, two thousand fourteen, no permit shall be issued pursuant to this [subparagraph] clause for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange
and Dutchess to a vehicle of any model year unless the vehicle is equipped with at least four axles.

(v) Within a city not wholly included within one county and the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange or Dutchess, a permit may be issued only until December thirty-first, nineteen hundred ninety-nine for a vehicle or combination of vehicles that has been permitted within the past four years having five axles and a wheelbase of at least thirty-six and one-half feet. The maximum gross weight of such a vehicle or combination of vehicles shall not exceed one hundred five thousand pounds and any tandem axle group weight shall not exceed fifty-one thousand pounds.

Within a city not wholly included within one county and the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess, a permit may be issued for a vehicle or combination of vehicles having at least five axles and a wheelbase of at least thirty feet. The maximum gross weight of such vehicle or combination of vehicles shall not exceed ninety-three thousand pounds and any tridem axle group weight shall not exceed fifty-seven thousand pounds and any tandem axle group weight shall not exceed forty-five thousand pounds.

(vi) Within a city not wholly included within one county and the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess, a permit may be issued for a vehicle or combination of vehicles having at least five axles or more and a wheelbase of at least thirty-six and one-half feet, provided such permit contains routing restrictions.

Until December thirty-first, nineteen hundred ninety-four, the maximum gross weight of a vehicle or combination of vehicles permitted under this [subparagraph] clause shall not exceed one hundred twenty thousand pounds.
pounds and any tandem or tridem axle group weight shall not exceed sixty-nine thousand pounds, provided, however, that any replacement vehicle or combination of vehicles permitted after the effective date of this [subparagraph] clause shall have at least six axles, any tandem axle group shall not exceed fifty thousand pounds and any tridem axle group shall not exceed sixty-nine thousand pounds.

After December thirty-first, nineteen hundred ninety-four, the tridem axle group weight of any vehicle or combination of vehicles issued a permit under this [subparagraph] clause shall not exceed sixty-seven thousand pounds, any tandem axle group weight shall not exceed fifty thousand pounds and any single axle weight shall not exceed twenty-five thousand seven hundred fifty pounds.

After December thirty-first, nineteen hundred ninety-nine, all vehicles issued a permit under this [subparagraph] clause must have at least six axles.

After December thirty-first, two thousand fourteen, all combinations of vehicles issued a permit under this [subparagraph] clause for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess must have at least seven axles and a wheelbase of at least forty-three feet.

After December thirty-first, two thousand six, no permits shall be issued under this [subparagraph] clause for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess for a vehicle or combination of vehicles having less than seven axles or having a wheelbase of less than forty-three feet, provided, however, that permits may be issued for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess for vehicles or combinations of vehicles where the permit applicant demonstrates that
the applicant acquired the vehicle or combination of vehicles prior to December thirty-first, two thousand six, and that if the vehicle or combination of vehicles was acquired by the applicant after the effective date of this provision, such vehicle or combination of vehicles is less than fifteen years old. In instances where the application is for a combination of vehicles, the applicant shall demonstrate that the power unit of such combination satisfies the conditions of this [subparagraph] clause. In no event shall a permit be issued under this [subparagraph] clause for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess for a vehicle or combination of vehicles having less than seven axles or having a wheelbase of less than forty-three feet after December thirty-first, two thousand fourteen.

Except as otherwise provided by this subparagraph for the period ending December thirty-first, two thousand fourteen, after December thirty-first, two thousand three, any combination of vehicles issued a permit under this [subparagraph] clause for use within the counties of Westchester, Rockland, Nassau, Suffolk, Putnam, Orange and Dutchess shall not exceed one hundred twenty thousand pounds, shall have at least seven axles, shall have a wheelbase of at least forty-three feet, and single axle weight shall not exceed twenty-five thousand seven hundred fifty pounds, any tandem axle group weight shall not exceed forty-eight thousand pounds, any tridem axle group weight shall not exceed sixty-three thousand pounds and any four axle group shall not exceed sixty-five thousand pounds.

From the date of enactment of this paragraph, permit applications under [subparagraphs] clauses (i), (ii), (ii-a), (iii), (iv), (v) and (vi) of this [paragraph] subparagraph for vehicles registered in this state may be honored by the commissioner of transportation or other
appropriate authority. The commissioner of transportation and other
appropriate authorities may confer and develop a system through rules
and regulations to assure compliance herewith.

§ 2. This act shall take effect immediately.

PART C

Section 1. Paragraph (b) of subdivision 5 of section 88-a of the state
finance law, as added by chapter 481 of the laws of 1981, is amended to
read as follows:

(b) Moneys in the public transportation systems operating assistance
account shall be paid on a quarterly basis beginning October first,
nineteen hundred eighty-one. However, if there is a demonstrated cash
shortfall in any eligible system, payments to such system may be accel-
erated. Such payments shall be made in accordance with a schedule as
specified by appropriation for the payment of operating costs of public
mass transportation systems outside the metropolitan commuter transpor-
tation district as defined by section twelve hundred sixty-two of the
public authorities law, eligible to receive operating assistance pursu-
ant to section eighteen-b of the transportation law. Provided, however
that no payment shall be made to any public transportation system that
is operating in violation of an order by the public transportation safe-
ty board pursuant to subdivision nine of section two hundred seventeen
of the transportation law until such time that said public transportation system has fully complied with said order or unless the order is
otherwise lifted.
§ 2. Paragraph (b) of subdivision 7 of section 88-a of the state finance law, as amended by chapter 56 of the laws of 1993, is amended to read as follows:

(b) Moneys in the metropolitan mass transportation operating assistance account shall be paid on a quarterly basis beginning October first, nineteen hundred eighty-one. However, if there is a demonstrated cash shortfall in any eligible system, payments to such system may be accelerated. Such moneys shall be paid in accordance with schedules as specified by appropriations for payment of operating costs of public transportation systems in the metropolitan transportation commuter district in order to meet the operating expenses of such systems, provided, however, with respect to the metropolitan transportation authority, its affiliates and subsidiaries, and notwithstanding any general or special law to the contrary, other than such a law which makes specific reference to this section, and subject to the provisions of section twelve hundred seventy-c of the public authorities law, so long as the metropolitan transportation authority dedicated tax fund established by section twelve hundred seventy-c of the public authorities law shall exist, any such appropriation to the metropolitan transportation authority, its affiliates or its subsidiaries shall be deemed to be an appropriation to the metropolitan transportation authority and the total amount paid pursuant to such appropriation or appropriations shall be deposited to such metropolitan transportation authority dedicated tax fund and distributed in accordance with the provisions of section twelve hundred seventy-c of the public authorities law. Nothing contained in this subdivision shall be deemed to restrict the right of the state to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes producing revenues for deposit in the metropol-
it an mass transportation operating assistance account or the appropri-
ations relating thereto. The metropolitan transportation authority shall
not include within any resolution, contract or agreement with holders of
the bonds or notes issued under section twelve hundred sixty-nine of the
public authorities law any provision which provides that a default
occurs as a result of the state exercising its right to amend, repeal,
modify or otherwise alter such taxes or appropriations. Provided,
however that no payment shall be made to any public transportation
system that is operating in violation of an order by the public trans-
portation safety board pursuant to subdivision nine of section two
hundred seventeen of the transportation law until such time that said
public transportation system has fully complied with said order or
unless the order is otherwise lifted.

§ 3. The opening paragraph of subdivision 4 of section 88-b of the
state finance law, as added by chapter 13 of the laws of 1987, is
amended to read as follows:
Moneys of the fund shall be made available for financing any of the
following types of capital projects within the counties comprising the
metropolitan commuter transportation district, except those counties
comprising the city of New York, but only to the extent that such
projects are on an adopted transportation plan and approved by a desig-
nated transportation coordinating committee, if one exists, or by the
metropolitan planning organization as created pursuant to section
fifteen-a of the transportation law if no designated transportation
coordinating committee exists: capacity and infrastructure improvements
to state, county, town, city, village roads, highways, parkways and
bridges; or state, county, town, city or village mass transportation
projects; provided, however, that in Nassau and Suffolk counties such
moneys shall be available only for capacity improvements to state roads, highways, parkways and bridges. The amount of state funds historically appropriated statewide, other than bond funds, for transportation capital purposes from other sources shall not be reduced because of the availability of such moneys made available pursuant to this chapter, nor shall such moneys be used to match federal aid. Prior to the allocation of state advance funds appropriated pursuant to this section, the municipality responsible for the project shall certify to the commissioner of transportation that the amount of funds appropriated for transportation capital purposes by that municipality shall not be reduced because of the availability of such state advance funds, and that such moneys shall not be used to match federal aid. Provided, however that no payment shall be made to any public transportation system that is operating in violation of an order by the public transportation safety board pursuant to subdivision nine of section two hundred seventeen of the transportation law until such time that said public transportation system has fully complied with said order or unless the order is otherwise lifted.

§ 4. Paragraph a of subdivision 2 of section 18-b of the transportation law, as added by chapter 56 of the laws of 1975, is amended to read as follows:

a. The commissioner shall pay to each public transportation system that makes an application therefor, in quarterly installments, a mass transportation operating assistance service payment. For the purposes of this section, the quarters shall be April through June, July through September, October through December and January through March. Provided, however that no payment shall be made to any public transportation system that is operating in violation of an order by the public
transportation safety board pursuant to subdivision nine of section two
hundred seventeen of this chapter until such time that said public
transportation system has fully complied with said order or unless the
order is otherwise lifted.

§ 5. Section 217 of the transportation law is amended by adding seven
new subdivisions 9, 10, 11, 12, 13, 14 and 15 to read as follows:

9. To comply with the requirements of the national public transportation safety plan, as provided by section 5329 of title 49 of the United States code and to provide the state safety oversight program required thereby.

10. To review, approve, oversee and enforce the implementation by the rail fixed guideway public transportation agency of the public transportation agency safety plan that is approved by the board.

11. To investigate and enforce the safety of rail fixed guideway public transportation systems with the public transportation agency safety plan approved by the board.

12. To perform audits, at least once triennially, for the compliance of the rail fixed guideway public transportation systems with the federal transit administration.

13. To provide, at least once annually, a status report on the safety of rail fixed guideway public transportation systems that the board oversees.

14. To review, approve, oversee and enforce the implementation of public transportation system safety plans.

15. To issue such advisories, directives or orders that may be deemed necessary to assure safety in the operation of public transportation systems.

§ 6. This act shall take effect immediately.
PART D

Section 1. Paragraph (g) of subdivision 3 of section 385 of the vehicle and traffic law, as added by chapter 303 of the laws of 2014, is amended to read as follows:

(g) The length of a tow truck or car carrier, inclusive of load and bumpers, shall be not more than forty feet, except that a car carrier may have an overhang that extends beyond the rear bumper of such car carrier by not more than three feet and except, further, that a wheel lift that is less than fifteen feet in length shall not be included as part of the length of a tow truck or car carrier when such wheel lift is in use by such tow truck or car carrier to tow another motor vehicle.

§ 2. Subparagraphs 5 and 6 of paragraph (b) of subdivision 4 of section 385 of the vehicle and traffic law, subparagraph 5 as amended by chapter 669 of the laws of 2005, and subparagraph 6 as amended by chapter 26 of the laws of 2002, are amended and a new subparagraph 7 is added to read as follows:

5. A vehicle or combination of vehicles which is disabled and unable to proceed under its own power and is being towed for a distance not in excess of ten miles for the purpose of repairs or removal from the highway, except that the distance to the nearest exit of a controlled-access highway shall not be considered in determining such ten mile distance; [and]

6. Stinger-steered automobile transporters or stinger-steered boat transporters, while operating on qualifying and access highways. Such vehicles shall not, however, exceed seventy-five feet exclusive
of an overhang of not more than [three] four feet on the front and
[four] six feet on the rear of the vehicle.; and

7. A combination of vehicles operating on any qualifying or access
highways consisting of a power unit and two trailers or semitrailers
with a total weight that shall not exceed twenty-six thousand pounds
when the overall length is greater than sixty-five feet but shall not
exceed eighty-two feet; and in which the trailers or semitrailers carry
no property and constitute inventory property of a manufacturer,
distributor, or dealer of such trailers or semitrailers.

§ 3. Paragraph (c) of subdivision 4 of section 385 of the vehicle and
traffic law, as amended by chapter 26 of the laws of 2002, is amended to
read as follows:

(c) Notwithstanding the provisions of paragraph (a) of this subdivi-
sion, an overhang of not more than three feet on the front and four feet
on the rear of an automobile transporter or an overhang of not more than
four feet on the front and six feet on the rear of a stinger-steered
automobile transporter or a boat transporter or stinger-steered boat
transporter shall be permitted.

§ 4. Subdivision 10 of section 385 of the vehicle and traffic law, as
amended by chapter 1008 of the laws of 1983, is amended to read as
follows:

10. A single vehicle or a combination of vehicles having three axles
or more and equipped with pneumatic tires, when loaded, may have a total
weight on all axles not to exceed thirty-four thousand pounds, plus one
thousand pounds for each foot and major fraction of a foot of the
distance from the center of the foremost axle to the center of the rear-
most axle. Axles to be counted as provided in subdivision five of this
section. In no case, however, shall the total weight exceed eighty thou-
sand pounds except for a vehicle if operated by an engine fueled primarily by natural gas which may have a maximum gross weight of eighty-two thousand pounds. For any vehicle or combination of vehicles having a total gross weight less than seventy-one thousand pounds, the higher of the following shall apply:

(a) the total weight on all axles shall not exceed thirty-four thousand pounds plus one thousand pounds for each foot and major fraction of a foot of the distance from the center of the foremost axle to the center of the rearmost axle, or

(b) the overall gross weight on a group of two or more consecutive axles shall not exceed the weight produced by application of the following formula:

$$W = 500 \frac{(L \times N)}{(N-1)} + (12 \times N) + 36$$

where $W$ equals overall gross weight on any group of two or more consecutive axles to the nearest five hundred pounds, $L$ equals distance in feet from the center of the foremost axle to the center of the rearmost axle of any group of two or more consecutive axles, and $N$ equals number of axles in group under consideration, except that two consecutive sets of tandem axles may carry a gross load of thirty-four thousand pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is thirty-six feet or more.

For any vehicle or combination of vehicles having a total gross weight of seventy-one thousand pounds or greater, paragraph (b) shall apply to determine maximum gross weight which is permitted hereunder.

§ 5. Section 385 of the vehicle and traffic law is amended by adding a new subdivision 24 to read as follows:

24. The provisions of subdivisions six, seven, eight, nine, ten, eleven and twelve of this section shall not apply to any tow truck that is
transporting a disabled vehicle from the place where the vehicle became
disabled to the nearest appropriate repair facility and has a gross
vehicle weight that is equal to or exceeds the gross vehicle weight of
the disabled vehicle being transported.

§ 6. Subparagraph (iii) of paragraph (b) of subdivision 2 of section
510 of the vehicle and traffic law, as amended by chapter 349 of the
laws of 1993, is amended to read as follows:

(iii) such registrations shall be suspended when necessary to comply
with subdivision nine of section one hundred forty or subdivision four
of section one hundred forty-five of the transportation law or when the
motor carrier has been issued an out of service order by the United
States department of transportation. The commissioner shall have the
authority to deny a registration or renewal application to any other
person for the same vehicle and may deny a registration or renewal
application for any other motor vehicle registered in the name of the
applicant where it has been determined that such registrant's intent has
been to evade the purposes of this subdivision and where the commis-
er has reasonable grounds to believe that such registration or renewal
will have the effect of defeating the purposes of this subdivision. Any
suspension issued pursuant to this subparagraph shall remain in effect
until such time as the commissioner is notified by the United States
department of transportation or the New York state department of trans-
portation that the out of service order resulting in the suspension is
no longer in effect.

§ 7. This act shall take effect immediately.

PART E
Section 1. Subdivision 3 of section 165.15 of the penal law is amended to read as follows:

3. With intent to obtain railroad, subway, bus, air, taxi or any other public transportation service or to use any highway, parkway, road, bridge or tunnel without payment of the lawful charge or toll therefor, or to avoid payment of the lawful charge or toll for such transportation service which has been rendered to him or for such use of any highway, parkway, road, bridge or tunnel, he obtains or attempts to obtain such service or use or avoids or attempts to avoid payment therefor by force, intimidation, stealth, deception or mechanical tampering, or by unjustifiable failure or refusal to pay; or

§ 2. The vehicle and traffic law is amended by adding a new section 518 to read as follows:

§ 518. Reciprocal agreements concerning suspension or revocation of registration of a motor vehicle for violations of toll collection regulations. a. The commissioner may execute a reciprocal compact or agreement regarding toll collection violations with the motor vehicle administrator or other authorized official of another state not inconsistent with the provisions of this chapter. Such compact or agreement shall provide that if a registration of a motor vehicle would be suspended or revoked pursuant to paragraph d of subdivision three of section five hundred ten of this chapter, or pursuant to a comparable law or regulation of another state, because an owner of a motor vehicle failed to pay tolls and violation fees, or have them dismissed or transferred, then the state issuing the registration shall likewise suspend or revoke the registration or bar renewal of such registration, until such registrant or applicant has paid such tolls and fees or complied with the rules and regulations.
b. Such compact or agreement shall also provide such terms and procedures as are necessary and proper to facilitate its administration. Any such compact or agreement shall specify the violations subject to the compact or agreement, and shall include a determination of comparable violations in each state if any such violations are of a substantially similar nature but are not denominated or described in precisely the same words in each party state.

c. The word "state" when used in this section shall mean any state, territory, a possession of the United States, the District of Columbia or any province of Canada.

§ 3. Subdivision 1 of section 402 of the vehicle and traffic law is amended by adding a new paragraph (c) to read as follows:

(c) It shall be unlawful for any person to operate, drive or park a motor vehicle on a toll highway, bridge and/or tunnel facility, under the jurisdiction of the tolling authority, if such number plate is not easily readable, nor shall any number plate be covered by glass or any plastic material, and shall not be knowingly covered or coated with any artificial or synthetic material or substance that conceals or obscures such number plates or that distorts a recorded or photographic image of such number plates, and the view of such number plates shall not be obstructed by any part of the vehicle or by anything carried thereon, except for a receiver-transmitter issued by a publicly owned tolling facility in connection with electronic toll collection when such receiver-transmitter is affixed to the exterior of a vehicle in accordance with mounting instructions provided by the tolling facility. For purposes of this paragraph, "tolling authority" shall mean every public authority which operates a toll highway, bridge and/or tunnel facility as well as the port authority of New York and New Jersey, a bi-state
agency created by compact set forth in chapter one hundred fifty-four of
the laws of nineteen hundred twenty-one, as amended.

§ 4. Subdivision 8 of section 402 of the vehicle and traffic law, as
amended by chapter 61 of the laws of 1989 and renumbered by chapter 648
of the laws of 2006, is amended to read as follows:

8. The violation of this section shall be punishable by a fine of not
less than twenty-five nor more than two hundred dollars except for
violations of paragraph (c) of subdivision one of this section, which
shall be punishable by a fine of not less than one hundred nor more than
five hundred dollars.

§ 5. This act shall take effect immediately.

PART F

Section 1. Subdivision 5 of section 227 of the vehicle and traffic
law, as amended by section 3 of part CC of chapter 58 of the laws of
2015, is amended to read as follows:

5. All penalties and forfeited security collected pursuant to the
provisions of this article shall be paid to the department of audit and
control to the credit of the justice court fund and shall be subject to
the applicable provisions of section eighteen hundred three of this
chapter. After such audit as shall reasonably be required by the comp-
troller, such penalties and forfeited security shall be paid quarterly
or, in the discretion of the comptroller, monthly, to the appropriate
jurisdiction in which the violation occurred in accordance with the
provisions of section ninety-nine-a of the state finance law, except
that the sum of four dollars for each violation occurring in such juris-
diction for which a complaint has been filed with the administrative
tribunal established pursuant to this article shall be retained by the
state. Notwithstanding any law to the contrary an additional annual sum
of three million dollars collected from fines and assessed to the city
of New York, shall be deposited into the general fund in accordance with
the provisions of section ninety-nine-a of the state finance law. The
amount distributed during the first three quarters to the city of
Rochester in any given fiscal year shall not exceed seventy percent of
the amount which will be otherwise payable. Provided, however, that if
the full costs of administering this article shall exceed the amounts
received and retained by the state for any period specified by the
commissioner, then such additional sums as shall be required to offset
such costs shall be retained by the state out of the penalties and
forfeited security collected pursuant to this article.
§ 2. Paragraph c of subdivision 1 of section 1803 of the vehicle and
traffic law, as amended by chapter 385 of the laws of 1999, is amended
to read as follows:
c. for compliance with or violations of subdivision nineteen of
section three hundred eighty-five of this chapter, notwithstanding any
inconsistent provision of law, except as provided in section ninety of
the state finance law, the fees and fines collected by the state pursu-
ant to sections two hundred twenty-seven, three hundred eighty-five and
eighteen hundred three of this chapter and section ninety-nine-a of the
state finance law, shall be made available to the state comptroller for
deposit in the general fund except that fines collected within a city
not wholly included within one county shall be paid to such city in
accordance with the procedures set forth in subdivision four of section
two hundred twenty-seven of this chapter for deposit into the general
fund of such city, and except that an annual amount of three million
dollars of fines collected within the city of New York pursuant to article two-A of this chapter be deposited by the comptroller to the general
fund.

§ 3. Subdivision 3 of section 99-a of the state finance law, as amended by section 10 of part CC of chapter 58 of the laws of 2015, is amended to read as follows:

3. The comptroller is hereby authorized to implement alternative procedures, including guidelines in conjunction therewith, relating to the remittance of fines, penalties, forfeitures and other moneys by town and village justice courts, and by the Nassau and Suffolk counties traffic and parking violations agencies, and by the city of Buffalo traffic violations agency, and by the city of New York pursuant to article two-A of the vehicle and traffic law, to the justice court fund and for the distribution of such moneys by the justice court fund. Notwithstanding any law to the contrary, the alternative procedures utilized may include:

a. electronic funds transfer;

b. remittance of funds by the justice court to the chief fiscal office of the town or village, or, in the case of the Nassau and Suffolk counties traffic and parking violations agencies, to the county treasurer, or, in the case of the Buffalo traffic violations agency, to the city of Buffalo comptroller, for distribution in accordance with instructions by the comptroller or, in the case of the city of New York, pursuant to article two-A of the vehicle and traffic law to the city comptroller;

and/or

c. monthly, rather than quarterly, distribution of funds.

The comptroller may require such reporting and record keeping as he or she deems necessary to ensure the proper distribution of moneys in
accordance with applicable laws. A justice court or the Nassau and
Suffolk counties traffic and parking violations agencies or the city of
Buffalo traffic violations agency or the city of New York pursuant to
article two-A of the vehicle and traffic law may utilize these proce-
dures only when permitted by the comptroller, and such permission, once
given, may subsequently be withdrawn by the comptroller on due notice.
§ 4. This act shall take effect immediately.

PART G

Section 1. Legislative intent. The purpose of this act is to expand
access to important and enhanced transportation options for residents
and visitors throughout the State, while ensuring the safety, reliabil-
ity, and cost-effectiveness of those services within the State of New
York.
§ 2. The vehicle and traffic law is amended by adding a new article
44-B to read as follows:

ARTICLE 44-B

TRANSPORTATION NETWORK COMPANY SERVICES

Section 1691. Definitions.

1692. General provisions.

1693. Financial responsibility of transportation network compa-
nies.

1694. Disclosures.

1695. Insurance provisions.

1696. Driver and vehicle requirements.

1697. Maintenance of records.

1698. Audit procedures; confidentiality of records.
1699. Criminal history background check of transportation
network company drivers.

1700. Controlling authority.
§ 1691. Definitions. As used in this article: 1. "Transportation
network company vehicle" or "TNC vehicle" means a vehicle that is:
(a) used by a transportation network company driver to provide a TNC
prearranged trip originating in the state of New York;
(b) owned, leased or otherwise authorized for use by the transporta-
tion network company driver and shall not include:
(i) a taxicab, as defined in section one hundred forty-eight-a of this
chapter and section 19-502 of the administrative code of the city of New
York, or as otherwise defined in local law;
(ii) a livery vehicle, as defined in section one hundred twenty-one-e
of this chapter, or as otherwise defined in local law;
(iii) a black car, limousine, or luxury limousine, as defined in
section 19-502 of the administrative code of the city of New York, or as
otherwise defined in local law;
(iv) a for-hire vehicle, as defined in section 19-502 of the adminis-
trative code of the city of New York, or as otherwise defined in local
law;
(v) a bus, as defined in section one hundred four of this chapter;
(vi) any motor vehicle weighing more than six thousand five hundred
pounds unloaded;
(vii) any motor vehicle having a seating capacity of more than seven
passengers; and
(viii) any motor vehicle subject to section three hundred seventy of
this chapter.
2. "Digital network" means any system or service offered or utilized by a transportation network company that enables TNC prearranged trips with transportation network company drivers.

3. "Transportation network company" or "TNC" means a person, corporation, partnership, sole proprietorship, or other entity that is licensed pursuant to this article and is operating in New York state exclusively using a digital network to connect transportation network company passengers to transportation network company drivers who provide TNC prearranged trips.

4. "Transportation network company driver" or "TNC driver" means an individual who:
   (a) Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and
   (b) Uses a TNC vehicle to offer or provide a TNC prearranged trip to transportation network company passengers upon connection through a digital network controlled by a transportation network company in exchange for compensation or payment of a fee.

5. "Transportation network company passenger" or "passenger" means a person or persons who use a transportation network company's digital network to connect with a transportation network company driver who provides TNC prearranged trips to the passenger in the TNC vehicle between points chosen by the passenger.

6. "TNC prearranged trip" means the provision of transportation by a transportation network company driver to a passenger provided through the use of a TNC's digital network:
(a) beginning when a transportation network company driver accepts a passenger's request for a trip through a digital network controlled by a transportation network company; 
(b) continuing while the transportation network company driver transports the requesting passenger in a TNC vehicle; and 
(c) ending when the last requesting passenger departs from the TNC vehicle. 
(d) The term "TNC prearranged trip" does not include transportation provided through any of the following: 
(i) shared expense carpool or vanpool arrangements, including those as defined in section one hundred fifty-eight-b of the vehicle and traffic law; 
(ii) use of a taxicab, livery, luxury limousine, or other for-hire vehicle, as defined in the vehicle and traffic law, section 19-502 of the New York city administrative code, or as otherwise defined in local law; and 
(iii) a regional transportation provider. 
7. "Group policy" means an insurance policy issued pursuant to section three thousand four hundred fifty-five of the insurance law.

§ 1692. General provisions. 1. A TNC or a TNC driver is not a common carrier, as defined in subdivision six of section two of the transportation law; a contract carrier of passengers by motor vehicle, as defined in subdivision nine of section two of the transportation law; or a motor carrier, as defined in subdivision seventeen of section two of the transportation law; nor do they provide taxicab or for-hire vehicle service. Moreover, a TNC driver shall not be required to register the TNC vehicle such TNC driver uses for TNC prearranged trips as a commer-
cial or for-hire vehicle, as set forth in article fourteen of this chap-
ter.

2. A TNC may not operate in the state of New York without first having obtained a license issued by the department in a form and manner and with applicable fees as provided for by regulations promulgated by the commissioner. As a condition of obtaining a license, a TNC shall be required to submit to the department proof of a group policy issued pursuant to section three thousand four hundred fifty-five of the insurance law. Failure of a TNC to obtain a license before operation, pursuant to this subdivision shall constitute a misdemeanor. No license shall be suspended or revoked except upon notice to the TNC and after an opportunity to be heard.

3. A TNC must maintain an agent for service of process in the state of New York.

4. On behalf of a TNC driver, a TNC may charge a fare for the services provided to passengers; provided that, if a fare is collected from a passenger, the TNC shall disclose to the passengers the fare or fare calculation method on its website or within the application service. The TNC shall also provide the passengers with the applicable rates being charged and an estimated fare before the passenger enters the TNC vehicle.

5. A TNC's digital network shall display a picture of the TNC driver, and the make, model, color and license plate number of the TNC vehicle utilized for providing the TNC prearranged trip before the passenger enters the TNC vehicle.

6. Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger on behalf of the TNC driver that lists:
(a) The origin and destination of the trip;
(b) The total time and distance of the trip; and
(c) An itemization of the total fare paid, if any.

7. A TNC driver shall not solicit or accept street hails.

8. A TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments for the fares charged to passengers for TNC prearranged trips and notify TNC drivers of such policy. TNC drivers shall not solicit or accept cash payments from passengers.

9. Nothing in this article shall apply to cities with a population of one million or more.

§ 1693. Financial responsibility of transportation network companies.

1. A TNC driver, or TNC on the TNC driver's behalf through a group policy, shall maintain insurance that recognizes that the driver is a TNC driver and provides financial responsibility coverage:

(a) while the TNC driver is logged onto the TNC's digital network; and
(b) while the TNC driver is engaged in a TNC prearranged trip.

2. (a) The following automobile financial responsibility insurance requirements shall apply while a TNC driver is logged onto the TNC's digital network and is available to receive transportation requests but is not engaged in a TNC prearranged trip: insurance against loss from the liability imposed by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person, and injury to or destruction of property arising out of the ownership, maintenance, use or operation of a personal vehicle or vehicles within this state, exclusive of interest and costs, with respect to each such occurrence, of at least fifty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of at least one hundred thousand dollars
because of bodily injury to or death of two or more persons in any one accident, and to a limit of at least twenty-five thousand dollars because of injury to or destruction of property of others in any one accident provided, however, that such policy need not be for a period coterminous with the registration period of the personal vehicle insured, and coverage in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of the insurance law, article fifty-one of the insurance law, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

(b) The coverage requirements of paragraph (a) of this subdivision may be satisfied by any of the following:

(i) insurance maintained by the TNC driver; or

(ii) insurance provided through a group policy maintained by the TNC; or

(iii) a combination of subparagraphs (i) and (ii) of this paragraph.

3. (a) The following automobile financial responsibility insurance requirements shall apply while a TNC driver is engaged in a TNC prearranged trip: insurance against loss from the liability imposed by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person, and injury to or destruction of property arising out of the ownership, maintenance, use, or operation of a personal vehicle or vehicles within this state, subject to a limit, exclusive of interest and costs, with respect to each such occurrence, of at least one million dollars because of bodily injuries, death and property damage, provided, however, that such policy need not be for a period coterminous with the registration period of the personal vehicle.
insured, and coverage in satisfaction of the financial responsibility
requirements set forth in section three thousand four hundred twenty of
the insurance law, article fifty-one of the insurance law, and such
other requirements or regulations that may apply for the purposes of
satisfying the financial responsibility requirements with respect to the
use or operation of a motor vehicle.

(b) The coverage requirements of paragraph (a) of this subdivision may
be satisfied by any of the following:

(i) insurance maintained by the TNC driver; or

(ii) insurance provided through a group policy maintained by the TNC;
or

(iii) a combination of subparagraphs (i) and (ii) of this paragraph.

4. A TNC shall, upon entering into a contractual agreement with a TNC
driver, provide notice to the TNC driver that he or she may need addi-
tional insurance coverage including motor vehicle physical damage cover-
age as described in paragraph nineteen of subsection (a) of section one
thousand one hundred thirteen of the insurance law if the TNC vehicle
being used by the TNC driver is subject to a lease or loan. A TNC shall
also post this notice on its website.

5. If insurance maintained by a TNC driver pursuant to subdivisions
two and three of this section has lapsed or does not provide the
required coverage, then the group policy maintained by a TNC shall
provide the coverage required by this section beginning with the first
dollar of a claim and have the duty to defend such claim.

6. Coverage under a group policy maintained by the TNC shall not be
dependent on the denial of a claim by the insurer that issued the insur-
ance policy used to register the TNC vehicle, nor shall that insurer be
required to first deny a claim.
7. (a) Except as provided in subdivision two of this section, a group policy maintained by a TNC pursuant to subparagraph (ii) of paragraph (b) of subdivisions two or three of this section shall be placed with an insurer authorized to write insurance in this state.

(b) If a TNC is unable to purchase a group policy pursuant to subparagraph (ii) of paragraph (b) of subdivisions two or three of this section because such insurance is unavailable from authorized insurers the TNC may acquire such group insurance with an excess line broker pursuant to section two thousand one hundred eighteen of the insurance law.

(c) The obligation to determine whether the insurance required by this section is unavailable from insurers authorized to write insurance in this state shall be made prior to the initial placement and each renewal of a policy.

8. Insurance satisfying the requirements of this section may be used, when the TNC vehicle is being used or operated during the period specified in subdivision one of this section, to satisfy the financial responsibility requirements set forth in subdivision four of section three hundred eleven of this chapter, and any other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

9. A TNC driver shall carry proof of coverage satisfying subdivisions two and three of this section with him or her at all times during his or her use or operation of a TNC vehicle in connection with a TNC's digital network. Such proof of coverage shall be in such form as the commissioner shall prescribe, which may be in the form of an insurance identification card as defined in section three hundred eleven of this chapter. Any insurance identification card issued pursuant to the provisions of
this article shall be in addition to the insurance identification card
required pursuant to article six of this chapter, and nothing contained
in this article shall be deemed to supersede the requirements of such
article six. Whenever the production of an insurance identification card
is required by law, a TNC driver shall (a) produce the insurance iden-
tification card issued pursuant to article six of this chapter and, (b)
if such driver either (i) was logged onto the TNC's digital network or
(ii) was engaged in a TNC prearranged trip and the activity under this
subdivision is being covered primarily by insurance purchased by a TNC
such driver shall also produce the insurance identification card
required pursuant to this article.

10. The superintendent of financial services is authorized to issue
such rules and regulations necessary to implement this section.

11. Nothing in this section shall impose financial responsibility
requirements upon any entities operating as vehicles for hire in a city
with a population of one million or more.

12. A group policy placed by an excess line broker under paragraph
(b) of subdivision seven of this section shall not include a mandatory
arbitration clause in a policy issued pursuant to this section. Nothing
in this section supersedes the mandatory arbitration requirements
contained in section five thousand one hundred five of the insurance
law.

§ 1694. Disclosures. A TNC shall disclose in writing to TNC drivers
the following before they are allowed to accept a request for a TNC
prearranged trip on the TNC's digital network:

1. The insurance coverage, including the types of coverage and the
limits for each coverage, that the TNC provides while the TNC driver
uses a TNC vehicle in connection with a TNC's digital network:
2. That the TNC driver's own automobile insurance policy might not provide any coverage while the TNC driver is logged on to the TNC's digital network and is available to receive transportation requests or is engaged in a TNC prearranged trip, depending on its terms; and

3. That, if a TNC vehicle has a lien against it, then the continued use of such TNC vehicle by its TNC driver without physical damage coverage may violate the terms of the contract with the lienholder.

§ 1695. Insurance provisions. 1. Insurers that write motor vehicle insurance in this state may, in the insurance policy, exclude any and all coverage afforded under the policy issued to an owner or operator of a TNC vehicle for any loss or injury that occurs while a TNC driver is logged on to a TNC's digital network or while a driver provides a prearranged trip, including:

(a) liability coverage for bodily injury and property damage;

(b) coverage provided pursuant to article fifty-one of the insurance law;

(c) uninsured and underinsured motorist coverage; and

(d) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of the insurance law.

2. Such exclusions shall apply notwithstanding any requirement under the law to the contrary. Nothing in this section implies or requires that an owner's policy of liability insurance or other motor vehicle insurance policy provide coverage while the TNC driver is logged on to the TNC's digital network, while the TNC driver is engaged in a TNC prearranged trip or while the TNC driver otherwise uses or operates a TNC vehicle to transport passengers for compensation.
3. Nothing shall be deemed to preclude an insurer from providing primary, excess, or umbrella coverage for the TNC driver's TNC vehicle, if it chose to do so by contract or endorsement.

4. Motor vehicle insurers that exclude the coverage described in this article shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this article shall be deemed to invalidate or limit an exclusion contained in a policy including any policy in use or approved for use in this state prior to the effective date of this section.

5. A motor vehicle insurer that defends or indemnifies a claim against a TNC driver that is excluded under the terms of its policy shall have a right of contribution against other insurers that provide motor vehicle insurance to the same driver in satisfaction of the coverage requirements of the provisions of the chapter of the laws of two thousand seventeen which added this article at the time of loss.

6. In a claims coverage investigation, a TNC and any insurer potentially providing coverage under this article shall, within fifteen days after a claim has been filed, facilitate the exchange of relevant information with directly involved parties and any insurer of the TNC driver if applicable, including the precise times that a TNC driver logged on and off of the TNC's digital network in the twelve hour period immediately preceding and in the twelve hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions and limits provided under any motor vehicle insurance maintained under this article.

7. (a) The commissioner shall promulgate regulations for the provision of relevant insurance coverage information required by this article to the following persons upon request:
(i) a person to whom an accident report pertains or who is named in such report, or his or her authorized representative; and

(ii) any other person or his or her authorized representative who has demonstrated to the satisfaction of the commissioner that such person is or may be a party to a civil action arising out of the conduct described in such accident report.

(b) Except as provided under paragraph (a) of this subdivision, the name of a TNC driver associated with such insurance information is designated confidential whether or not so marked, is not subject to disclosure by a third party by the department of motor vehicles without prior consent of the TNC, and is exempt from disclosure pursuant to article six of the public officers law. Nothing in this section shall be considered as limiting the applicability of any other exemptions under article six of the public officers law.

§ 1696. Driver and vehicle requirements. 1. (a) At all times, an individual acting as a TNC driver shall be permitted by the TNC as follows:

(i) The individual shall submit an application to the TNC, which shall include information regarding his or her address, age, driver's license, motor vehicle registration, automobile liability insurance, and other information required by the TNC;

(ii) The TNC shall conduct or have a third party conduct, a local and national, criminal background check for each applicant in accordance with section sixteen hundred ninety-nine of this article and that shall review:

(A) Whether the applicant is listed on the publicly available New York state sex offender registry pursuant to section one hundred sixty-eight-q of the correction law; and
(B) The United States Department of Justice National Sex Offender public website;

(iii) The TNC shall obtain and review, or have a third party obtain and review, a driving history research report for such individual.

(b) The TNC shall not permit an applicant where such applicant:

(i) fails to meet all qualifications pursuant to section sixteen hundred ninety-nine of this article;

(ii) is a match in the United States Department of Justice National Sex Offender Public Website;

(iii) does not possess a valid New York driver's license, unless such applicant does possess a valid out of state driver's license and proof that such applicant is an active duty member of the armed services of the United States stationed in this state or is a family or household member of such an active duty member;

(iv) does not possess proof of registration for the motor vehicle(s) used to provide TNC prearranged trips;

(v) does not possess proof of automobile liability insurance for the motor vehicle(s) used to provide TNC prearranged trips as a TNC vehicle; or

(vi) is not at least nineteen years of age.

(c) Upon review of all information received and retained by the TNC and upon verifying that the individual is not disqualified pursuant to this section from receiving a TNC driver permit, a TNC may issue a TNC driver permit to the applicant. The TNC shall review all information received relating to such applicant and hold such information for six years along with a certification that such applicant qualifies to receive a TNC driver permit.
(d) A TNC that issues a TNC driver's permit pursuant to this section shall participate in the New York License Event Notification Service (LENS) established by the department to obtain timely notice when any of the following violations are added to a TNC driver's driving record:

(i) unlawfully fleeing a police officer in a motor vehicle in violation of sections 270.25, 270.30 or 270.35 of the penal law;

(ii) reckless driving in violation of section one thousand two hundred twelve of this chapter;

(iii) operating while license or privilege is suspended or revoked in violation of section five hundred eleven of this chapter, excluding subdivision seven of such section;

(iv) operating a motor vehicle under the influence of alcohol or drugs in violation of section one thousand one hundred ninety-two of this chapter; and

(v) leaving the scene of an incident without reporting in violation of subdivision two of section six hundred of this chapter.

(e) The name of a TNC driver associated with enrollment in the department's LENS reporting system is designated confidential whether or not so marked, is not subject to disclosure to a third party by the department without prior consent of the TNC, and is exempt from disclosure pursuant to article six of the public officers law. Nothing in this section shall be construed as limiting the applicability of any other exemptions under article six of the public officers law.

(f) No person shall operate a TNC vehicle or operate as a TNC driver unless such person holds a valid TNC driver permit issued pursuant to this section. A violation of this paragraph shall be a traffic infraction punishable by a fine of not less than seventy-five nor more than
three hundred dollars, or by imprisonment for not more than fifteen
days, or by both such fine and imprisonment.

2. A TNC shall implement a zero-tolerance policy regarding a TNC driv-
er's activities while accessing the TNC's digital network. Such policy
shall address the issue of operating a vehicle under the influence of
alcohol or drugs while a TNC driver is providing TNC prearranged trips
or is logged onto the TNC's digital network but is not providing TNC
prearranged trips, and the TNC shall provide notice of this policy on
its digital network, as well as procedures to report a complaint about a
TNC driver with whom a TNC prearranged trip was commenced and whom the
passenger reasonably suspects was operating a vehicle under the influ-
ence of alcohol or drugs during the course of the TNC prearranged trip.

3. (a) A TNC shall adopt a policy of non-discrimination on the basis
of destination, race, color, national origin, religious belief, practice
or affiliation, sex, disability, age, sexual orientation, gender identi-
ty, or genetic predisposition with respect to passengers and potential
passengers and notify TNC drivers of such policy.

(b) TNC drivers shall comply with all applicable laws regarding non-
discrimination against passengers or potential passengers on the basis
of destination, race, color, national origin, religious belief, practice
or affiliation, sex, disability, age, sexual orientation, gender identi-
ty, or genetic predisposition.

(c) TNC drivers shall comply with all applicable laws relating to
accommodation of service animals.

(d) A TNC shall implement and maintain a policy of providing accessi-
ability to passengers or potential passengers with a disability and
accommodation of service animals as such term is defined in section one
hundred twenty-three-b of the agriculture and markets law and shall to
the extent practicable adopt findings established by the New York state
TNC accessibility task force adopted pursuant to section eighteen of the
chapter of the laws of two thousand seventeen that added this section.
A TNC shall not impose additional charges for providing services to
persons with physical disabilities because of those disabilities.

4. A TNC shall require that any motor vehicle(s) that a TNC driver
will use as a TNC vehicle to provide TNC prearranged trips meets appli-
cable New York state vehicle safety and emissions requirements, as set
forth in section three hundred one of this chapter, or the vehicle safe-
ty and emissions requirements of the state in which the vehicle is
registered.

5. A TNC driver shall display a consistent and distinctive trade dress
consisting of a removable logo, insignia, or emblem at all times the
driver is providing TNC services. The trade dress shall be:

(a) Sufficiently large and color contrasted so as to be readable
during daylight hours at a distance of fifty feet; and
(b) Reflective, illuminated, or otherwise patently visible in the
darkness.

§ 1697. Maintenance of records. A TNC shall maintain the following
records:

1. individual trip records for at least six years from the date each
trip was provided; and

2. individual records of TNC drivers at least until the six year anni-
versary of the date on which a TNC driver's relationship with the TNC
has ended.

§ 1698. Audit procedures; confidentiality of records. 1. For the sole
purpose of verifying that a TNC is in compliance with the requirements
of this article and no more than biannually, the department shall
reserve the right to visually inspect a sample of records that the TNC is required to maintain, upon request by the department that shall be fulfilled in no less than thirty business days by the TNC. The sample shall be chosen randomly by the department in a manner agreeable to both parties. The audit shall take place at a mutually agreed location in New York. Any record furnished to the department may exclude information that would tend to identify specific drivers or passengers.

2. (a) The TNC shall establish a complaint procedure that allows passengers to file complaints with the TNC through the TNC's website, mobile application, email address, or phone number.

(b) The TNC's website shall also provide a passenger complaint telephone number and/or website address for the department, if applicable.

(c) In response to a specific complaint against any TNC driver or TNC, the department is authorized to inspect records held by the TNC that are necessary to investigate and resolve the complaint. The TNC and the department shall endeavor to have the inspection take place at a mutually agreed location in New York. Any record furnished to the department may exclude information that would tend to identify specific drivers or passengers, unless the identity of a driver or passenger is relevant to the complaint.

(d) Any records inspected by the department under this section are designated confidential, are not subject to disclosure to a third party by the department without prior consent of the TNC, and are exempt from disclosure under article six of the public officers law. Nothing in this section shall be construed as limiting the applicability of any other exemption under article six of the public officers law.

3. The department shall promulgate regulations for the filing of complaints pursuant to this section.
§ 1699. Criminal history background check of transportation network company drivers. 1. A TNC shall conduct a criminal history background check using a lawful method approved by the department pursuant to paragraph (a) of subdivision two of this section for persons applying to drive for such company.

2. (a) The method used to conduct a criminal history background check pursuant to subdivision one of this section shall be established in regulations adopted by the department within thirty days of the effective date of this subdivision. Such regulations shall establish the method used to conduct such background checks and any processes and operations necessary to complete such checks. The review of criminal history information and determinations about whether or not an applicant is issued a TNC driver permit shall be controlled by paragraphs (b), (c) and (d) of this subdivision.

(b) An applicant shall be disqualified to receive a TNC driver permit where he or she:

(i) stands convicted in the last three years of: unlawful fleeing a police officer in a motor vehicle in violation of sections 270.35, 270.30 or 270.25 of the penal law, reckless driving in violation of section twelve hundred twelve of this chapter, operating while license or privilege is suspended or revoked in violation of section five hundred eleven of this chapter, excluding subdivision seven of such section, a misdemeanor offense of operating a motor vehicle while under the influence of alcohol or drugs in violation of section one thousand one hundred ninety-two of this chapter, or leaving the scene of an accident in violation of subdivision two of section six hundred of this chapter. In calculating the three year period under this subparagraph, any period of time during which the person was incarcerated after the
commission of such offense shall be excluded and such three year period shall be extended by a period or periods equal to the time spent incarcerated and shall be determined in a manner consistent with regulations established by the department; or

(ii) stands convicted in the last seven years of: a sex offense defined in subdivision two of section one hundred sixty-eight-a of the correction law, a felony offense defined in article one hundred twenty-five of the penal law, a violent felony offense defined in section 70.02 of the penal law, a class A felony offense defined in the penal law, vehicular assault as defined in section 120.03, 120.04 or 120.04-a of the penal law, a felony offense defined in section eleven hundred ninety-two of this chapter, an offense for which registration as a sex offender is required pursuant to article six-C of the correction law, or any conviction of an offense in any other jurisdiction that has all the essential elements of an offense listed in this subparagraph. In calculating the seven year period under this subparagraph, any period of time during which the person was incarcerated after the commission of such offense shall be excluded and such seven year period shall be extended by a period or periods equal to the time spent incarcerated and shall be determined in a manner consistent with regulations established by the department.

(c) A criminal history record that contains criminal conviction information that does not disqualify an applicant pursuant to subparagraphs (i) or (ii) of paragraph (b) of this subdivision, shall be reviewed and considered according to the provisions of article twenty-three-A of the correction law and subdivisions fifteen and sixteen of section two hundred ninety-six of the executive law in determining whether or not the applicant should be issued a TNC driver's permit.
(d) Upon receipt of criminal conviction information pursuant to this section for any applicant, such applicant shall promptly be provided with a copy of such information as well as a copy of article twenty-three-A of the correction law. Such applicant shall also be informed of his or her right to seek correction of any incorrect information contained in such criminal history information pursuant to the regulations and procedures established by the division of criminal justice services.

(e) The department shall promulgate regulations consistent with the provisions of this subdivision.

3. A TNC shall update the criminal history background check yearly during the period in which the person is authorized to drive for the company, however, the commissioner may require, pursuant to regulation, more frequent criminal history background checks.

4. A TNC shall be responsible for all fees associated with the criminal history check pursuant to subdivision one of this section.

5. Any TNC found to have negligently, recklessly, or intentionally violated any requirements established pursuant to this section, shall on the first instance, be subject to a civil penalty of not more than ten thousand dollars. For any subsequent instance within the period of two years from any initial violation, such TNC shall be subject to a civil penalty of not more than fifty thousand dollars, or the suspension or revocation of its TNC license or both.

§ 1700. Controlling authority. 1. Notwithstanding any other provision of law, the regulation of TNCs and TNC drivers is governed exclusively by the provisions of the chapter of the laws of two thousand seventeen which added this section and any rules promulgated by the state through its agencies consistent with such chapter. No county, town, city or
village may enact a tax or any fee or other surcharge on a TNC, a TNC
driver, or a TNC vehicle used by a TNC driver or require a license,
permit, or additional insurance coverage or any other limitations or
restrictions, where such fee, surcharge, unauthorized tax, license,
permit, insurance coverage, limitation or restriction, relates to facil-
itating or providing TNC prearranged trips, or subjects a TNC, a TNC
driver, or a TNC vehicle used by a TNC driver to operational, or other
requirements.

2. Nothing in this article shall authorize any TNC driver to pick-up a
passenger for purposes of a TNC prearranged trip in a city with a popu-
lation of one million or more.

3. Nothing in this article shall: (a) limit the ability of a county,
town, city or village to adopt or amend generally applicable limitations
or restrictions relating to local traffic or parking control as author-
ized by state law; or (b) to preempt any reciprocity agreements, includ-
ing agreements entered into pursuant to section four hundred ninety-
eight of this chapter, between a county, town, city or village that
relates to services regulated by section one hundred eighty-one of the
general municipal law.

§ 3. Section 370 of the vehicle and traffic law is amended by adding a
new subdivision 8 to read as follows:

8. Notwithstanding any other provision of this article, an individual
shall not be deemed to be engaged in the business of carrying or trans-
porting passengers for hire if the individual does so solely as a trans-
portation network company driver in accordance with article forty-four-B
of this chapter.
§ 4. Subdivision 1 of section 312-a of the vehicle and traffic law, as amended by chapter 781 of the laws of 1983, is amended to read as follows:

1. Upon issuance of an owner's policy of liability insurance or other financial security required by this chapter or the article forty-four-B of this chapter, an insurer shall issue proof of insurance in accordance with the regulations promulgated by the commissioner pursuant to paragraph (b) of subdivision two of section three hundred thirteen of this article.

§ 5. Section 600 of the vehicle and traffic law, as amended by chapter 49 of the laws of 2005, is amended to read as follows:

§ 600. Leaving scene of an incident without reporting. 1. Property damage. a. Any person operating a motor vehicle who, knowing or having cause to know that damage has been caused to the real property or to the personal property, not including animals, of another, due to an incident involving the motor vehicle operated by such person shall, before leaving the place where the damage occurred, stop, exhibit his or her license and insurance identification card for such vehicle, when such card is required pursuant to articles six and eight of this chapter, and give his or her name, residence, including street and number, insurance carrier and insurance identification information including but not limited to the number and effective dates of said individual's insurance policy, and license number to the party sustaining the damage, or in case the person sustaining the damage is not present at the place where the damage occurred then he or she shall report the same as soon as physically able to the nearest police station, or judicial officer. In addition to the foregoing, any such person shall also: (i) produce the proof of insurance coverage required pursuant to article forty-four-B of
this chapter if such person is a TNC driver operating a TNC vehicle while the incident occurred who was either (A) logged on to the TNC's digital network and available to receive transportation requests but not engaged in a TNC prearranged trip or (B) was logged on to the TNC's digital network and was engaged in a TNC prearranged trip; and (ii) disclose whether he or she, at the time such incident occurred, was either (A) logged on to the TNC's digital network and available to receive transportation requests but not engaged in a TNC prearranged trip or (B) was logged on to the TNC's digital network and was engaged in a TNC prearranged trip.

b. It shall be the duty of any member of a law enforcement agency who is at the scene of the accident to request the said operator or operators of the motor vehicles, when physically capable of doing so, to exchange the information required hereinabove and such member of a law enforcement agency shall assist such operator or operators in making such exchange of information in a reasonable and harmonious manner.

A violation of the provisions of paragraph a of this subdivision shall constitute a traffic infraction punishable by a fine of up to two hundred fifty dollars or a sentence of imprisonment for up to fifteen days or both such fine and imprisonment.

2. Personal injury. a. Any person operating a motor vehicle who, knowing or having cause to know that personal injury has been caused to another person, due to an incident involving the motor vehicle operated by such person shall, before leaving the place where the said personal injury occurred, stop, exhibit his or her license and insurance identification card for such vehicle, when such card is required pursuant to articles six and eight of this chapter, and give his or her name, residence, including street and street number, insurance carrier and insur-
ance identification information including but not limited to the number and effective dates of said individual's insurance policy and license number, to the injured party, if practical, and also to a police officer, or in the event that no police officer is in the vicinity of the place of said injury, then, he or she shall report said incident as soon as physically able to the nearest police station or judicial officer.

In addition to the foregoing, any such person shall also: (i) produce the proof of insurance coverage required pursuant to article forty-four-B of this chapter if such person is a TNC driver operating a TNC vehicle at the time of the incident who was either (A) logged on to the TNC's digital network and available to receive transportation requests but not engaged in a TNC prearranged trip or (B) was logged on to the TNC's digital network and was engaged in a TNC prearranged trip; and (ii) disclose whether he or she, at the time such incident occurred, was either (A) logged on to the TNC's digital network and available to receive transportation requests but not engaged in a TNC prearranged trip or (B) was logged on to the TNC's digital network and was engaged in a TNC prearranged trip.

b. It shall be the duty of any member of a law enforcement agency who is at the scene of the accident to request the said operator or operators of the motor vehicles, when physically capable of doing so, to exchange the information required hereinabove and such member of a law enforcement agency shall assist such operator or operators in making such exchange of information in a reasonable and harmonious manner.

c. A violation of the provisions of paragraph a of this subdivision resulting solely from the failure of an operator to exhibit his or her license and insurance identification card for the vehicle or exchange the information required in such paragraph shall constitute a class B
misdemeanor punishable by a fine of not less than two hundred fifty nor
more than five hundred dollars in addition to any other penalties
provided by law. Any subsequent such violation shall constitute a class
A misdemeanor punishable by a fine of not less than five hundred nor
more than one thousand dollars in addition to any other penalties
provided by law. Any violation of the provisions of paragraph a of this
subdivision, other than for the mere failure of an operator to exhibit
his or her license and insurance identification card for such vehicle or
exchange the information required in such paragraph, shall constitute a
class A misdemeanor, punishable by a fine of not less than five hundred
dollars nor more than one thousand dollars in addition to any other
penalties provided by law. Any such violation committed by a person
after such person has previously been convicted of such a violation
shall constitute a class E felony, punishable by a fine of not less than
one thousand nor more than two thousand five hundred dollars in addition
to any other penalties provided by law. Any violation of the provisions
of paragraph a of this subdivision, other than for the mere failure of
an operator to exhibit his or her license and insurance identification
card for such vehicle or exchange the information required in such para-
graph, where the personal injury involved (i) results in serious phys-
ical injury, as defined in section 10.00 of the penal law, shall consti-
tute a class E felony, punishable by a fine of not less than one
thousand nor more than five thousand dollars in addition to any other
penalties provided by law, or (ii) results in death shall constitute a
class D felony punishable by a fine of not less than two thousand nor
more than five thousand dollars in addition to any other penalties
provided by law.
3. For the purposes of this article, the terms "TNC", "TNC driver", "TNC vehicle", "TNC prearranged trip" and "digital network" shall have the same meanings as such terms are defined in article forty-four-B of this chapter.

§ 5-a. Section 601 of the vehicle and traffic law, as amended by chapter 672 of the laws of 2004, is amended to read as follows:

§ 601. Leaving scene of injury to certain animals without reporting. Any person operating a motor vehicle which shall strike and injure any horse, dog, cat or animal classified as cattle shall stop and endeavor to locate the owner or custodian of such animal or a police, peace or judicial officer of the vicinity, and take any other reasonable and appropriate action so that the animal may have necessary attention, and shall also promptly report the matter to such owner, custodian or officer (or if no one of such has been located, then to a police officer of some other nearby community), exhibiting his or her license and insurance identification card for such vehicle, when such card is required pursuant to articles six and eight of this chapter, giving his or her name and residence, including street and street number, insurance carrier and insurance identification information and license number. In addition to the foregoing, any such person shall also: (i) produce the proof of insurance coverage required pursuant to article forty-four-B of this chapter is such person is a TNC driver operating a TNC vehicle at the time of the incident who was either (A) logged on to the TNC's digital network and available to receive transportation requests but not engaged in a TNC prearranged trip or (B) was logged on to the TNC's digital network and was engaged in a TNC prearranged trip and (ii) disclose whether he or she, at the time such incident occurred, was either (A)
portation requests but not engaged in a TNC prearranged trip or (B) was
logged on to the TNC's digital network and was engaged in a TNC prear-
ranged trip. Violation of this section shall be punishable by a fine of
not more than one hundred dollars for a first offense and by a fine of
not less than fifty nor more than one hundred fifty dollars for a second
offense and each subsequent offense; provided, however where the animal
that has been struck and injured is a guide dog, hearing dog or service
dog, as such terms are defined in section forty-seven-b of the civil
rights law which is actually engaged in aiding or guiding a person with
a disability, a violation of this section shall be punishable by a fine of not less than fifty nor more than one hundred fifty dollars for a first offense and by a fine of not less than one hundred fifty dollars nor more than three hundred dollars for a second offense and each subsequent offense.

§ 6. The insurance law is amended by adding a new section 3455 to read as follows:

§ 3455. Transportation network company group insurance policies. (a)
For purposes of this section, the following definitions shall apply:

(1) "Transportation network company" shall have the same meaning as
set forth in article forty-four-B of the vehicle and traffic law.

(2) "Certificate" or "certificate of insurance" means any policy,
contract or other evidence of insurance, or endorsement thereto, issued
to a group member under a transportation network company group policy.

(3) "Transportation network company group policy" or "group policy"
means a group policy, including certificates issued to the group
members, where the group policyholder is a transportation network compa-
ny and the policy provides insurance to the transportation network
company and to group members:
(A) in accordance with the requirements of article forty-four-B of the vehicle and traffic law;

(B) of the type described in paragraph thirteen, fourteen, or nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter; and

(C) in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of this article, subdivision four of section three hundred eleven of the vehicle and traffic law, article fifty-one of this chapter, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

(4) "Group member" means a transportation network company driver as defined in article forty-four-B of the vehicle and traffic law.

(5) "Group policyholder" means a transportation network company.

(6) "TNC vehicle" shall have the meaning set forth in article forty-four-B of the vehicle and traffic law.

(b) An insurer may issue or issue for delivery in this state a transportation network company group policy to a transportation network company as a group policyholder only in accordance with the provisions of this section.

(c)(1) A transportation network company group policy shall provide coverage for a TNC vehicle in accordance with the requirements of article forty-four-B of the vehicle and traffic law.

(2) A transportation network company group policy may provide:

(A) coverage for limits higher than the minimum limits required pursuant to article forty-four-B of the vehicle and traffic law.
(B) supplementary uninsured/underinsured motorists insurance for bodily injury pursuant to paragraph two of subsection (f) of section three thousand four hundred twenty of this article;

(C) supplemental spousal liability insurance pursuant to subsection (g) of section three thousand four hundred twenty of this chapter; and

(D) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter.

(3) The coverage described in paragraphs one and two of this subsection may be provided in one group policy or in separate group policies.

(4) A transportation network company group policy, including certificates, shall be issued by authorized insurers or from excess line brokers pursuant to section sixteen hundred ninety-three of the vehicle and traffic law.

(5) A policyholder also may be an insured under a group policy.

(d) The premium for the transportation network company group policy, including certificates may be paid by the group policyholder from the funds contributed:

(1) wholly by the group policyholder;

(2) wholly by the group members; or

(3) jointly by the group policyholder and the group members.

(e) (1) Any policy dividend, retrospective premium credit, or retrospective premium refund in respect of premiums paid by the group policyholder may:

(A) be applied to reduce the premium contribution of the group policyholder, but not in excess of the proportion to its contribution; or

(B) be retained by the group policyholder.
(2) Any policy dividend, retrospective premium credit, or retrospective premium refund not distributed under paragraph one of this subsection shall be:

(A) applied to reduce future premiums and, accordingly, future contributions, of existing or future group members, or both; or

(B) paid or refunded to those group members insured on the date the payment or refund is made to the group policyholder, if distributed by the group policyholder, or on the date of mailing, if distributed directly by the insurer, subject to the following requirements:

(i) The insurer shall be responsible for determining the allocation of the payment of refund to the group members;

(ii) If the group policyholder distributes the payment or refund, the insurer shall be responsible for audit to ascertain that the payment or refund is actually made in accordance with the allocation procedure; and

(iii) If the group policyholder fails to make the payment or refund, the insurer shall make the payment or refund directly or use the method provided in subparagraph (A) of this paragraph.

(3) Notwithstanding paragraphs one and two of this subsection, if a dividend accrues upon termination of coverage under a transportation network company group policy, the premium for which was paid out of funds contributed by group members specifically for the coverage, the dividend shall be paid or refunded by the group policyholder to the group members insured on the date the payment or refund is made to the group policyholder, net of reasonable expenses incurred by the group policyholder in paying or refunding the dividend to such group members.

(4) For the purposes of this subsection, "dividend" means a return by the insurer of a transportation network company group policy of excess premiums to the group policyholder in light of favorable loss experi-
ence, including retrospective premium credits or retrospective premium refunds. The term "dividend" does not include reimbursements or fees received by a group policyholder in connection with the operation or administration of a transportation network company group policy, including administrative reimbursements, fees for services provided by the group policyholder, or transactional service fees.

(f) The insurer shall treat in like manner all eligible group members of the same class and status.

(g) Each policy written pursuant to this section shall provide per occurrence limits of coverage for each group member in an amount not less than that required by this article, and may provide coverage for limits higher than the minimum limits required under the law.

(h) (1) The insurer shall be responsible for mailing or delivery of a certificate of insurance to each group member insured under the transportation network company group policy, provided, however, that the insurer may delegate the mailing or delivery to the transportation network company. The insurer shall also be responsible for the mailing or delivery to each group member of an amended certificate of insurance or endorsement to the certificate, whenever there is a change in limits; change in type of coverage; addition, reduction, or elimination of coverage; or addition of exclusion, under the transportation network company group policy or certificate if such change materially affects the coverage available to such group member.

(2) The certificate shall contain in substance all material terms and conditions of coverage afforded to group members, unless the transportation network company group policy is incorporated by reference and a copy of the group policy accompanies the certificate.
(3) If any coverage afforded to the group member is excess of applicable insurance coverage, the certificate shall contain a notice advising the group members that, if the member has other insurance coverage, specified coverages under the transportation network company group policy will be excess over the other insurance.

(i) A group policyholder shall comply with the provisions of section two thousand one hundred twenty-two of this chapter, in the same manner as an agent or broker, in any advertisement, sign, pamphlet, circular, card, or other public announcement referring to coverage under a transportation network company group policy or certificate.

(j) A transportation network company group policy shall not be subject to section three thousand four hundred twenty-five or section three thousand four hundred twenty-six of this article; provided that the following requirements shall apply with regard to termination of coverage:

(A) An insurer may terminate a group policy or certificate only if cancellation is based on one or more of the reasons set forth in subparagraph (A) through (D) or (F) through (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article; provided, however, that an act or omission by a group member that would constitute the basis for cancellation of an individual certificate shall not constitute the basis for cancellation of the group policy.

(B) Where the premium is derived wholly from funds contributed by the group policyholder, an insurer may cancel an individual certificate only if cancellation is based on one or more of the reasons set forth in subparagraph (B), (C) or (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article.
(2) (A) An insurer's cancellation of a group policy, including all certificates, shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group policyholder at the mailing address shown in the policy.

   (i) Where all or part of the premium is derived from funds contributed by the group member specifically for the coverage, the insurer shall also mail or deliver written notice of cancellation of the group policy to the group member at the group member's mailing address. Such cancellation shall not become effective until thirty days after the insurer mails or delivers the written notice to the group member.

   (ii) Where none of the premium is derived from funds contributed by a group member specifically for the coverage, the group policyholder shall mail or deliver written notice to the group member advising the group member of the cancellation of the group policy and the effective date of cancellation. The group policy holder shall mail or deliver the written notice within ninety days after receiving notice of cancellation from the insurer.

(B) An insurer's cancellation of an individual certificate shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group member at the group member's mailing address and to the group policyholder at the mailing address shown in the group policy.

(3) (A) A group policyholder may cancel a group policy, including all certificates, or any individual certificate, for any reason upon thirty days written notice to the insurer and each group member; and

   (B) The group policyholder shall mail or deliver written notice to each affected group member of the group policyholder's cancellation of the group policy or certificate and the effective date of cancellation.
The group policyholder shall mail or deliver the written notice to the group member's mailing address at least thirty days prior to the effective date of cancellation.

(4) (A) Unless a group policy provides for a longer policy period, the policy and all certificates shall be issued or renewed for a one-year policy period.

(B) The group policyholder shall be entitled to renew the group policy and all certificates upon timely payment of the premium billed to the group policyholder for the renewal, unless:

(i) the insurer mails or delivers to the group policyholder and all group members written notice of nonrenewal, or conditional renewal; and

(ii) the insurer mails or delivers the written notice at least thirty, but not more than one hundred twenty days prior to the expiration date specified in the policy or, if no date is specified, the next anniversary date of the policy.

(5) Where the group policyholder nonrenews the group policy, the group policyholder shall mail or deliver written notice to each group member advising the group member of nonrenewal of the group policy and the effective date of nonrenewal. The group policyholder shall mail or deliver written notice at least thirty days prior to the nonrenewal.

(6) Every notice of cancellation, nonrenewal, or conditional renewal shall set forth the specific reason or reasons for cancellation, nonrenewal, or conditional renewal.

(7) (A) An insurer shall not be required under this subsection to give notice to a group member if the insurer has been advised by either the group policyholder or another insurer that substantially similar coverage has been obtained from the other insurer without lapse of coverage.
(B) A group policyholder shall not be required under this subsection to give notice to a group member if substantially similar coverage has been obtained from another insurer without lapse of coverage.

(8) (A) If, prior to the effective date of cancellation, nonrenewal, or conditional renewal of the group policy, or a certificate, whether initiated by the insurer, group policyholder or by the group member in regard to the group member's certificate, coverage attaches pursuant to the terms of a group policy, then the coverage shall be effective until expiration of the applicable period of coverage provided in the group policy notwithstanding the cancellation, nonrenewal or conditional nonrenewal of the group policy.

(B) Notwithstanding subparagraph (A) of this paragraph, an insurer may terminate coverage under an individual certificate on the effective date of cancellation, if the certificate is cancelled in accordance with the provisions of subparagraph (B) of paragraph one of this subsection.

(k) Any mailing or delivery to a group member required or permitted under this section may be made by electronic mail, or other electronic means, if consent to such method of delivery has been previously received from such group member.

(l) An insurer may issue a transportation network company group policy to a transportation network company, notwithstanding that it may be a condition of operating a vehicle on the transportation network company's digital network for the TNC driver to participate in such group policy.

(m) An insurer shall not include a mandatory arbitration clause in a policy that provides financial responsibility coverage under this section except as permitted in section five thousand one hundred five of this chapter.
§ 6-a. Subsection (g) of section 5102 of the insurance law is amended to read as follows:

(g) "Insurer" means the insurance company or self-insurer, as the case may be, which provides the financial security required by article six [or], eight, or forty-four-B of the vehicle and traffic law.

§ 7. Subsection (b) of section 5103 of the insurance law is amended by adding a new paragraph 4 to read as follows:

(4) Is injured while a motor vehicle is being used or operated by a TNC driver pursuant to article forty-four-B of the vehicle and traffic law, provided, however, that an insurer may not include this exclusion in a policy used to satisfy the requirements under article forty-four-B of the vehicle and traffic law.

§ 8. Subsection (d) of section 5106 of the insurance law, as added by chapter 452 of the laws of 2005, is amended to read as follows:

(d) [Where] (1) Except as provided in paragraph two of this subsection, where there is reasonable belief more than one insurer would be the source of first party benefits, the insurers may agree among themselves, if there is a valid basis therefor, that one of them will accept and pay the claim initially. If there is no such agreement, then the first insurer to whom notice of claim is given shall be responsible for payment. Any such dispute shall be resolved in accordance with the arbitration procedures established pursuant to section five thousand one hundred five of this article and [regulation] regulations as promulgated by the superintendent, and any insurer paying first-party benefits shall be reimbursed by other insurers for their proportionate share of the costs of the claim and the allocated expenses of processing the claim, in accordance with the provisions entitled "other coverage" contained in regulation and the provisions entitled "other sources of first-party
benefits" contained in regulation. If there is no such insurer and the 
motor vehicle accident occurs in this state, then an applicant who is a 
qualified person as defined in article fifty-two of this chapter shall 
institute the claim against the motor vehicle accident indemnification 
corporation.

(2) A group policy issued pursuant to section three thousand four 
hundred fifty-five of this chapter, to satisfy the requirements of 
section sixteen hundred ninety-three of the vehicle and traffic law, 
shall provide first party benefits when a dispute exists as to whether a 
driver was using or operating a motor vehicle in connection with a 
transportation network company when loss, damage, injury, or death 
occurs. A transportation network company shall notify the insurer that 
issued the owner's policy of liability insurance of the dispute within 
ten business days of becoming aware that the dispute exists. When there 
is a dispute, the group insurer liable for the payment of first party 
benefits under a group policy, to satisfy the requirements of section 
sixteen hundred ninety-three of the vehicle and traffic law, shall have 
the right to recover the amount paid from the driver's insurer to the 
extent that such insurer would have been liable to pay damages in an 
action at law.

§ 9. Subsection (b) of section 2305 of the insurance law, as amended 
by chapter 11 of the laws of 2008, paragraph 13 as amended by chapter 
136 of the laws of 2008, is amended to read as follows:

(b) rate filings for:

(1) workers' compensation insurance;

(2) motor vehicle insurance, or surety bonds, required by section 
three hundred seventy of the vehicle and traffic law or article forty-
four-B of the vehicle and traffic law;
(3) joint underwriting;
(4) motor vehicle assigned risk insurance;
(5) insurance issued by the New York Property Insurance Underwriting Association;
(6) risk sharing plans authorized by section two thousand three hundred eighteen of this article;
(7) title insurance;
(8) medical malpractice liability insurance;
(9) insurance issued by the Medical Malpractice Insurance Association;
(10) mortgage guaranty insurance;
(11) credit property insurance, as defined in section two thousand three hundred forty of this article; [and]
(12) gap insurance; and
(13) [Private] private passenger automobile insurance, except as provided in section two thousand three hundred fifty of this article[,].

shall be filed with the superintendent and shall not become effective unless either the filing has been approved or thirty days, which the superintendent may with cause extend an additional thirty days and with further cause extend an additional fifteen days, have elapsed and the filing has not been disapproved as failing to meet the requirements of this article, including the standard that rates be not otherwise unreasonable. After a rate filing becomes effective, the filing and supporting information shall be open to public inspection. If a filing is disapproved, then notice of such disapproval order shall be given, specifying in what respects such filing fails to meet the requirements of this article. Upon his or her request, the superintendent shall be provided with support and assistance from the workers' compensation board and other state agencies and departments with appropriate juris-
diction. The loss cost multiplier for each insurer providing coverage for workers' compensation, as defined by regulation promulgated by the superintendent, shall be promptly displayed on the department's website and updated in the event of any change.

§ 10. Paragraph 1 of subsection (a) of section 3425 of the insurance law, as amended by chapter 235 of the laws of 1989, is amended to read as follows:

(1) "Covered policy" means a contract of insurance, referred to in this section as "automobile insurance", issued or issued for delivery in this state, on a risk located or resident in this state, insuring against losses or liabilities arising out of the ownership, operation, or use of a motor vehicle, predominantly used for non-business purposes, when a natural person is the named insured under the policy of automobile insurance; provided, however, that the use or operation of the motor vehicle by a transportation network driver as a TNC vehicle in accordance with article forty-four-B of the vehicle and traffic law shall not be included in determining whether the motor vehicle is being used predominantly for non-business purposes.

§ 11. The executive law is amended by adding a new article 6-H to read as follows:

ARTICLE 6-H

TRANSPORTATION NETWORK COMPANY DRIVER'S INJURY COMPENSATION FUND

Section 160-aaaa. Definitions.

160-bbbb. Transportation network company driver's injury compensation fund, Inc.

160-cccc. Supervision of transportation network companies.

160-dddd. Management of the fund.
160-eeee. Plan of operation.

160-ffff. Membership.

160-gggg. Securing of compensation.

160-hhhh. Assessment of fund members.

160-iiii. Certified financial statements.

160-jjjj. Exemption from taxes.

160-kkkk. Liability insurance.

160-lLLL. Regulations.

160-mmmm. Violations.

§ 160-aaaa. Definitions. As used in this article:

1. "Transportation network company driver" or "TNC driver" means an individual who:

   (a) receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company;

   (b) uses a TNC vehicle to offer or provide a TNC prearranged trip to transportation network company passengers upon connection through a digital network controlled by a transportation network company in exchange for compensation or payment of a fee; and

   (c) whose injury arose out of and in the course of providing a TNC prearranged trip through a digital network operated by a transportation network company that is a registered member of the New York transportation network company driver's injury compensation fund, Inc.

2. "Transportation network company passenger" or "passenger" means a person or persons who use a transportation network company's digital network to connect with a transportation network company driver who provides TNC prearranged trips to the passenger in the TNC vehicle between points chosen by the passenger.
3. "Board" means the workers' compensation board.

4. "Digital network" means any system or service offered or utilized by a transportation network company that enables TNC prearranged trips with transportation network company drivers.

5. "Transportation network company" means a person, corporation, partnership, sole proprietorship, or other entity that is licensed pursuant to article forty-four-B of the vehicle and traffic law and is operating in New York state exclusively using a digital network to connect transportation network company passengers to transportation network company drivers who provide TNC prearranged trips.

6. "Transportation network company vehicle" or "TNC vehicle" means a vehicle that is:

   (a) used by a transportation network company driver to provide a TNC prearranged trip originating in the state of New York;

   (b) owned, leased or otherwise authorized for use by the transportation network company driver and shall not include:

      (i) a taxicab, as defined in section one hundred forty-eight-a of the vehicle and traffic law and section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law;

      (ii) a livery vehicle, as defined in section one hundred twenty-one-e of the vehicle and traffic law, or as otherwise defined in local law;

      (iii) a black car, limousine, or luxury limousine, as defined in section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law;

      (iv) a for-hire vehicle, as defined in section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law.
(v) a bus, as defined in section one hundred four of the vehicle and traffic law;

(vi) any motor vehicle weighing more than six thousand five hundred pounds unloaded;

(vii) any motor vehicle having a seating capacity of more than seven passengers; and

(viii) any motor vehicle subject to section three hundred seventy of the vehicle and traffic law.

7. (a) "TNC prearranged trip" means the provision of transportation by a transportation network company driver to a passenger provided through the use of a TNC's digital network:

(i) beginning when a transportation network company driver accepts a passenger's request for a trip through a digital network controlled by a transportation network company;

(ii) continuing while the transportation network company driver transports the requesting passenger in a TNC vehicle; and

(iii) ending when the last requesting passenger departs from the TNC vehicle.

(b) The term "TNC prearranged trip" does not include transportation provided through any of the following:

(i) shared expense carpool or vanpool arrangements, including those as defined in section one hundred fifty-eight-b of the vehicle and traffic law;

(ii) use of a taxicab, livery, luxury limousine, or other for-hire vehicle, as defined in the vehicle and traffic law, section 19-502 of the administrative code of the city of New York, or as otherwise defined in local law; or

(iii) a regional transportation provider.
8. "Covered services" means, with respect to TNC prearranged trips using a digital network of a transportation network company located in the state, all such TNC prearranged trips regardless of where the pick-up or discharge occurs, and, with respect to TNC prearranged trips using a digital network of a transportation network company located outside the state, all prearranged trips involving a pick-up in the state, regardless of where the discharge occurs.

9. "Department" means the department of state.

10. "Fund" means the New York transportation network company driver's fund, Inc.

11. "Fund liability date" means the earlier of:

   (a) The date as of which the board first approves the fund's application to self-insure pursuant to section one hundred sixty-xxxx of this article; or

   (b) The date on which coverage commences under the initial insurance policy purchased by the fund pursuant to section one hundred sixty-xxxx of this article.

12. "Secretary" means the secretary of state.

§ 160-bbbb. Transportation network company driver's injury compensation fund, Inc. There is hereby created a not-for-profit corporation to be known as the New York transportation network company driver's injury compensation fund, Inc. To the extent that the provisions of the not-for-profit corporation law do not conflict with the provisions of this article, or with the plan of operation established pursuant to this article, the not-for-profit corporation law shall apply to the fund, which shall be a type C corporation pursuant to such law. If an applicable provision of this article or of the fund's plan of operation relates to a matter embraced in a provision of the not-for-profit corporation
law but is not in conflict therewith, both provisions shall apply. The
fund shall perform its functions in accordance with its plan of opera-
tion established and approved pursuant to section one hundred sixty-
of this article and shall exercise its powers through a board of direc-
tors established pursuant to this article.

§ 160-cccc. Supervision of transportation network companies. A trans-
portation network company shall, with respect to the provisions of this
article, be subject to the supervision and oversight of the department
as provided in this article.

§ 160-dddd. Management of the fund. 1. Within thirty (30) days of the
effective date of this article, there shall be appointed a board of
directors of the fund. The board of directors of the fund shall consist
of nine directors appointed by the governor, one of whom shall be chosen
by the governor; one of whom shall be chosen upon nomination of the
temporary president of the senate; one of whom shall be chosen upon
nomination of the speaker of the assembly; one of whom shall be chosen
upon nomination of the american federation of labor-congress of indus-
trial organizations of New York; and five of whom shall be chosen upon
nomination of transportation network company members of the fund.

2. The directors shall elect annually from among their number a chair.

3. For their attendance at meetings, the directors of the fund shall
be entitled to compensation, as authorized by the directors, in an
amount not to exceed five hundred dollars per meeting per director and
to reimbursement of their actual and necessary expenses.

4. Directors of the fund, except as otherwise provided by law, may
engage in private or public employment or in a profession or business.

5. (a) All of the directors shall have equal voting rights and five or
more directors shall constitute a quorum. The affirmative vote of four
(b) The fund may delegate to one or more of its directors, officers, agents, or employees such powers and duties as it may deem proper.

(c) A vacancy occurring in a director position shall be filled in the same manner as the initial appointment to that position, provided however that no individual may serve as director for more than three successive terms.

§ 160-eeee. Plan of operation. 1. Within seventy-five days of the effective date of this article, the fund shall file with the department its plan of operation, which shall be designed to assure the fair, reasonable and equitable administration of the fund. The plan of operation and any subsequent amendments thereto shall become effective upon being filed with the department.

2. The plan of operation shall constitute the by-laws of the fund and shall, in addition to the requirements enumerated elsewhere in this article:

(a) Establish procedures for collecting and managing the assets of the fund;

(b) Establish regular places and times for meetings of the fund's board of directors;

(c) Establish the procedure by which the fund shall determine whether to provide the benefits due pursuant to this article by self-insuring or by purchasing insurance;

(d) Establish accounting and record-keeping procedures for all financial transactions of the fund, its agents, and the board of directors;

(e) Establish a procedure for determining and collecting the appropriate amount of surcharges and assessments under this article;
(f) set forth the procedures by which the fund may exercise the audit rights granted to it under this article;

(g) establish procedures to ensure prompt and accurate notification to the fund by its members of all accidents and injuries to transportation network company drivers, and provide for full reimbursement of the fund by any transportation network company whose failure to provide such notification results in the imposition of a penalty on the fund by the board; and

(h) contain such additional provisions as the board of the fund may deem necessary or proper for the execution of the powers and duties of the fund.

§ 160-ffff. Membership. 1. The membership of the fund shall be composed of all transportation network companies. Each transportation network company shall be required, as a condition of doing business within this state, to pay the department a ten thousand dollar annual fee for the purpose of registering as a member of the fund and receiving a certificate of registration. Such sums shall be used by the department for the administration of this article. The initial registration fee shall be due no later than ninety days after the effective date of this article. The department shall have the power to assess an additional fee against each registrant in the amount necessary to provide it with sufficient funds to cover its expenses in performing its duties pursuant to this article. The department shall provide the fund with an updated list of registrants on a monthly basis.

2. All transportation network companies shall be required, as a condition of obtaining or retaining their license from the department of motor vehicles pursuant to article forty-four-B of the vehicle and traffic law, to:
(a) be members of the fund;
(b) be registered with the department as members of the fund; and
(c) submit to the department of motor vehicles a copy of its certificate of registration as proof of such membership and registration.

3. Within sixty days of the effective date of this article, the board of the fund shall, on the basis of information from trade papers and other sources, identify the transportation network companies subject to this article and, on a regular and ongoing basis, confirm that all such entities have registered in accordance with subdivision one of this section.

4. The fund shall, within seventy-five days of the effective date of this article, provide to its members a copy of the proposed plan of operation filed with the department and shall inform its members of their rights and duties pursuant to this article.

§ 160-gggg. Securing of compensation. 1. Within two hundred ten days of the effective date of this article, the fund shall secure the payment of workers' compensation to all transportation network company drivers entitled thereto pursuant to this chapter by either:
(a) self-insuring in accordance with subdivision three of section fifty of the workers' compensation law and the rules promulgated by the board pursuant to such section; or
(b) purchasing workers' compensation insurance covering, on a blanket basis, all drivers who are the fund's employees pursuant to section two of the workers' compensation law.

2. If the fund initially seeks to apply to the board for authorization to self-insure pursuant to subdivision three of section fifty of the workers' compensation law, it shall submit its application and accompanying proof to the board within one hundred fifty days of the effective
date of this article. The board shall notify the fund and the secretary in writing of any change in the fund's status as a self-insurer or of any additional requirements that the board may deem necessary for continuation of such status.

3. If the fund chooses to secure the payment of workers' compensation pursuant to the workers' compensation law by purchasing an insurance policy from the state insurance fund or a licensed insurer, it shall file with the department no later than thirty days after the commencement of a new policy year a copy of the policy it has purchased. In such case, the department shall be treated by the insurer as a certificate holder for purposes of receiving notice of cancellation of the policy.

4. No provision of this article shall be construed to alter or affect the liability under the workers' compensation law of any transportation network company with respect to transportation network company drivers prior to the fund liability date.

§ 160-hhhh. Assessment of fund members. 1. To pay:

(a) the costs of the insurance purchased pursuant to section one hundred sixty-gggg of this article; or

(b) the benefits due under the workers' compensation law in the event the fund self-insures pursuant to section one hundred sixty-gggg of this article; and to pay

(c) its expenses in carrying out its powers and duties under this article; and

(d) its liabilities, if any, pursuant to section fourteen-A of the workers' compensation law; the fund shall ascertain by reasonable estimate the total funding necessary to carry on its operations.

2. Based upon its estimation of operating costs, the fund shall establish a proposed uniform percentage surcharge to be added to:
(a) the invoices or billings for covered services sent to transportation network company passengers by a member or its agent; and

(b) The credit payments for covered services received by a member or its agent. The proposed surcharge shall become effective thirty days after being filed with the department.

Notwithstanding the foregoing, beginning on the first day of the first calendar month that shall commence at least seventy-five days after the effective date of this article, and until the fund shall have filed with the department a different surcharge amount, a two percent surcharge shall be added to every invoice or billing for covered services sent by a member or its agent to, and every credit payment for covered services received by a member or its agent from, transportation network company passengers. Each member of the fund shall be liable for payment to the fund of an amount equal to the product of:

(a) the percentages surcharge due pursuant to this article, divided by one hundred; and

(b) all payments received by the member or its agent for covered services prearranged through the member's digital network, as provided in this subdivision, regardless of whether the surcharge was billed or charged.

3. The department of motor vehicles or the department shall not issue, continue or renew any license or registration certificate for the operation of any transportation network company unless such transportation network company, as a condition of maintaining its license and/or registration certificate, adds the surcharge required by this section to every invoice and billing for covered services sent to, and every credit payment for covered services received from, its transportation network
company passengers and pays to the fund no later than the fifteenth day of each month the total surcharges due pursuant to this article.

4. Each transportation network company shall submit to the fund with its monthly payment a detailed accounting of the charge and surcharge amounts charged to and received from transportation network company passengers for covered services during the previous month. The first such payment and accounting shall be due on the fifteenth day of the month following the imposition of the surcharge pursuant to subdivision two of this section.

5. Should the fund determine that the surcharge amounts that have been paid to it are inadequate to meet its obligations under this article, it shall determine the surcharge rate required to eliminate such deficiency and shall file such revised surcharge rate with the department in accordance with subdivision two of this section. Commencing thirty days after such filing, the members of the fund shall charge the revised surcharge rate and shall pay to the fund the total amount of surcharges in accordance with this article.

6. For the purposes of conducting payroll audits, an insurer providing coverage to the fund pursuant to this article may treat the members of the fund as policyholders. Members of the fund shall be required to do all things required of employers pursuant to section one hundred thirty-one of the workers' compensation law, and shall be required to provide the board access to any and all records and information as otherwise required by the workers' compensation law and the regulations promulgated thereunder, and shall be liable as provided in the workers' compensation law for any failure so to do.

§ 160-iii. Certified financial statements. No later than May first of each year, the fund shall submit to the governor and legislature certi-
fied financial statements prepared in accordance with generally accepted
accounting principles by a certified public accountant. The members of
the fund shall be required on and after January first of each year to
afford the certified public accountant convenient access at all reason-
able hours to all books, records, and other documents, including but not
limited to invoices and vouchers, necessary or useful in the preparation
of such statements and in the verification of the monthly statements
submitted to the fund.

§ 160-jjjj. Exemption from taxes. The fund shall be exempt from
payment of all fees and taxes levied by this state or any of its subdi-
visions, except taxes levied on real property.

§ 160-kkkk. Liability insurance. The fund shall purchase such insur-
ance as is necessary to protect the fund and any director, officer,
agent, or other representative from liability for their administration
of the fund, and shall, to the extent permitted by law, indemnify such
directors, officers, agents, or other representatives and hold them
harmless from liability for their administration of the fund.

§ 160-llll. Regulations. The department shall adopt regulations imple-
menting the provisions of this article, including the conduct and notice
of hearings held pursuant to section one hundred sixty-mmmm of this
article.

§ 160-mmmm. Violations. 1. If the secretary believes a violation of
this article by a fund member may have occurred, upon notice to the fund
member, a hearing shall be held by the secretary to determine whether
such violation occurred.

2. Except as otherwise provided in this section, a fund member that is
found, after a hearing held pursuant to subdivision one of this section,
to have violated a provision of this article, or a rule promulgated by
the department pursuant to this article, shall be liable for a fine in
an amount not to exceed ten thousand dollars per violation.

3. Within twenty days after issuance of a determination adverse to a
transportation network company following a hearing held pursuant to
subdivision one of this section, an appeal may be taken therefrom to the
appellate division of the supreme court, third department, by the
aggrieved transportation network company.

§ 12. Subdivision 1 of section 171-a of the tax law, as amended by
chapter 90 of the laws of 2014, is amended to read as follows:

1. All taxes, interest, penalties and fees collected or received by
the commissioner or the commissioner’s duly authorized agent under arti-
cles nine (except section one hundred eighty-two-a thereof and except as
otherwise provided in section two hundred five thereof), nine-A,
twelve-A (except as otherwise provided in section two hundred eighty-
four-d thereof), thirteen, thirteen-A (except as otherwise provided in
section three hundred twelve thereof), eighteen, nineteen, twenty
(except as otherwise provided in section four hundred eighty-two there-
of), twenty-B, twenty-one, twenty-two, twenty-six, [twenty-six-B,] twen-
ty-eight (except as otherwise provided in section eleven hundred two or
eleven hundred three thereof), twenty-eight-A, twenty-nine-B (except as
otherwise provided in section twelve hundred ninety-eight thereof),
thirty-one (except as otherwise provided in section fourteen hundred
twenty-one thereof), thirty-three and thirty-three-A of this chapter
shall be deposited daily in one account with such responsible banks,
banking houses or trust companies as may be designated by the comp-
troller, to the credit of the comptroller. Such an account may be estab-
lished in one or more of such depositories. Such deposits shall be kept
separate and apart from all other money in the possession of the comp-
troller. The comptroller shall require adequate security from all such
depositories. Of the total revenue collected or received under such
articles of this chapter, the comptroller shall retain in the comp-
troller's hands such amount as the commissioner may determine to be
necessary for refunds or reimbursements under such articles of this
chapter out of which amount the comptroller shall pay any refunds or
reimbursements to which taxpayers shall be entitled under the provisions
of such articles of this chapter. The commissioner and the comptroller
shall maintain a system of accounts showing the amount of revenue
collected or received from each of the taxes imposed by such articles.
The comptroller, after reserving the amount to pay such refunds or
reimbursements, shall, on or before the tenth day of each month, pay
into the state treasury to the credit of the general fund all revenue
deposited under this section during the preceding calendar month and
remaining to the comptroller's credit on the last day of such preceding
month, (i) except that the comptroller shall pay to the state department
of social services that amount of overpayments of tax imposed by article
twenty-two of this chapter and the interest on such amount which is
certified to the comptroller by the commissioner as the amount to be
credited against past-due support pursuant to subdivision six of section
one hundred seventy-one-c of this article, (ii) and except that the
comptroller shall pay to the New York state higher education services
corporation and the state university of New York or the city university
of New York respectively that amount of overpayments of tax imposed by
article twenty-two of this chapter and the interest on such amount which
is certified to the comptroller by the commissioner as the amount to be
credited against the amount of defaults in repayment of guaranteed
student loans and state university loans or city university loans pursu-
ant to subdivision five of section one hundred seventy-one-d and subdivision six of section one hundred seventy-one-e of this article, (iii)
and except further that, notwithstanding any law, the comptroller shall credit to the revenue arrearage account, pursuant to section ninety-one-a of the state finance law, that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter, and any interest thereon, which is certified to the comptroller by the commissioner as the amount to be credited against a past-due legally enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision six of section one hundred seventy-one-f of this article, provided, however, he shall credit to the special offset fiduciary account, pursuant to section ninety-one-c of the state finance law, any such amount creditable as a liability as set forth in paragraph (b) of subdivision six of section one hundred seventy-one-f of this article, (iv) and except further that the comptroller shall pay to the city of New York that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any interest thereon that is certified to the comptroller by the commissioner as the amount to be credited against city of New York tax warrant judgment debt pursuant to section one hundred seventy-one-l of this article, (v) and except further that the comptroller shall pay to a non-obligated spouse that amount of overpayment of tax imposed by article twenty-two of this chapter and the interest on such amount which has been credited pursuant to section one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or one hundred seventy-one-l of this article and which is certified to the comptroller by the commissioner as the amount due such non-obligated spouse pursuant to
paragraph six of subsection (b) of section six hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like amount which the comptroller shall pay into the treasury to the credit of the general fund from amounts subsequently payable to the department of social services, the state university of New York, the city university of New York, or the higher education services corporation, or the revenue arrearage account or special offset fiduciary account pursuant to section ninety-one-a or ninety-one-c of the state finance law, as the case may be, whichever had been credited the amount originally withheld from such overpayment, and (vii) with respect to amounts originally withheld from such overpayment pursuant to section one hundred seventy-one-l of this article and paid to the city of New York, the comptroller shall collect a like amount from the city of New York.

§ 13. Subdivision 1 of section 171-a of the tax law, as amended by section 54 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

1. All taxes, interest, penalties and fees collected or received by the commissioner or the commissioner's duly authorized agent under articles nine (except section one hundred eighty-two-a thereof and except as otherwise provided in section two hundred five thereof), nine-A, twelve-A (except as otherwise provided in section two hundred eighty-four-d thereof), thirteen, thirteen-A (except as otherwise provided in section three hundred twelve thereof), eighteen, nineteen, twenty (except as otherwise provided in section four hundred eighty-two thereof), twenty-one, twenty-two, twenty-six, [twenty-six-B,] twenty-eight (except as otherwise provided in section eleven hundred two or eleven hundred three thereof), twenty-eight-A, twenty-nine-B (except as otherwise provided in section twelve hundred ninety-eight thereof), thirty-

one (except as otherwise provided in section fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of this chapter shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, to the credit of the comptroller. Such an account may be established in one or more of such depositories. Such deposits shall be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under such articles of this chapter, the comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds or reimbursements under such articles of this chapter out of which amount the comptroller shall pay any refunds or reimbursements to which taxpayers shall be entitled under the provisions of such articles of this chapter. The commissioner and the comptroller shall maintain a system of accounts showing the amount of revenue collected or received from each of the taxes imposed by such articles. The comptroller, after reserving the amount to pay such refunds or reimbursements, shall, on or before the tenth day of each month, pay into the state treasury to the credit of the general fund all revenue deposited under this section during the preceding calendar month and remaining to the comptroller's credit on the last day of such preceding month, (i) except that the comptroller shall pay to the state department of social services that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against past-due support pursuant to subdivision six of section one hundred seventy-one-c of this article, (ii) and except that the comptroller shall pay to the New York
state higher education services corporation and the state university of New York or the city university of New York respectively that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against the amount of defaults in repayment of guaranteed student loans and state university loans or city university loans pursuant to subdivision five of section one hundred seventy-one-d and subdivision six of section one hundred seventy-one-e of this article, (iii) and except further that, notwithstanding any law, the comptroller shall credit to the revenue arrearage account, pursuant to section ninety-one-a of the state finance law, that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter, and any interest thereon, which is certified to the comptroller by the commissioner as the amount to be credited against a past-due legally enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision six of section one hundred seventy-one-f of this article, provided, however, he shall credit to the special offset fiduciary account, pursuant to section ninety-one-c of the state finance law, any such amount creditable as a liability as set forth in paragraph (b) of subdivision six of section one hundred seventy-one-f of this article, (iv) and except further that the comptroller shall pay to the city of New York that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any interest thereon that is certified to the comptroller by the commissioner as the amount to be credited against city of New York tax warrant judgment debt pursuant to section one hundred seventy-one-l of this article, (v) and except further that the comptroller shall pay to a
non-obligated spouse that amount of overpayment of tax imposed by article twenty-two of this chapter and the interest on such amount which has been credited pursuant to section one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or one hundred seventy-one-l of this article and which is certified to the comptroller by the commissioner as the amount due such non-obligated spouse pursuant to paragraph six of subsection (b) of section six hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like amount which the comptroller shall pay into the treasury to the credit of the general fund from amounts subsequently payable to the department of social services, the state university of New York, the city university of New York, or the higher education services corporation, or the revenue arrearage account or special offset fiduciary account pursuant to section ninety-one-a or ninety-one-c of the state finance law, as the case may be, whichever had been credited the amount originally withheld from such overpayment, and (vii) with respect to amounts originally withheld from such overpayment pursuant to section one hundred seventy-one-l of this article and paid to the city of New York, the comptroller shall collect a like amount from the city of New York.

§ 14. Paragraph 34 of subdivision (b) of section 1101 of the tax law, as amended by section 1 of part WW of chapter 57 of the laws of 2010, is amended to read as follows:

(34) Transportation service. The service of transporting, carrying or conveying a person or persons by livery service; whether to a single destination or to multiple destinations; and whether the compensation paid by or on behalf of the passenger is based on mileage, trip, time consumed or any other basis. A service that begins and ends in this
state is deemed intra-state even if it passes outside this state during a portion of the trip. However, transportation service does not include transportation of persons in connection with funerals. Transportation service includes transporting, carrying, or conveying property of the person being transported, whether owned by or in the care of such person. Notwithstanding the foregoing, transportation service shall not include a TNC prearranged trip, as that term is defined in article forty-four-B of the vehicle and traffic law, that is subject to tax under article twenty-nine-B of this chapter. In addition to what is included in the definition of "receipt" in paragraph three of this subdivision, receipts from the sale of transportation service subject to tax include any handling, carrying, baggage, booking service, administrative, mark-up, additional, or other charge, of any nature, made in conjunction with the transportation service. Livery service means service provided by limousine, black car or other motor vehicle, with a driver, but excluding (i) a taxicab, (ii) a bus, and (iii), in a city of one million or more in this state, an affiliated livery vehicle, and excluding any scheduled public service. Limousine means a vehicle with a seating capacity of up to fourteen persons, excluding the driver. Black car means a for-hire vehicle dispatched from a central facility. "Affiliated livery vehicle" means a for-hire motor vehicle with a seating capacity of up to six persons, including the driver, other than a black car or luxury limousine, that is authorized and licensed by the taxi and limousine commission of a city of one million or more to be dispatched by a base station located in such a city and regulated by such taxi and limousine commission; and the charges for service provided by an affiliated livery vehicle are on the basis of flat rate, time, mileage, or zones and not on a garage to garage basis.
$ 15. The tax law is amended by adding a new article 29-B to read as follows:

ARTICLE 29-B

STATE ASSESSMENT FEE ON TRANSPORTATION NETWORK COMPANY

PREARRANGED TRIPS

Section 1291. Definitions.

1292. Imposition.

1293. Presumption.

1294. Returns and payment of state assessment fee.

1295. Records to be kept.

1296. Secrecy of returns and reports.

1297. Practice and procedure.

1298. Deposit and disposition of revenue.

$ 1291. Definitions. (a) "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals and any other form of unincorporated enterprise owned or conducted by two or more persons.

(b) "City" means a city of a million or more located in the metropol-itan commuter transportation district established by section twelve hundred sixty-two of the public authorities law.

(c) "Transportation network company" or "TNC" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.

(d) "TNC prearranged trip" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.
(e) "TNC driver" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.

(f) "TNC vehicle" shall have the same meaning as the term is defined in article forty-four-B of the vehicle and traffic law.

(g) "Gross trip fare" means the sum of the base fare charge, distance charge and time charge for a complete TNC prearranged trip at the rate published by the TNC by or through which such trip is arranged.

§ 1292. Imposition. There is hereby imposed on every TNC a state assessment fee of 5.5% of the gross trip fare of every TNC prearranged trip provided by such TNC that originates anywhere in the state outside the city and terminates anywhere in this state.

§ 1293. Presumption. For the purpose of the proper administration of this article and to prevent evasion of the state assessment fee imposed by this article, it shall be presumed that every TNC prearranged trip that originates anywhere in the state outside the city is subject to the state assessment fee. This presumption shall prevail until the contrary is proven by the person liable for the fee.

§ 1294. Returns and payment of state assessment fee. (a) Every person liable for the state assessment fee imposed by this article shall file a return on a calendar-quarterly basis with the commissioner. Each return shall show the number of TNC prearranged trips in the quarter for which the return is filed, together with such other information as the commissioner may require. The returns required by this section shall be filed within thirty days after the end of the quarterly period covered thereby. If the commissioner deems it necessary in order to ensure the payment of the state assessment fee imposed by this article, the commissioner may require returns to be made for shorter periods than prescribed by the foregoing provisions of this section, and upon such
The commissioner may require amended returns to be filed within thirty days after notice and to contain the information specified in the notice. The commissioner may require that the returns be filed electronically.

(b) Every person required to file a return under this article shall, at the time of filing such return, pay to the commissioner the total of all state assessment fees on the correct number of trips subject to such fee under this article. The amount so payable to the commissioner for the period for which a return is required to be filed shall be due and payable to the commissioner on the date specified for the filing of the return for such period, without regard to whether a return is filed or whether the return that is filed correctly shows the correct number of trips or the amount of fees due thereon. The commissioner may require that the fee be paid electronically.

§ 1295. Records to be kept. Every person liable for the state assessment fee imposed by this article shall keep:

(a) records of every TNC prearranged trip subject to the state assessment fee under this article, and of all amounts paid, charged or due thereon, in such form as the commissioner may require;
(b) true and complete copies of any records required to be kept by a state agency that is authorized to permit or regulate a TNC; and
(c) such other records and information as the commissioner may require to perform his or her duties under this article.

§ 1296. Secrecy of returns and reports. (a) Except in accordance with proper judicial order or as otherwise provided by law, it shall be
unlawful for the commissioner, any officer or employee of the department, any person engaged or retained by the department on an independent contract basis, or any person who in any manner may acquire knowledge of the contents of a return or report filed with the commissioner pursuant to this article, to divulge or make known in any manner any particulars set forth or disclosed in any such return or report. The officers charged with the custody of such returns and reports shall not be required to produce any of them or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the commissioner in an action or proceeding under the provisions of this chapter or in any other action or proceeding involving the collection of a state assessment fee due under this article to which the state or the commissioner is a party or a claimant, or on behalf of any party to any action, proceeding or hearing under the provisions of this article when the returns, reports or facts shown thereby are directly involved in such action, proceeding or hearing, in any of which events the court, or in the case of a hearing, the division of tax appeals may require the production of, and may admit into evidence, so much of said returns, reports or of the facts shown thereby, as are pertinent to the action, proceeding or hearing and no more. The commissioner or the division of tax appeals may, nevertheless, publish a copy or a summary of any decision rendered after a hearing required by this article. Nothing in this section shall be construed to prohibit the delivery to a person who has filed a return or report or to such person's duly authorized representative of a certified copy of any return or report filed in connection with such person's state assessment fee. Nor shall anything in this section be construed to prohibit the publication of statistics so classified as to prevent the identification of particular returns or reports.
and the items thereof, or the inspection by the attorney general or other legal representatives of the state of the return or report of any person required to pay the state assessment fee who shall bring action to review the state assessment fee based thereon, or against whom an action or proceeding under this chapter has been recommended by the commissioner or the attorney general or has been instituted, or the inspection of the returns or reports required under this article by the comptroller or duly designated officer or employee of the state department of audit and control, for purposes of the audit of a refund of any state assessment fee paid by a person required to pay the state assessment fee under this article. Provided, further, nothing in this section shall be construed to prohibit the disclosure, in such manner as the commissioner deems appropriate, of the names and other appropriate identifying information of those persons required to pay state assessment fee under this article.

(b) Notwithstanding the provisions of subdivision (a) of this section, the commissioner, in his or her discretion, may require or permit any or all persons liable for any state assessment fee imposed by this article, to make payment to banks, banking houses or trust companies designated by the commissioner and to file returns with such banks, banking houses or trust companies as agents of the commissioner, in lieu of paying any such state assessment fee directly to the commissioner. However, the commissioner shall designate only such banks, banking houses or trust companies as are already designated by the comptroller as depositories pursuant to section twelve hundred eighty-eight of this chapter.

(c) Notwithstanding the provisions of subdivision (a) of this section, the commissioner may permit the secretary of the treasury of the United States or such secretary's delegate, or the authorized representative of
either such officer, to inspect any return filed under this article, or
may furnish to such officer or such officer's authorized representative
an abstract of any such return or supply such person with information
concerning an item contained in any such return, or disclosed by any
investigation of liability under this article, but such permission shall
be granted or such information furnished only if the laws of the United
States grant substantially similar privileges to the commissioner or
officer of this state charged with the administration of the state
assessment fee imposed by this article, and only if such information is
to be used for purposes of tax administration only; and provided further
the commissioner may furnish to the commissioner of internal revenue or
such commissioner's authorized representative such returns filed under
this article and other tax information, as such commissioner may consid-
er proper, for use in court actions or proceedings under the internal
revenue code, whether civil or criminal, where a written request there-
for has been made to the commissioner by the secretary of the treasury
of the United States or such secretary's delegate, provided the laws of
the United States grant substantially similar powers to the secretary of
the treasury of the United States or his or her delegate. Where the
commissioner has so authorized use of returns and other information in
such actions or proceedings, officers and employees of the department
may testify in such actions or proceedings in respect to such returns or
other information.
(d) Returns and reports filed under this article shall be preserved
for three years and thereafter until the commissioner orders them to be
destroyed.
(e) (1) Any officer or employee of the state who willfully violates
the provisions of subdivision (a) of this section shall be dismissed
from office and be incapable of holding any public office for a period of five years thereafter.

(2) Cross-reference: For criminal penalties, see article thirty-seven of this chapter.

§ 1297. Practice and procedure. The provisions of article twenty-seven of this chapter shall apply with respect to the administration of and procedure with respect to the state assessment fee imposed by this article in the same manner and with the same force and effect as if the language of such article twenty-seven had been incorporated in full into this article and had expressly referred to the state assessment fee under this article, except to the extent that any such provision is either inconsistent with a provision of this article or is not relevant to this article.

§ 1298. Deposit and disposition of revenue. All taxes, fees, interest and penalties collected or received by the commissioner under this article shall be deposited and disposed of pursuant to the provisions of section one hundred seventy-one-a of this chapter. From such taxes, interest and penalties collected or received by the commissioner under this article, 27.27% shall be deposited to the credit of the local transit assistance fund established in section eighty-nine-i of the state finance law for the support of local transit systems, operations or projects other than the metropolitan transportation authority or any subsidiary or affiliate of the metropolitan transportation authority.

§ 16. The tax law is amended by adding a new section 1822 to read as follows:

§ 1822. Violation of the state assessment fee on transportation network company prearranged trips. Any willful act or omission by any
person that constitutes a violation of any provision of article twenty-nine-B of this chapter shall constitute a misdemeanor.

§ 17. Section 1825 of the tax law, as amended by section 89 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

§ 1825. Violation of secrecy provisions of the tax law.--Any person who violates the provisions of subdivision (b) of section twenty-one, subdivision one of section two hundred two, subdivision eight of section two hundred eleven, subdivision (a) of section three hundred fourteen, subdivision one or two of section four hundred thirty-seven, section four hundred eighty-seven, subdivision one or two of section five hundred fourteen, subsection (e) of section six hundred ninety-seven, subsection (a) of section nine hundred ninety-four, subdivision (a) of section eleven hundred forty-six, section twelve hundred eighty-seven, section twelve hundred ninety-six, subdivision (a) of section fourteen hundred eighteen, subdivision (a) of section fifteen hundred fifty-five of this chapter, and subdivision (e) of section 11-1797 of the administrative code of the city of New York shall be guilty of a misdemeanor.

§ 18. 1. For purposes of this section, transportation network company shall mean a transportation network company as defined by article forty-four-B of the vehicle and traffic law.

2. There is hereby established the New York State Transportation Network Company Accessibility Task Force to analyze and advise on how to maximize effective and integrated transportation services for persons with disabilities in the transportation network company market. The New York State Transportation Network Company Accessibility Task Force shall consist of eleven members. Two members of the New York State Transportation Network Company Accessibility Task Force shall be appointed by the
speaker of the assembly. Two members of the New York State Transportation Network Company Accessibility Task Force shall be appointed by the temporary president of the senate. Seven members of the New York State Transportation Network Company Accessibility Task Force shall be appointed by the governor and shall include, but not be limited to, two representatives of groups who serve persons with disabilities and two representatives from a transportation network company. The governor shall designate two chairpersons to the New York State Transportation Network Company Accessibility Task Force.

3. The New York State Transportation Network Company Accessibility Task Force shall study the demand responsive transportation marketplace and shall, in addition to any responsibilities assigned by the governor:

(a) conduct a needs assessment concerning the demand for demand responsive accessible transportation; (b) conduct a resource assessment concerning the availability of accessible demand responsive transportation services for persons with disabilities; (c) identify opportunities for, and barriers to, increasing accessible demand responsive transportation service for persons with mobility disabilities; (d) propose strategies for increasing accessible demand responsive transportation service for persons with disabilities; and (e) any other issues determined important to the task force in establishing a recommendation pursuant to subdivision five of this section.

4. The New York State Transportation Network Company Accessibility Task Force shall hold public hearings and provide an opportunity for public comment on the activities described in subdivision two of this section.

5. The New York State Transportation Network Company Accessibility Task Force shall complete a report addressing the activities described
in subdivision two of this section and make a recommendation, supported by such activities, recommending the amount of accessibility necessary for adequate transportation for disabled passengers in order to utilize such services and present such findings at a public meeting where its members shall accept such report, pursuant to majority vote of the task force, and present such report to the governor, the speaker of the assembly and the temporary president of the senate, and make such report publicly available for review.

6. Upon making the report described in subdivision five of this section, the New York State Transportation Network Company Accessibility Task Force shall be deemed dissolved.

§ 19. The state finance law is amended by adding a new section 89-i to read as follows:

§ 89-i. Local transit assistance fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of taxation and finance a fund to be known as the "local transit assistance fund". Moneys in the local transit assistance fund shall be kept separately from and shall not be commingled with any other moneys in the joint or sole custody of the state comptroller or the commissioner of taxation and finance.

2. The comptroller shall establish the following separate and distinct account within the local transit assistance fund: Non-MTA transit assistance account.

3. The local transit assistance fund shall consist of all monies collected therefore or credited or transferred thereto from any other fund, account, or source, including a portion of the revenues derived from article twenty-nine-B of the tax law pursuant to section twelve hundred ninety-eight of the tax law. Any interest received by the comp-
troller on monies on deposit in the local transit assistance fund shall
be retained in and become a part of such fund.

4. Monies in the local transit assistance fund shall, following appro-
priation by the legislature, be utilized for the support of local trans-
it systems, operations or projects, and shall not be appropriated to the
metropolitan transportation authority, its affiliates or its subsid-
aries. In the first year that monies are appropriated from this fund,
and in any subsequent years as may be required by the director of the
budget, such monies shall be disbursed according to a plan developed
during the prior fiscal year by the commissioner of transportation and
approved by the director of the budget. The first such plan shall be
submitted by the commissioner by March thirty-first, two thousand eigh-
teen.

5. All payments of money from the local transit assistance fund shall
be made on the audit and warrant of the comptroller.

§ 20. Severability clause. If any provision of this act or the appli-
cation thereof is held invalid, such invalidity shall not affect other
provisions or applications of this act which can be given effect without
the invalid provision or application, and to this end the provisions of
this act are declared to be severable.

§ 21. Each agency that is designated to perform any function or duty
pursuant to this act shall be authorized to establish rules and regu-
lations for the administration and execution of such authority in a
manner consistent with the provisions of this act and for the protection
of the public, health, safety and welfare of persons within this state.

§ 22. This act shall take effect on the ninetieth day after it shall
have become a law; provided that the amendments to subdivision 1 of
section 171-a of the tax law made by section twelve of this act shall
not affect the expiration of such subdivision and shall expire there-
with, when upon such date the provisions of section thirteen of this act
shall take effect.

PART H

Section 1. Section 491 of the vehicle and traffic law is amended by
adding a new subdivision 3 to read as follows:

3. Waiver of fee. The commissioner may waive the payment of fees
required by subdivision two of this section if the applicant is a victim
of a crime and the identification card applied for is a replacement for
one that was lost or destroyed as a result of the crime.

§ 2. This act shall take effect on the one hundred twentieth day after
it shall have become a law.

PART I

Section 1. Paragraph (i) of subdivision 2 of section 503 of the vehi-
cle and traffic law, as amended by chapter 55 of the laws of 1992, is
amended to read as follows:

(i) A non-resident whose driving privileges have been revoked pursuant
to sections five hundred ten, eleven hundred ninety-three and eleven
hundred ninety-four of this chapter shall, upon application for rein-
statement of such driving privileges, pay to the commissioner of motor
vehicles a fee of [twenty-five] one hundred dollars. When the basis for
the revocation is a finding of driving after having consumed alcohol
pursuant to the provisions of section eleven hundred ninety-two-a of
this chapter, the fee to be paid to the commissioner shall be one
hundred dollars. Such fee is not refundable and shall not be returned to
the applicant regardless of the action the commissioner may take on such
person's application for reinstatement of such driving privileges.

§ 2. This act shall take effect on the one hundred twentieth day after
it shall have become a law.

PART J

Section 1. Paragraphs 1 and 3 of subdivision (a) of section 2125 of
the vehicle and traffic law, as amended by section 1-b of part A of
chapter 63 of the laws of 2005, are amended to read as follows:

(1) for filing an application for a certificate of title, [fifty]
seventy-five dollars except where the application relates to a mobile
home or a manufactured home as defined in section one hundred twenty-
two-c of this chapter, in which case the fee shall be one hundred twen-
ty-five dollars;

(3) for a duplicate certificate of title, [twenty] forty dollars.

§ 2. Section 2125 of the vehicle and traffic law is amended by adding
a new subdivision (h) to read as follows:

(h) Notwithstanding any other provision of law, the increase of twen-
ty-five dollars for the fee assessed for filing an application for a
certificate of title and the increase of twenty dollars for the fee
assessed for filing an application for duplicate title, collected pursu-
ant to paragraphs one and three of subdivision (a) of this section,
shall be deposited to the credit of the dedicated highway and bridge
trust fund, established pursuant to section eighty-nine-b of the state
finance law.
§ 3. This act shall take effect immediately; provided that the amendments to paragraph 1 of subdivision (a) of section 2125 of the vehicle and traffic law made by section one of this act shall not affect the expiration and reversion of such paragraph and shall be deemed to expire therewith.

PART K

Section 1. Subdivision 2 of section 491 of the vehicle and traffic law is amended by adding a new paragraph (f) to read as follows:

(f) In addition to any other fee prescribed in this section, an additional fee of five dollars shall be charged for any non-driver identification card or renewal of such card that is issued pursuant to and bears a marking reflecting compliance with the Real ID Act of 2005, Public Law 109-13, and regulations promulgated thereunder at 6 CFR 37 et seq. The fee collected pursuant to this paragraph shall be paid to the commissioner and shall be deposited into the dedicated highway bridge and trust fund pursuant to section eighty-nine-b of the state finance law.

§ 2. Subdivision 2 of section 503 of the vehicle and traffic law is amended by adding a new paragraph (f-2) to read as follows:

(f-2) In addition to any other fee prescribed in this section, an additional fee of five dollars shall be charged for any license, renewal or amendment of such license that is issued pursuant to and bears a marking reflecting compliance with the Real ID Act of 2005, Public Law 109-13, and regulations promulgated thereunder at 6 CFR 37 et seq. The fee collected pursuant to this paragraph shall be paid to the commissioner and shall be deposited into the dedicated highway bridge and trust fund pursuant to section eighty-nine-b of the state finance law.
§ 3. This act shall take effect immediately.

PART L

Section 1. Section 114-a of the vehicle and traffic law, as added by chapter 163 of the laws of 1973, is amended to read as follows:

§ 114-a. Drug. The term "drug" when used in this chapter, means and includes any substance listed in section thirty-three hundred six of the public health law and any substance or combination of substances that impair, to any extent, the physical and mental abilities which a driver is expected to possess in order to operate a vehicle as a reasonable and prudent driver.

§ 2. Subparagraph (i) of paragraph (a) of subdivision 4 of section 502 of the vehicle and traffic law, as amended by chapter 97 of the laws of 2016, is amended to read as follows:

(i) Upon submission of an application for a driver's license, the applicant shall be required to take and pass a test, or submit evidence of passage of a test, with respect to the laws relating to traffic, the laws relating to driving while ability is impaired and while intoxicated, under the overpowering influence of "Road Rage", or "Work Zone Safety" awareness as defined by the commissioner, the law relating to exercising due care to avoid colliding with a parked, stopped or standing authorized emergency vehicle or hazard vehicle pursuant to section eleven hundred forty-four-a of this chapter, the ability to read and comprehend traffic signs and symbols, bicycle and pedestrian safety and such other matters as the commissioner may prescribe, and to satisfactorily complete a course prescribed by the commissioner of not less than four hours and not more than five hours, consisting of classroom driver
training and highway safety instruction or the equivalent thereof. Such
test shall include at least seven written questions concerning the
effects of consumption of alcohol or drugs on the ability of a person to
operate a motor vehicle and the legal and financial consequences result-
ing from violations of section eleven hundred ninety-two of this chap-
ter, prohibiting the operation of a motor vehicle while under the influ-
ence of alcohol or drugs. Such test shall include one or more written
questions concerning the devastating effects of "Road Rage" on the abil-
ity of a person to operate a motor vehicle and the legal and financial
consequences resulting from assaulting, threatening or interfering with
the lawful conduct of another person legally using the roadway. Such
test shall include one or more questions concerning the potential
dangers to persons and equipment resulting from the unsafe operation of
a motor vehicle in a work zone. Such test may include one or more ques-
tions concerning the law for exercising due care to avoid colliding with
a parked, stopped or standing vehicle pursuant to section eleven hundred
forty-four-a of this chapter. Such test may include one or more ques-
tions concerning bicycle and pedestrian safety. Such test shall be
administered by the commissioner. The commissioner shall cause the
applicant to take a vision test and a test for color blindness. Upon
passage of the vision test, the application may be accepted and the
application fee shall be payable.
§ 3. Subparagraph (v) of paragraph (b) of subdivision 2 of section 510
of the vehicle and traffic law, as amended by chapter 3 of the laws of
1995, is amended to read as follows:
(v) For a period of six months where the holder is convicted of, or
receives a youthful offender or other juvenile adjudication in
connection with, any misdemeanor or felony defined in article two
hundred twenty or two hundred twenty-one of the penal law, any violation of the federal controlled substances act, [any crime in violation of subdivision four of section eleven hundred ninety-two of this chapter] or any out-of-state or federal misdemeanor or felony drug-related offense; provided, however, that any time actually served in custody pursuant to a sentence or disposition imposed as a result of such conviction or youthful offender or other juvenile adjudication shall be credited against the period of such suspension and, provided further, that the court shall determine that such suspension need not be imposed where there are compelling circumstances warranting an exception.

§ 4. Paragraphs i and j of subdivision 6 of section 510 of the vehicle and traffic law, as added by chapter 533 of the laws of 1993, are amended to read as follows:

i. Where suspension of a driver's license is mandatory hereunder based upon a conviction of, or youthful offender or other juvenile adjudication in connection with, any misdemeanor or felony as defined in article two hundred twenty or two hundred twenty-one of the penal law, any violation of the federal controlled substances act, [any crime in violation of subdivision four of section eleven hundred ninety-two of this chapter] or any out-of-state or federal misdemeanor or felony drug-related offense, the commissioner may issue a restricted use license pursuant to section five hundred thirty of this chapter.

j. Where suspension of a driver's license is mandatory hereunder based upon a conviction of, or youthful offender or other juvenile adjudication in connection with, any misdemeanor or felony as defined in article two hundred twenty or two hundred twenty-one of the penal law, any violation of the federal controlled substances act, [any crime in violation of subdivision four of section eleven hundred ninety-two of
this chapter] or any out-of-state or federal misdemeanor or felony drug-
related offense and the individual does not have a driver's license or
the individual's driver's license was suspended at the time of
conviction or youthful offender or other juvenile adjudication, the
commissioner shall not issue a new license nor restore the former
license for a period of six months after such individual would otherwise
have become eligible to obtain a new license or to have the former
license restored; provided, however, that during such delay period the
commissioner may issue a restricted use license pursuant to section five
hundred thirty of this [chapter] title to such previously suspended
licensee.

§ 5. Paragraph (b) of subdivision 2 of section 1193 of the vehicle and
traffic law is amended by adding a new subparagraph 13 to read as
follows:

(13) Where revocation of a driver's license is mandatory hereunder
based upon a conviction of, or youthful offender of other juvenile adju-
dication in connection with any crime in violation of subdivision four
of section eleven hundred ninety-two of this article and the individual
does not have a driver's license or the individual's driver's license
was suspended or revoked at the time of conviction or youthful offender
or other juvenile adjudication, the commissioner shall not issue a new
license nor restore the former license for a period of six months after
such individual would otherwise have become eligible to obtain a new
license or to have the former license restored; provided, however, that
during such period the commissioner may issue a conditional license
pursuant to section eleven hundred ninety-six of this article to such
previously revoked licensee.
§ 6. Clauses a and b of subparagraph 1 of paragraph (d) of subdivision 2 of section 1194 of the vehicle and traffic law, as amended by chapter 732 of the laws of 2006, are amended to read as follows:

a. Any license which has been revoked pursuant to paragraph (c) of this subdivision shall not be restored for at least [one year] eighteen months after such revocation, nor thereafter, except in the discretion of the commissioner. However, no such license shall be restored for at least [eighteen] twenty-four months after such revocation, nor thereafter except in the discretion of the commissioner, in any case where the person has had a prior revocation resulting from refusal to submit to a chemical test, or has been convicted of or found to be in violation of any subdivision of section eleven hundred ninety-two or section eleven hundred ninety-two-a of this article not arising out of the same incident, within the five years immediately preceding the date of such revocation; provided, however, a prior finding that a person under the age of twenty-one has refused to submit to a chemical test pursuant to subdivision three of section eleven hundred ninety-four-a of this article shall have the same effect as a prior finding of a refusal pursuant to this subdivision solely for the purpose of determining the length of any license suspension or revocation required to be imposed under any provision of this article, provided that the subsequent offense or refusal is committed or occurred prior to the expiration of the retention period for such prior refusal as set forth in paragraph (k) of subdivision one of section two hundred one of this chapter.

b. Any license which has been revoked pursuant to paragraph (c) of this subdivision or pursuant to subdivision three of section eleven hundred ninety-four-a of this article, where the holder was under the age of twenty-one years at the time of such refusal, shall not be
restored for at least [one year] eighteen months, nor thereafter, except in the discretion of the commissioner. Where such person under the age of twenty-one years has a prior finding, conviction or youthful offender adjudication resulting from a violation of section eleven hundred ninety-two or section eleven hundred ninety-two-a of this article, not arising from the same incident, such license shall not be restored for at least [one year] twenty-four months or until such person reaches the age of twenty-one years, whichever is the greater period of time, nor thereafter, except in the discretion of the commissioner.

§ 7. Paragraphs (a) and (b) of subdivision 2 of section 1225-c of the vehicle and traffic law, as amended by section 4 of part C of chapter 58 of the laws of 2013, are amended to read as follows:

(a) Except as otherwise provided in this section, no person shall operate a motor vehicle upon a public highway while using a mobile telephone to engage in a call while such vehicle is in motion; provided, however, that no person shall operate a commercial motor vehicle while using a mobile telephone to engage in a call on a public highway [including while temporarily stationary because of traffic, a traffic control device, or other momentary delays]. Provided further, however, that a person shall not be deemed to be operating a commercial motor vehicle while using a mobile telephone to engage in a call on a public highway when such vehicle is stopped at the side of, or off, a public highway in a location where such vehicle is not otherwise prohibited from stopping by law, rule, regulation or any lawful order or direction of a police officer.

(b) An operator of any motor vehicle upon a public highway who holds a mobile telephone to, or in the immediate proximity of, his or her ear [while such vehicle is in motion] is presumed to be engaging in a call
within the meaning of this section[; provided, however, that an operator
of a commercial motor vehicle who holds a mobile telephone to, or in the
immediate proximity of, his or her ear while such vehicle is temporarily
stationary because of traffic, a traffic control device, or other moment-
tary delays is also presumed to be engaging in a call within the meaning
of this section except that a person operating a commercial motor vehi-
cle while using a mobile telephone to engage in a call when such vehicle
is stopped at the side of, or off, a public highway in a location where
such vehicle is not otherwise prohibited from stopping by law, rule,
regulation or any lawful order or direction of a police officer shall
not be presumed to be engaging in a call within the meaning of this
section]. The presumption established by this subdivision is rebuttable
by evidence tending to show that the operator was not engaged in a call.
§ 8. Subdivision 3 of section 1225-c of the vehicle and traffic law,
as added by chapter 69 of the laws of 2001, is amended and a new subdi-
vision 2-a is added to read as follows:

2-a. No person under eighteen years of age shall operate a motor vehi-
cle upon a public highway while engaging in a call with a hand held or
hands free mobile telephone. For the purposes of this subdivision,
engaging in a call shall include making or receiving a call with a hand
held or hands free mobile telephone.

3. [Subdivision] Subdivisions two and two-a of this section shall not
apply to (a) the use of a mobile telephone for the sole purpose of
communicating with any of the following regarding an emergency situ-
ation: an emergency response operator; a hospital, physician's office or
health clinic; an ambulance company or corps; a fire department,
district or company; or a police department, (b) any of the following
persons while in the performance of their official duties: a police
officer or peace officer; a member of a fire department, district or company; or the operator of an authorized emergency vehicle as defined in section one hundred one of this chapter, or (c) the use of a hands-free mobile telephone except as applied to persons under the age of eighteen years.

§ 9. Subdivisions 1 and 4 of section 1225-d of the vehicle and traffic law, subdivision 1 as amended by section 6 and subdivision 4 as amended by section 10 of part C of chapter 58 of the laws of 2013, are amended to read as follows:

1. Except as otherwise provided in this section, no person shall operate a motor vehicle while using any portable electronic device [while such vehicle is in motion; provided, however, that no person shall operate a commercial motor vehicle while using any portable electronic device on a public highway including while temporarily stationary because of traffic, a traffic control device, or other momentary delays]. Provided further, however, that a person shall not be deemed to be operating a [commercial] motor vehicle while using a portable electronic device on a public highway when such vehicle is stopped at the side of, or off, a public highway in a location where such vehicle is not otherwise prohibited from stopping by law, rule, regulation or any lawful order or direction of a police officer.

4. A person who [holds] uses a portable electronic device in a conspicuous manner while operating a motor vehicle or while operating a [commercial] motor vehicle on a public highway [including while temporarily stationary because of traffic, a traffic control device, or other momentary delays] but not including when such [commercial] motor vehicle is stopped at the side of, or off, a public highway in a location where such vehicle is not otherwise prohibited from stopping by law, rule,
1 regulation or any lawful order or direction of a police officer is
2 presumed to be using such device[, except that a person operating a
3 commercial motor vehicle while using a portable electronic device when
4 such vehicle is stopped at the side of, or off, a public highway in a
5 location where such vehicle is not otherwise prohibited from stopping by
6 law, rule, regulation or any lawful order or direction of a police offi-
7 cer shall not be presumed to be using such device]. The presumption
8 established by this subdivision is rebuttable by evidence tending to
9 show that the operator was not using the device within the meaning of
10 this section.

§ 10. Paragraphs (a) and (b) of subdivision 2 of section 1225-d of the
12 vehicle and traffic law, as amended by section 8 of part C of chapter 58
13 of the laws of 2013, are amended to read as follows:

(a) "Portable electronic device" shall mean any hand-held mobile tele-
16 phone, as defined by subdivision one of section twelve hundred twenty-
17 five-c of this article, personal digital assistant (PDA), handheld
device with mobile data access, laptop computer, pager, broadband
18 personal communication device, two-way messaging device, electronic
19 game, or portable computing device, or any other [electronic] personal
20 wireless communications device when used to input, write, send, receive,
or read text or images for present or future communication including
doing so for the purpose of SMS texting, emailing, instant messaging or
23 engaging in any other form of electronic data retrieval or electronic
24 data communication.

(b) "Using" shall mean holding or making contact with a portable elec-
26 tronic device [while] for the purpose of viewing, taking or transmitting
27 images, playing games, or, for the purpose of present or future communi-
28 cation: performing a command or request to access a world wide web page,
composing, sending, reading, viewing, accessing, browsing, transmitting, saving or retrieving e-mail, text messages, instant messages, or other electronic data.

§ 11. Subdivision 2 of section 1225-d of the vehicle and traffic law, is amended by adding a new paragraph (e) to read as follows:

(e) "Personal wireless communications device" shall: (i) mean a device through which personal wireless services (as defined in section 332(c)(7)(C)(i) of the Communications Act of 1934 (47 U.S.C. 332 (c)(7)(C)(i)), are transmitted; and

(ii) does not include a global navigation satellite system receiver used for positioning, emergency notification, or navigation purposes.

§ 12. Subdivision 3 of section 1229-c of the vehicle and traffic law, as added by chapter 365 of the laws of 1984, is amended to read as follows:

3. No person shall operate a motor vehicle unless such person is restrained by a safety belt approved by the commissioner. No person sixteen years of age or over shall be a passenger in [the front seat of] a motor vehicle unless such person is restrained by a safety belt approved by the commissioner.

§ 13. This act shall take effect on the first of October next succeeding the date on which it shall have become a law.

PART M

Section 1. Subdivision 3 of section 16-m of section 1 of chapter 174 of the laws of 1968 constituting the New York state urban development corporation act, as amended by section 1 of part F of chapter 58 of the laws of 2016, is amended to read as follows:
3. The provisions of this section shall expire, notwithstanding any inconsistent provision of subdivision 4 of section 469 of chapter 309 of the laws of 1996 or of any other law, on July 1, [2017] 2018.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after July 1, 2017.

PART N

Section 1. Section 2 of chapter 393 of the laws of 1994, amending the New York state urban development corporation act, relating to the powers of the New York state urban development corporation to make loans, as amended by section 1 of part G of chapter 58 of the laws of 2016, is amended to read as follows:

§ 2. This act shall take effect immediately provided, however, that section one of this act shall expire on July 1, [2017] 2018, at which time the provisions of subdivision 26 of section 5 of the New York state urban development corporation act shall be deemed repealed; provided, however, that neither the expiration nor the repeal of such subdivision as provided for herein shall be deemed to affect or impair in any manner any loan made pursuant to the authority of such subdivision prior to such expiration and repeal.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART O

Section 1. The opening paragraph of subdivision (h) of section 121 of chapter 261 of the laws of 1988, amending the state finance law and
other laws relating to the New York state infrastructure trust fund, as amended by section 2 of part Q of chapter 58 of the laws of 2015, is amended to read as follows:

The provisions of sections sixty-two through sixty-six of this act shall expire on December thirty-first, two thousand seventeen, except that:

§ 2. This act shall take effect immediately.

PART P

Section 1. Subdivision (a) of section 2 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

(a) "authorized [state] entity" shall mean the New York state thruway authority, [the department of transportation, the office of parks, recreation and historic preservation, the department of environmental conservation and] the New York state bridge authority, any authority as such term is defined in section 2 of the public authorities law, every state agency, as such term is defined in section 160 of the state finance law and including the state university of New York and the city university of New York, and any and all affiliates or subsidiaries of such entities, and counties as such term is defined in section 3 of the county law, excluding Bronx, Kings, New York, Queens, and Richmond counties.

§ 2. Section 2 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended by adding a new subdivision (b-1) to read as follows:
§ 3. Section 3 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 3. Notwithstanding the provisions of section 38 of the highway law, section 136-a of the state finance law, [section] sections 359, 1678, 1680, 1680-a and 2879-a of the public authorities law, [section] sections 407-a, 6281 and 7210 of the education law, sections 8 and 9 of the public buildings law, section 11 of chapter 795 of the laws of 1967, sections 8 and 9 of section 1 of chapter 359 of the laws of 1968 as amended, section 29 of chapter 337 of the laws of 1972, section 21 of chapter 464 of the laws of 1972, section 103 of the general municipal law, and the provisions of any other law to the contrary, and in conformity with the requirements of this act, an authorized [state] entity may utilize the alternative delivery method referred to as design-build contracts, in consultation with relevant local labor organizations and construction industry, for capital projects related to [the state's physical infrastructure, including, but not limited to, the state's highways, bridges, dams, flood control projects, canals, and parks, including, but not limited to, to repair damage caused by natural disaster, to correct health and safety defects, to comply with federal and state laws, standards, and regulations, to extend the useful life of or replace the state's highways, bridges, dams, flood control projects, canals, and parks or to improve or add to the state's highways, bridges, dams, flood control projects, canals, and parks] publicly owned capital assets; provided that [for the contracts executed by the department of transportation, the office of parks, recreation and historic preservation, or the department of environmental conservation,] the total cost
of each such project shall not be less than one million two hundred thousand dollars ($1,200,000).

§ 4. Section 4 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 4. An entity selected by an authorized [state] entity to enter into a design-build contract shall be selected through a two-step method, as follows:

(a) Step one. Generation of a list of entities that have demonstrated the general capability to perform the design-build contract. Such list shall consist of a specified number of entities, as determined by an authorized [state] entity, and shall be generated based upon the authorized [state] entity's review of responses to a publicly advertised request for qualifications. The authorized [state] entity's request for qualifications shall include a general description of the project, the maximum number of entities to be included on the list, and the selection criteria to be used in generating the list. Such selection criteria shall include the qualifications and experience of the design and construction team, organization, demonstrated responsibility, ability of the team or of a member or members of the team to comply with applicable requirements, including the provisions of articles 145, 147 and 148 of the education law, past record of compliance with the labor law, and such other qualifications the authorized [state] entity deems appropriate which may include but are not limited to project understanding, financial capability and record of past performance. The authorized [state] entity shall evaluate and rate all entities responding to the request for qualifications. Based upon such ratings, the authorized [state] entity shall list the entities that shall receive a request for proposals in accordance with subdivision (b) of this section. To the
extent consistent with applicable federal law, the authorized [state] entity shall consider, when awarding any contract pursuant to this section, the participation of: (i) firms certified pursuant to article 15-A of the executive law as minority or women-owned businesses and the ability of other businesses under consideration to work with minority and women-owned businesses so as to promote and assist participation by such businesses; [and] (ii) small business concerns identified pursuant to subdivision (b) of section 139-g of the state finance law.

(b) Step two. Selection of the proposal which is the best value to the [state] authorized entity. The authorized [state] entity shall issue a request for proposals to the entities listed pursuant to subdivision (a) of this section. If such an entity consists of a team of separate entities, the entities that comprise such a team must remain unchanged from the entity as listed pursuant to subdivision (a) of this section unless otherwise approved by the authorized [state] entity. The request for proposals shall set forth the project's scope of work, and other requirements, as determined by the authorized [state] entity. The request for proposals shall specify the criteria to be used to evaluate the responses and the relative weight of each such criteria. Such criteria shall include the proposal's cost, the quality of the proposal's solution, the qualifications and experience of the design-build entity, and other factors deemed pertinent by the authorized [state] entity, which may include, but shall not be limited to, the proposal's project implementation, ability to complete the work in a timely and satisfactory manner, maintenance costs of the completed project, maintenance of traffic approach, and community impact. Any contract awarded pursuant to this act shall be awarded to a responsive and responsible entity that submits the proposal, which, in consider-
ation of these and other specified criteria deemed pertinent to the
project, offers the best value to the [state] authorized entity, as
determined by the authorized [state] entity. Nothing herein shall be
construed to prohibit the authorized entity from negotiating final
contract terms and conditions including cost.
§ 5. Section 6 of part F of chapter 60 of the laws of 2015 constitut-
ing the infrastructure investment act, is amended to read as follows:
§ 6. Construction for each capital project undertaken by the author-
ized [state] entity pursuant to this act shall be deemed a "public work"
to be performed in accordance with the provisions of article 8 of the
labor law, as well as subject to sections 200, 240, 241 and 242 of the
labor law and enforcement of prevailing wage requirements by the New
York state department of labor.
§ 6. Section 7 of part F of chapter 60 of the laws of 2015 constitut-
ing the infrastructure investment act, is amended to read as follows:
§ 7. If otherwise applicable, capital projects undertaken by the
authorized [state] entity pursuant to this act shall be subject to
section 135 of the state finance law, section 101 of the general munici-
pal law, and section 222 of the labor law; provided, however, that an
authorized entity may fulfill its obligations under section 135 of the
state finance law or section 101 of the general municipal law by requir-
ing the contractor to prepare separate specifications in accordance with
section 135 of the state finance law or section 101 of the general
municipal law, as the case may be.
§ 7. Section 8 of part F of chapter 60 of the laws of 2015 constitut-
ing the infrastructure investment act, is amended to read as follows:
§ 8. Each contract entered into by the authorized [state] entity
pursuant to this section shall comply with the objectives and goals of
minority and women-owned business enterprises pursuant to article 15-A of the executive law or, for projects receiving federal aid, shall comply with applicable federal requirements for disadvantaged business enterprises.

§ 8. Section 9 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 9. Capital projects undertaken by the authorized [state] entity pursuant to this act shall be subject to the requirements of article 8 of the environmental conservation law, and, where applicable, the requirements of the national environmental policy act.

§ 9. Section 10 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 10. If otherwise applicable, capital projects undertaken by the authorized [state] entity pursuant to this act shall be governed by sections 139-d, 139-j, 139-k, paragraph f of subdivision 1 and paragraph g of subdivision 9 of section 163 of the state finance law.

§ 10. Section 12 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 12. Nothing contained in this act shall limit the right or obligation of the authorized [state] entity to comply with the provisions of any existing contract, including any existing contract with or for the benefit of the holders of the obligations of the authorized [state] entity, or to award contracts as otherwise provided by law.

§ 11. Section 13 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 13. Alternative construction awarding processes. (a) Notwithstanding the provisions of any other law to the contrary, the authorized [state] entity may award a construction contract:
1. To the contractor offering the best value; or

2. Utilizing a cost-plus not to exceed guaranteed maximum price form of contract in which the authorized [state] entity shall be entitled to monitor and audit all project costs. In establishing the schedule and process for determining a guaranteed maximum price, the contract between the authorized [state] entity and the contractor shall:

(i) describe the scope of the work and the cost of performing such work;

(ii) include a detailed line item cost breakdown;

(iii) include a list of all drawings, specifications and other information on which the guaranteed maximum price is based;

(iv) include the dates for substantial and final completion on which the guaranteed maximum price is based; and

(v) include a schedule of unit prices; or

3. Utilizing a lump sum contract in which the contractor agrees to accept a set dollar amount for a contract which comprises a single bid without providing a cost breakdown for all costs such as for equipment, labor, materials, as well as such contractor's profit for completing all items of work comprising the project.

(b) Capital projects undertaken by an authorized [state] entity may include an incentive clause in the contract for various performance objectives, but the incentive clause shall not include an incentive that exceeds the quantifiable value of the benefit received by the [state] authorized entity. The authorized [state] entity shall establish such performance and payment bonds as it deems necessary.

§ 12. Section 14 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:
§ 14. Prequalified contractors. (a) Notwithstanding any other provision of law, the authorized [state] entity may maintain a list of prequalified contractors who are eligible to submit a proposal pursuant to this act and entry into such list shall be continuously available. Prospective contractors may be prequalified as contractors to provide particular types of construction, in accordance with general criteria established by the authorized [state] entity which may include, but shall not be limited to, the experience, past performance, ability to undertake the type and complexity of work, financial capability, responsibility, compliance with equal employment opportunity requirements and anti-discrimination laws, and reliability. Such prequalification may be by categories designed by size and other factors.

(b) A contractor who is denied prequalification or whose prequalification is revoked or suspended by the authorized [state] entity may appeal such decision to the authorized [state] entity. If such a suspension extends for more than three months, it shall be deemed a revocation of the prequalification. The authorized [state] entity may proceed with the contract award during any appeal.

§ 13. Part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended by adding a new section 15-a to read as follows:

§ 15-a. Any contract awarded pursuant to this act shall be deemed to be awarded pursuant to a competitive procurement for purposes of section 2879-a of the public authorities law.

§ 14. Section 17 of part F of chapter 60 of the laws of 2015 constituting the infrastructure investment act, is amended to read as follows:

§ 17. This act shall take effect immediately [and shall expire and be deemed repealed 2 years after such date, provided that, projects with
requests for qualifications issued prior to such repeal shall be permitted to continue under this act notwithstanding such repeal].

§ 15. This act shall take effect immediately; provided, however that the amendments to the infrastructure investment act made by sections one through thirteen of this act shall not affect the repeal of such act and shall be deemed repealed therewith.

PART Q

Section 1. Section 2 of chapter 21 of the laws of 2003, amending the executive law relating to permitting the secretary of state to provide special handling for all documents filed or issued by the division of corporations and to permit additional levels of such expedited service, as amended by section 1 of part M of chapter 58 of the laws of 2016, is amended to read as follows:

§ 2. This act shall take effect immediately, provided however, that section one of this act shall be deemed to have been in full force and effect on and after April 1, 2003 and shall expire March 31, 2018.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after March 31, 2017.

PART R

Section 1. Paragraph (d) of section 304 of the business corporation law is amended to read as follows:

(d) Any designated post office address maintained by the secretary of state as agent of a domestic corporation or foreign corporation for the
purposes of mailing process shall be the post office address, within or without the state, to which a person shall mail process against such corporation as required by this article. Any designated post office address to which the secretary of state or a person shall mail a copy of any process served upon the secretary of state as agent of a domestic corporation or a foreign corporation, shall continue until the filing of a certificate under this chapter directing the mailing to a different post office address.

§ 2. Paragraph (a) of section 305 of the business corporation law, as amended by chapter 131 of the laws of 1985, is amended to read as follows:

(a) In addition to such designation of the secretary of state, every domestic corporation or authorized foreign corporation may designate a registered agent in this state upon whom process against such corporation may be served. The agent shall be a natural person who is a resident of or has a business address in this state, a domestic corporation or foreign corporation of any type or kind formed or authorized to do business in this state, under this chapter or under any other statute of this state, or domestic limited liability company or foreign limited liability company formed or authorized to do business in this state.

§ 3. Subparagraph 1 of paragraph (b) of section 306 of the business corporation law, as amended by chapter 419 of the laws of 1990, is amended to read as follows:

(1) Service of process on the secretary of state as agent of a domestic or authorized foreign corporation, or other business entity that has designated the secretary of state as agent for service of process pursuant to article nine of this chapter, shall be made by [personally deliv-
ering to and leaving with the secretary of state or a deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany, duplicate copies of such process together with the statutory fee, which fee shall be a taxable disbursement] mailing the process and notice of service thereof by certified mail, return receipt requested, to such corporation or other business entity, at the post office address on file in the department of state, specified for this purpose. If a domestic or authorized foreign corporation has no such address on file in the department of state, the process and notice of service thereof shall be mailed, in the case of a domestic corporation, in care of any director named in its certificate of incorporation at the director's address stated therein or, in the case of an authorized foreign corporation, to such corporation at the address of its office within this state on file in the department. On the same day that such process is mailed, a duplicate copy of such process and proof of mailing together with the statutory fee, which fee shall be a taxable disbursement shall be personally delivered to and left with the secretary of state or a deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany. Proof of mailing shall be by affidavit of compliance with this section. Service of process on such corporation or other business entity shall be complete when the secretary of state is so served. [The secretary of state shall promptly send one of such copies by certified mail, return receipt requested, to such corporation, at the post office address, on file in the department of state, specified for the purpose. If a domestic or authorized foreign corporation has no such address on file in the department of state, the secretary of state shall so mail such copy, in
the case of a domestic corporation, in care of any director named in its
certificate of incorporation at the director's address stated therein
or, in the case of an authorized foreign corporation, to such corpo-
ration at the address of its office within this state on file in the
department.]

§ 4. Subparagraphs 2 and 3 of paragraph (a) of section 306-A of the
business corporation law, as added by chapter 469 of the laws of 1997,
are amended to read as follows:

(2) That the address of the party has been designated by the corpo-
ration as the post office address to which [the secretary of state] a
person shall mail a copy of any process served on the secretary of state
as agent for such corporation, specifying such address, and that such
party wishes to resign.

(3) That sixty days prior to the filing of the certificate of resigna-
ton or receipt of process with the department of state the party has
sent a copy of the certificate of resignation for receipt of process by
registered or certified mail to the address of the registered agent of
the designating corporation, if other than the party filing the certif-
icate of resignation[,] for receipt of process, or if the [resigning]
designating corporation has no registered agent, then to the last
address of the designating corporation known to the party, specifying
the address to which the copy was sent. If there is no registered agent
and no known address of the designating corporation, the party shall
attach an affidavit to the certificate stating that a diligent but
unsuccessful search was made by the party to locate the corporation,
specifying what efforts were made.

§ 5. Subparagraph 7 of paragraph (a) of section 402 of the business
corporation law is amended to read as follows:
(7) A designation of the secretary of state as agent of the corporation upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 6. Subparagraph (c) of paragraph 1 of section 408 of the business corporation law, as amended by section 3 of part S of chapter 59 of the laws of 2015, is amended to read as follows:

(c) The post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state. Such address shall supersede any previous address on file with the department of state for this purpose.

§ 7. Subparagraph 4 of paragraph (b) of section 801 of the business corporation law is amended to read as follows:

(4) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against the corporation served upon [him] the secretary of state.

§ 8. Subparagraph 2 of paragraph (b) of section 803 of the business corporation law, as amended by chapter 803 of the laws of 1965, is amended to read as follows:

(2) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against the corporation served upon [him] the secretary of state.

§ 9. Paragraph (b) of section 805-A of the business corporation law, as added by chapter 725 of the laws of 1964, is amended to read as follows:
(b) A certificate of change which changes only the post office address
to which [the secretary of state] a person shall mail a copy of any
process against a corporation served upon [him or] the secretary of
state and/or the address of the registered agent, provided such address
being changed is the address of a person, partnership, limited liability
company or other corporation whose address, as agent, is the address to
be changed or who has been designated as registered agent for such
corporation, may be signed[, verified] and delivered to the department
of state by such agent. The certificate of change shall set forth the
statements required under subparagraphs [(a)] (1), (2) and (3) of para-
graph (a) of this section; that a notice of the proposed change was
mailed to the corporation by the party signing the certificate not less
than thirty days prior to the date of delivery to the department and
that such corporation has not objected thereto; and that the party sign-
ing the certificate is the agent of such corporation to whose address
[the secretary of state] a person is required to mail copies of process
served on the secretary of state or the registered agent, if such be the
case. A certificate signed[, verified] and delivered under this para-
graph shall not be deemed to effect a change of location of the office
of the corporation in whose behalf such certificate is filed.

§ 10. Subparagraph 8 of paragraph (a) of section 904-a of the business
corporation law, as amended by chapter 177 of the laws of 2008, is
amended to read as follows:

(8) If the surviving or resulting entity is a foreign corporation or
other business entity, a designation of the secretary of state as its
agent upon whom process against it may be served in the manner set forth
in paragraph (b) of section three hundred six of this chapter, in any
action or special proceeding, and a post office address, within or with-
out this state, to which [the secretary of state] a person shall mail a
copy of any process against it served upon [him] the secretary of state.
Such post office address shall supersede any prior address designated as
the address to which process shall be mailed;
§ 11. Clause (G) of subparagraph 2 of paragraph (e) of section 907 of
the business corporation law, as amended by chapter 494 of the laws of
1997, is amended to read as follows:
(G) A designation of the secretary of state as its agent upon whom
process against it may be served in the manner set forth in paragraph
(b) of section 306 (Service of process), in any action or special
proceeding, and a post office address, within or without this state, to
which [the secretary of state] a person shall mail a copy of any process
against it served upon [him] the secretary of state. Such post office
address shall supersede any prior address designated as the address to
which process shall be mailed.
§ 12. Subparagraph 6 of paragraph (a) of section 1304 of the business
corporation law, as amended by chapter 684 of the laws of 1963 and as
renumbered by chapter 590 of the laws of 1982, is amended to read as
follows:
(6) A designation of the secretary of state as its agent upon whom
process against it may be served and the post office address, within or
without this state, to which [the secretary of state] a person shall
mail a copy of any process against it served upon [him] the secretary of
state.
§ 13. Subparagraph 7 of paragraph (a) of section 1308 of the business
corporation law, as amended by chapter 725 of the laws of 1964 and as
renumbered by chapter 186 of the laws of 1983, is amended to read as
follows:
(7) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 14. Subparagraph 2 of paragraph (a) and paragraph (c) of section 1309-A of the business corporation law, subparagraph 2 of paragraph (a) as added by chapter 725 of the laws of 1964 and paragraph (c) as amended by chapter 172 of the laws of 1999, are amended to read as follows:

(2) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

(c) A certificate of change of application for authority which changes only the post office address to which [the secretary of state] a person shall mail a copy of any process against an authorized foreign corporation served upon [him or which] the secretary of state and/or changes the address of its registered agent, provided such address is the address of a person, partnership, limited liability company or other corporation whose address, as agent, is the address to be changed or who has been designated as registered agent for such authorized foreign corporation, may be signed and delivered to the department of state by such agent. The certificate of change of application for authority shall set forth the statements required under subparagraphs (1), (2), (3) and (4) of paragraph (b) of this section; that a notice of the proposed change was mailed by the party signing the certificate to the authorized foreign corporation not less than thirty days prior to the date of delivery to the department and that such corporation has not objected thereto; and that the party signing the certificate is the agent of such foreign corporation to whose address [the secretary of state] a person is required to mail copies of process served on the secretary of state.
or the registered agent, if such be the case. A certificate signed and delivered under this paragraph shall not be deemed to effect a change of location of the office of the corporation in whose behalf such certificate is filed.

§ 15. Subparagraphs 1 and 6 of paragraph (a) of section 1310 of the business corporation law, subparagraph 1 as amended by chapter 590 of the laws of 1982, are amended to read as follows:

(1) The name of the foreign corporation as it appears on the index of names of existing domestic and authorized foreign corporations of any type or kind in the department of state, division of corporations [or,] and the fictitious name, if any, the corporation has agreed to use in this state pursuant to paragraph (d) of section 1301 of this [chapter] article.

(6) A post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 16. Subparagraph 4 of paragraph (d) of section 1310 of the business corporation law is amended to read as follows:

(4) The changed post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 17. Section 1311 of the business corporation law, as amended by chapter 375 of the laws of 1998, is amended to read as follows:

§ 1311. Termination of existence.

When an authorized foreign corporation is dissolved or its authority or existence is otherwise terminated or cancelled in the jurisdiction of its incorporation or when such foreign corporation is merged into or consolidated with another foreign corporation, a certificate of the
secretary of state, or official performing the equivalent function as to
corporate records, of the jurisdiction of incorporation of such foreign
corporation attesting to the occurrence of any such event or a certified
copy of an order or decree of a court of such jurisdiction directing the
dissolution of such foreign corporation, the termination of its exist-
ence or the cancellation of its authority shall be delivered to the
department of state. The filing of the certificate, order or decree
shall have the same effect as the filing of a certificate of surrender
of authority under section 1310 (Surrender of authority). The secretary
of state shall continue as agent of the foreign corporation upon whom
process against it may be served in the manner set forth in paragraph
(b) of section 306 (Service of process), in any action or special
proceeding based upon any liability or obligation incurred by the
foreign corporation within this state prior to the filing of such
certificate, order or decree and [he] the person serving such process
shall [promptly cause a copy of any such] send the process [to be
mailed] by [registered] certified mail, return receipt requested, to
such foreign corporation at the post office address on file in his
office specified for such purpose and shall provide the secretary of
state with proof of such mailing in the manner set forth in paragraph
(b) of section 306 (Service of process). The post office address may be
changed by signing and delivering to the department of state a certif-
icate of change setting forth the statements required under section
1309-A (Certificate of change; contents) to effect a change in the post
office address under subparagraph seven of paragraph (a) [(4)] of
section 1308 (Amendments or changes).
§ 18. Subparagraph 6 of paragraph (a) of section 1530 of the business corporation law, as added by chapter 505 of the laws of 1983, is amended to read as follows:

(6) A designation of the secretary of state as its agent upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 19. Subdivision 10 of section 11 of the cooperative corporations law, as added by chapter 97 of the laws of 1969, is amended to read as follows:

10. A designation of the secretary of state as agent of the corporation upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 20. Subdivision 10 of section 96 of the executive law, as amended by chapter 39 of the laws of 1987, is amended to read as follows:

10. For service of process on the secretary of state, acting as agent for a third party pursuant to law, except as otherwise specifically provided by law, forty dollars. No fee shall be collected for process served on behalf of [a] any state official, department, board, agency, authority, county, city, town or village or other political subdivision of the state. The fees paid the secretary of state shall be a taxable disbursement.

§ 21. The opening paragraph of subdivision 2 and subdivision 3 of section 18 of the general associations law, as amended by chapter 13 of
the laws of 1938, are amended and two new subdivisions 5 and 6 are added
to read as follows:

Every association doing business within this state shall file in the
department of state a certificate in its associate name, signed [and
acknowledged] by its president, or a vice-president, or secretary, or
treasurer, or managing director, or trustee, designating the secretary
of state as an agent upon whom process in any action or proceeding
against the association may be served within this state, and setting
forth an address to which [the secretary of state] a person shall mail a
copy of any process against the association which may be served upon
[him] the secretary of state pursuant to law. Annexed to the certif-
icate of designation shall be a statement, executed in the same manner
as the certificate is required to be executed under this section, which
shall set forth:

3. Any association, from time to time, may change the address to
which [the secretary of state] a person is directed to mail copies of
process served on the secretary of state, by filing a statement to that
effect, executed[,] and signed [and acknowledged] in like manner as a
certificate of designation as herein provided.

5. Any designated post office address maintained by the secretary of
state as agent in any action or proceeding against the association for
the purpose of mailing process shall be the post office address, within
or without the state, to which a person shall mail process against such
association as required by this article. Such address shall continue
until the filing of a certificate under this chapter directing the mail-
ing to a different post office address.

6. "Process" means judicial process and all orders, demands, notices
or other papers required or permitted by law to be personally served on
an association, for the purpose of acquiring jurisdiction of such association in any action or proceeding, civil or criminal, whether judicial, administrative, arbitrative or otherwise, in this state or in the federal courts sitting in or for this state.

§ 22. Section 19 of the general associations law, as amended by chapter 166 of the laws of 1991, is amended to read as follows:

§ 19. Service of process. 1. Service of process against an association upon the secretary of state shall be made by mailing the process and notice of service thereof by certified mail, return receipt requested, to such corporation or other business entity, at the post office address, on file in the department of state, specified for this purpose. On the same day that such process is mailed, a duplicate copy of such process and proof of mailing shall be personally delivered to and left with the secretary of state or a deputy [secretary of state or an associate attorney, senior attorney or attorney in the corporation division of the department of state], so designated [duplicate copies of such process at the office of the department of state in the city of Albany]. At the time of such service the plaintiff shall pay a fee of forty dollars to the secretary of state which shall be a taxable disbursement. [If the cost of registered mail for transmitting a copy of the process shall exceed two dollars, an additional fee equal to such excess shall be paid at the time of the service of such process. The secretary of state shall forthwith send by registered mail one of such copies to the association at the address fixed for that purpose, as herein provided.]

2. Proof of mailing shall be by affidavit of compliance with this section. Service of process on such association shall be complete when the secretary of state is so served. If the action or proceeding is
instituted in a court of limited jurisdiction, service of process may be made in the manner provided in this section if the cause of action arose within the territorial jurisdiction of the court and the office of the defendant, as set forth in its statement filed pursuant to section eighteen of this [chapter] article, is within such territorial jurisdiction.

§ 23. Subdivision 2 of section 352-b of the general business law, as amended by chapter 252 of the laws of 1983, is amended to read as follows:

2. Service of such process upon the secretary of state shall be made by personally delivering to and leaving with him [or], a deputy secretary of state, or with a person authorized by the secretary of state to receive such service, a copy thereof at the office of the department of state in the city of Albany, and such service shall be sufficient service provided that notice of such service and a copy of such process are forthwith sent by the attorney general to such person, partnership, corporation, company, trust or association, by registered or certified mail with return receipt requested, at his or its office as set forth in the "broker-dealer's statement", "salesman's statement" or "investment advisor's statement" filed in the department of law pursuant to section three hundred fifty-nine-e or section three hundred fifty-nine-eee of this article, or in default of the filing of such statement, at the last address known to the attorney general. Service of such process shall be complete on receipt by the attorney general of a return receipt purporting to be signed by the addressee or a person qualified to receive his or its registered or certified mail, in accordance with the rules and customs of the post office department, or, if acceptance was refused by the addressee or his or its agent, on return to the attorney general of
the original envelope bearing a notation by the postal authorities that receipt thereof was refused.

§ 24. Section 686 of the general business law, as added by chapter 730 of the laws of 1980, is amended to read as follows:

§ 686. Designation of secretary of state as agent for service of process; service of process. Any person who shall offer to sell or sell a franchise in this state as a franchisor, subfranchisor or franchise sales agent shall be deemed to have irrevocably appointed the secretary of state as his or its agent upon whom may be served any summons, complaint, subpoena, subpoena duces tecum, notice, order or other process directed to such person, or any partner, principal, officer, sales man or director thereof, or his or its successor, administrator or executor, in any action, investigation, or proceeding which arises under this article or a rule hereunder, with the same force and validity as if served personally on such person. Service of such process upon the secretary of state shall be made by personally delivering to and leaving with [him] the secretary of state or a deputy [secretary of state], or with any person authorized by the secretary of state to receive such service, a copy thereof at the office of the department of state, and such service shall be sufficient provided that notice of such service and a copy of such process are sent forthwith by the department to such person, by registered or certified mail with return receipt requested, at his address as set forth in the application for registration of his offering prospectus or in the registered offering prospectus itself filed with the department of law pursuant to this article, or in default of the filing of such application or prospectus, at the last address known to the department. Service of such process shall be complete upon receipt by the department of a return receipt purporting to be signed by
the addressee or a person qualified to receive his or its registered or certified mail, in accordance with the rules and customs of the post office department, or, if acceptance was refused or unclaimed by the addressee or his or its agent, or if the addressee moved without leaving a forwarding address, upon return to the department of the original envelope bearing a notation by the postal authorities that receipt thereof was refused or that such mail was otherwise undeliverable.

§ 25. Paragraph 4 of subdivision (e) of section 203 of the limited liability company law, as added by chapter 470 of the laws of 1997, is amended to read as follows:

(4) a designation of the secretary of state as agent of the limited liability company upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against the limited liability company served upon [him or her] the secretary of state;

§ 26. Paragraph 4 of subdivision (a) of section 206 of the limited liability company law, as amended by chapter 44 of the laws of 2006, is amended to read as follows:

(4) a statement that the secretary of state has been designated as agent of the limited liability company upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;

§ 27. Paragraph 6 of subdivision (d) of section 211 of the limited liability company law is amended to read as follows:

(6) a change in the post office address to which [the secretary of state] a person shall mail a copy of any process against the limited
liability company served upon [him or her] the secretary of state if such change is made other than pursuant to section three hundred one of this chapter;

§ 28. Section 211-A of the limited liability company law, as added by chapter 448 of the laws of 1998, is amended to read as follows:

§ 211-A. Certificate of change. (a) A limited liability company may amend its articles of organization from time to time to (i) specify or change the location of the limited liability company's office; (ii) specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against the limited liability company served upon [him] the secretary of state; and (iii) make, revoke or change the designation of a registered agent, or specify or change the address of the registered agent. Any one or more such changes may be accomplished by filing a certificate of change which shall be entitled "Certificate of Change of ....... (name of limited liability company) under section 211-A of the Limited Liability Company Law" and shall be signed and delivered to the department of state. It shall set forth:

(1) the name of the limited liability company, and if it has been changed, the name under which it was formed;

(2) the date the articles of organization were filed by the department of state; and

(3) each change effected thereby.

(b) A certificate of change which changes only the post office address to which [the secretary of state] a person shall mail a copy of any process against a limited liability company served upon [him or] the secretary of state and/or the address of the registered agent, provided such address being changed is the address of a person, partnership,
limited liability company or corporation whose address, as agent, is the
address to be changed or who has been designated as registered agent for
such limited liability company may be signed and delivered to the
department of state by such agent. The certificate of change shall set
forth the statements required under subdivision (a) of this section;
that a notice of the proposed change was mailed to the domestic limited
liability company by the party signing the certificate not less than
thirty days prior to the date of delivery to the department of state and
that such domestic limited liability company has not objected thereto;
and that the party signing the certificate is the agent of such limited
liability company to whose address [the secretary of state] a person is
required to mail copies of process served on the secretary of state or
the registered agent, if such be the case. A certificate signed and
delivered under this subdivision shall not be deemed to effect a change
of location of the office of the limited liability company in whose
behalf such certificate is filed.

§ 29. Paragraph 2 of subdivision (b) of section 213 of the limited
liability company law is amended to read as follows:
(2) to change the post office address to which [the secretary of
state] a person shall mail a copy of any process against the limited
liability company served upon [him or her] the secretary of state; and

§ 30. Subdivisions (c) and (e) of section 301 of the limited liability
company law, subdivision (e) as amended by section 5 of part S of chap-
ter 59 of the laws of 2015, are amended to read as follows:
(c) Any designated post office address maintained by the secretary of
state as agent of a domestic limited liability company or foreign limit-
ed liability company for the purpose of mailing process shall be the
post office address, within or without the state, to which a person
shall mail process against such limited liability company as required by
this article. Any designated post office address to which the secretary
of state or a person shall mail a copy of process served upon [him or
her] the secretary of state as agent of a domestic limited liability
company or a foreign limited liability company shall continue until the
filing of a certificate under this chapter directing the mailing to a
different post office address.

[(e)] (d) (1) Except as otherwise provided in this subdivision, every
limited liability company to which this chapter applies, shall biennial-
ly in the calendar month during which its articles of organization or
application for authority were filed, or effective date thereof if stat-
ed, file on forms prescribed by the secretary of state, a statement
setting forth the post office address within or without this state to
which [the secretary of state] a person shall mail a copy of any process
accepted against it served upon [him or her] the secretary of state.
Such address shall supersede any previous address on file with the
department of state for this purpose.

(2) The commissioner of taxation and finance and the secretary of
state may agree to allow limited liability companies to include the
statement specified in paragraph one of this subdivision on tax reports
filed with the department of taxation and finance in lieu of biennial
statements and in a manner prescribed by the commissioner of taxation
and finance. If this agreement is made, starting with taxable years
beginning on or after January first, two thousand sixteen, each limited
liability company required to file the statement specified in paragraph
one of this subdivision that is subject to the filing fee imposed by
paragraph three of subsection (c) of section six hundred fifty-eight of
the tax law shall provide such statement annually on its filing fee
payment form filed with the department of taxation and finance in lieu of filing a statement under this section with the department of state. However, each limited liability company required to file a statement under this section must continue to file the biennial statement required by this section with the department of state until the limited liability company in fact has filed a filing fee payment form with the department of taxation and finance that includes all required information. After that time, the limited liability company shall continue to provide annually the statement specified in paragraph one of this subdivision on its filing fee payment form in lieu of the biennial statement required by this subdivision.

(3) If the agreement described in paragraph two of this subdivision is made, the department of taxation and finance shall deliver to the department of state the statement specified in paragraph one of this subdivision contained on filing fee payment forms. The department of taxation and finance must, to the extent feasible, also include the current name of the limited liability company, department of state identification number for such limited liability company, the name, signature and capacity of the signer of the statement, name and street address of the filer of the statement, and the email address, if any, of the filer of the statement.

§ 31. Paragraphs 2 and 3 of subdivision (a), subparagraph (ii) of paragraph 2 and subparagraph (ii) of paragraph 3 of subdivision (e) of section 301-A of the limited liability company law, as added by chapter 448 of the laws of 1998, are amended to read as follows:

(2) that the address of the party has been designated by the limited liability company as the post office address to which [the secretary of state] a person shall mail a copy of any process served on the secretary
of state as agent for such limited liability company, such address and that such party wishes to resign.

(3) that sixty days prior to the filing of the certificate of resignation or receipt of process with the department of state the party has sent a copy of the certificate of resignation for receipt of process by registered or certified mail to the address of the registered agent of the designated limited liability company, if other than the party filing the certificate of resignation[,] for receipt of process, or if the [resigning] designating limited liability company has no registered agent, then to the last address of the designated limited liability company known to the party, specifying the address to which the copy was sent. If there is no registered agent and no known address of the designating limited liability company, the party shall attach an affidavit to the certificate stating that a diligent but unsuccessful search was made by the party to locate the limited liability company, specifying what efforts were made.

(ii) sent by or on behalf of the plaintiff to such limited liability company by registered or certified mail with return receipt requested to the last address of such limited liability company known to the plaintiff.

(ii) Where service of a copy of process was effected by mailing in accordance with this section, proof of service shall be by affidavit of compliance with this section filed, together with the process, within thirty days after receipt of the return receipt signed by the limited liability company or other official proof of delivery or of the original envelope mailed. If a copy of the process is mailed in accordance with this section, there shall be filed with the affidavit of compliance either the return receipt signed by such limited liability company or
other official proof of delivery, if acceptance was refused by it, the original envelope with a notation by the postal authorities that acceptance was refused. If acceptance was refused a copy of the notice and process together with notice of the mailing by registered or certified mail and refusal to accept shall be promptly sent to such limited liability company at the same address by ordinary mail and the affidavit of compliance shall so state. Service of process shall be complete ten days after such papers are filed with the clerk of the court. The refusal to accept delivery of the registered or certified mail or to sign the return receipt shall not affect the validity of the service and such limited liability company refusing to accept such registered or certified mail shall be charged with knowledge of the contents thereof.

§ 32. Subdivision (a) of section 303 of the limited liability company law, as relettered by chapter 341 of the laws of 1999, is amended to read as follows:

(a) Service of process on the secretary of state as agent of a domestic limited liability company [or], authorized foreign limited liability company, or other business entity that has designated the secretary of state as agent for service of process pursuant to article ten of this chapter, shall be made by mailing the process and notice of service thereof by certified mail, return receipt requested, to such limited liability company or other business entity, at the post office address, on file in the department of state, specified for this purpose. On the same day as such process is mailed, a duplicate copy of such process and proof of mailing shall be [made by] personally [delivering] delivered to and [leaving] left with the secretary of state or his or her deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany,
[duplicate copies of such process] together with the statutory fee, which fee shall be a taxable disbursement. **Proof of mailing shall be by affidavit of compliance with this section.** Service of process on such limited liability company or other business entity shall be complete when the secretary of state is so served. [The secretary of state shall promptly send one of such copies by certified mail, return receipt requested, to such limited liability company at the post office address on file in the department of state specified for that purpose.]

§ 33. Section 305 of the limited liability company law is amended to read as follows:

§ 305. Records of process served on the secretary of state. The department of state shall keep a record of each process served upon the secretary of state under this chapter, including the date of such service [and the action of the secretary of state with reference thereto]. It shall, upon request made within ten years of such service, issue a certificate under its seal certifying as to the receipt of the process by an authorized person, the date and place of such service and the receipt of the statutory fee. Process served upon the secretary of state under this chapter shall be destroyed by the department of state after a period of ten years from such service.

§ 34. Paragraph 4 of subdivision (a) of section 802 of the limited liability company law, as amended by chapter 470 of the laws of 1997, is amended to read as follows:

(4) a designation of the secretary of state as its agent upon whom process against it may be served and the post office address within or without this state to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;
§ 35. Section 804-A of the limited liability company law, as added by chapter 448 of the laws of 1998, is amended to read as follows:

§ 804-A. Certificate of change. (a) A foreign limited liability company may amend its application for authority from time to time to (i) specify or change the location of the limited liability company's office; (ii) specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against the limited liability company served upon [him] the secretary of state; and (iii) to make, revoke or change the designation of a registered agent, or to specify or change the address of a registered agent. Any one or more such changes may be accomplished by filing a certificate of change which shall be entitled "Certificate of Change of ......... (name of limited liability company) under section 804-A of the Limited Liability Company Law" and shall be signed and delivered to the department of state. It shall set forth:

(1) the name of the foreign limited liability company and, if applicable, the fictitious name the limited liability company has agreed to use in this state pursuant to section eight hundred two of this article;

(2) the date its application for authority was filed by the department of state; and

(3) each change effected thereby[,].

(b) A certificate of change which changes only the post office address to which [the secretary of state] a person shall mail a copy of any process against a foreign limited liability company served upon [him or the secretary of state and/or] the address of the registered agent, provided such address being changed is the address of a person, partnership [or], corporation or other limited liability company whose address, as agent, is the address to be changed or who has been designated as...
1 registered agent for such limited liability company may be signed and
delivered to the department of state by such agent. The certificate of
change shall set forth the statements required under subdivision (a) of
this section; that a notice of the proposed change was mailed to the
foreign limited liability company by the party signing the certificate
not less than thirty days prior to the date of delivery to the depart-
ment of state and that such foreign limited liability company has not
objected thereto; and that the party signing the certificate is the
agent of such foreign limited liability company to whose address [the
secretary of state] a person is required to mail copies of process
served on the secretary of state or the registered agent, if such be the
case. A certificate signed and delivered under this subdivision shall
not be deemed to effect a change of location of the office of the
foreign limited liability company in whose behalf such certificate is
filed.

§ 36. Paragraph 6 of subdivision (b) of section 806 of the limited
liability company law is amended to read as follows:

(6) a post office address, within or without this state, to which [the
secretary of state] a person shall mail a copy of any process against it
served upon [him or her] the secretary of state.

§ 37. Paragraph 11 of subdivision (a) of section 1003 of the limited
liability company law, as amended by chapter 374 of the laws of 1998, is
amended to read as follows:

(11) a designation of the secretary of state as its agent upon whom
process against it may be served in the manner set forth in article
three of this chapter in any action or special proceeding, and a post
office address, within or without this state, to which [the secretary of
state] a person shall mail a copy of any process served upon [him or
her] the secretary of state. Such post office address shall supersede any prior address designated as the address to which process shall be mailed;

§ 38. Clause (iv) of subparagraph (A) of paragraph 2 of subdivision (c) of section 1203 of the limited liability company law, as amended by chapter 44 of the laws of 2006, is amended to read as follows:

(iv) a statement that the secretary of state has been designated as agent of the professional service limited liability company upon whom process against it may be served and the post office address within or without this state to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;

§ 39. Paragraph 6 of subdivision (a) and subparagraph 5 of paragraph (i) of subdivision (d) of section 1306 of the limited liability company law, subparagraph 5 of paragraph (i) of subdivision (d) as amended by chapter 44 of the laws of 2006, are amended to read as follows:

(6) a designation of the secretary of state as its agent upon whom process against it may be served and the post office address within or without this state to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state; and

(5) a statement that the secretary of state has been designated as agent of the foreign professional service limited liability company upon whom process against it may be served and the post office address within or without this state to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;
§ 40. Paragraph (d) of section 304 of the not-for-profit corporation law, as amended by chapter 358 of the laws of 2015, is amended to read as follows:

(d) Any designated post office address maintained by the secretary of state as agent of a domestic not-for-profit corporation or foreign not-for-profit corporation for the purpose of mailing process shall be the post office address, within or without the state, to which a person shall mail process against such corporation as required by this article. Any designated post office address to which the secretary of state or a person shall mail a copy of process served upon [him or her] the secretary of state as agent of a domestic corporation formed under article four of this chapter or foreign corporation, shall continue until the filing of a certificate under this chapter directing the mailing to a different post office address.

§ 41. Paragraph (a) of section 305 of the not-for-profit corporation law, as amended by chapter 549 of the laws of 2013, is amended to read as follows:

(a) Every domestic corporation or authorized foreign corporation may designate a registered agent in this state upon whom process against such corporation may be served. The agent shall be a natural person who is a resident of or has a business address in this state or a domestic corporation or foreign corporation of any kind formed[,] or authorized to do business in this state, under this chapter or under any other statute of this state, or a domestic limited liability company or a foreign limited liability company authorized to do business in this state.
§ 42. Paragraph (b) of section 306 of the not-for-profit corporation law, as amended by chapter 23 of the laws of 2014, is amended to read as follows:

(b) Service of process on the secretary of state as agent of a domestic corporation formed under article four of this chapter or an authorized foreign corporation shall be made by mailing the process and notice of service thereof by certified mail, return receipt requested, to such corporation or other business entity, at the post office address, on file in the department of state, specified for this purpose. On the same day that such process is mailed, a duplicate copy of such process and proof of mailing shall be personally delivered to and [leaving] left with the secretary of state or his or her deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany, [duplicate copies of such process] together with the statutory fee, which fee shall be a taxable disbursement. Proof of mailing shall be by affidavit of compliance with this section. Service of process on such corporation or other business entity shall be complete when the secretary of state is so served. [The secretary of state shall promptly send one of such copies by certified mail, return receipt requested, to such corporation, at the post office address, on file in the department of state, specified for the purpose.] If a domestic corporation formed under article four of this chapter or an authorized foreign corporation has no such address on file in the department of state, the [secretary of state shall so mail such] duplicate copy of the process shall be mailed to such corporation at the address of its office within this state on file in the department.
§ 43. Subparagraph 6 of paragraph (a) of section 402 of the not-for-profit corporation law, as added by chapter 564 of the laws of 1981 and as renumbered by chapter 132 of the laws of 1985, is amended to read as follows:

(6) A designation of the secretary of state as agent of the corporation upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him]

the secretary of state.

§ 44. Subparagraph 7 of paragraph (b) of section 801 of the not-for-profit corporation law, as amended by chapter 438 of the laws of 1984, is amended to read as follows:

(7) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against the corporation served upon [him] the secretary of state.

§ 45. Subparagraph 2 of paragraph (c) of section 802 of the not-for-profit corporation law, as amended by chapter 186 of the laws of 1983, is amended to read as follows:

(2) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against the corporation served upon [him] the secretary of state.

§ 46. Subparagraph 6 of paragraph (a) of section 803 of the not-for-profit corporation law, as amended by chapter 23 of the laws of 2014, is amended to read as follows:

(6) A designation of the secretary of state as agent of the corporation upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.
a person shall mail a copy of any process against it served upon the secretary of state.

§ 47. Paragraph (b) of section 803-A of the not-for-profit corporation law, as amended by chapter 172 of the laws of 1999, is amended to read as follows:

(b) A certificate of change which changes only the post office address to which a person shall mail a copy of any process against the corporation served upon the secretary of state and/or the address of the registered agent, provided such address being changed is the address of a person, partnership, limited liability company or other corporation whose address, as agent, is the address to be changed or who has been designated as registered agent for such corporation, may be signed and delivered to the department of state by such agent. The certificate of change shall set forth the statements required under subparagraphs (1), (2) and (3) of paragraph (a) of this section; that a notice of the proposed change was mailed to the corporation by the party signing the certificate not less than thirty days prior to the date of delivery to the department and that such corporation has not objected thereto; and that the party signing the certificate is the agent of such corporation to whose address a person is required to mail copies of any process against the corporation served upon the secretary of state or the registered agent, if such be the case. A certificate signed and delivered under this paragraph shall not be deemed to effect a change of location of the office of the corporation in whose behalf such certificate is filed.

§ 48. Clause (E) of subparagraph 2 of paragraph (d) of section 906 of the not-for-profit corporation law, as amended by chapter 1058 of the laws of 1971, is amended to read as follows:
(E) A designation of the secretary of state as its agent upon whom process against it may be served in the manner set forth in paragraph (b) of section 306 (Service of process), in any action or special proceeding described in [subparagraph] clause (D) of this subparagraph and a post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of the process in such action or special proceeding served upon the secretary of state.

§ 49. Clause (F) of subparagraph 2 of paragraph (d) of section 908 of the not-for-profit corporation law is amended to read as follows:

(F) A designation of the secretary of state as his agent upon whom process against it may be served in the manner set forth in paragraph (b) of section 306 (Service of process), in any action or special proceeding described in [subparagraph] clause (D) of this subparagraph and a post office address, within or without the state, to which [the secretary of state] a person shall mail a copy of the process in such action or special proceeding served upon by the secretary of state.

§ 50. Subparagraph 6 of paragraph (a) of section 1304 of the not-for-profit corporation law, as renumbered by chapter 590 of the laws of 1982, is amended to read as follows:

(6) A designation of the secretary of state as its agent upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 51. Subparagraph 7 of paragraph (a) of section 1308 of the not-for-profit corporation law, as renumbered by chapter 186 of the laws of 1983, is amended to read as follows:
(7) To specify or change the post office address to which [the secretary of state] a person shall mail a copy of any process against it
served upon [him] the secretary of state.

§ 52. Subparagraph 2 of paragraph (a) and paragraph (c) of section
1310 of the not-for-profit corporation law, paragraph (c) as amended by
chapter 172 of the laws of 1999, are amended to read as follows:

(2) To specify or change the post office address to which [the secre-
tary of state] a person shall mail a copy of any process against it
served upon [him] the secretary of state.

(c) A certificate of change of application for authority which changes
only the post office address to which [the secretary of state] a person
shall mail a copy of any process against an authorized foreign corpo-
ration served upon [him or] the secretary of state and/or which changes
the address of its registered agent, provided such address is the
address of a person, partnership, limited liability company or other
corporation whose address, as agent, is the address to be changed or who
has been designated as registered agent for such authorized foreign
corporation, may be signed and delivered to the department of state by
such agent. The certificate of change of application for authority shall
set forth the statements required under subparagraphs (1), (2), (3) and
(4) of paragraph (b) of this section; that a notice of the proposed
change was mailed by the party signing the certificate to the authorized
foreign corporation not less than thirty days prior to the date of
delivery to the department and that such corporation has not objected
thereto; and that the party signing the certificate is the agent of such
foreign corporation to whose address [the secretary of state] a person
is required to mail copies of process served on the secretary of state
or the registered agent, if such be the case. A certificate signed and
delivered under this paragraph shall not be deemed to effect a change of location of the office of the corporation in whose behalf such certificate is filed.

§ 53. Subparagraph 6 of paragraph (a) and subparagraph 4 of paragraph (d) of section 1311 of the not-for-profit corporation law are amended to read as follows:

(6) A post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

(4) The changed post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 54. Section 1312 of the not-for-profit corporation law, as amended by chapter 375 of the laws of 1998, is amended to read as follows:

§ 1312. Termination of existence.

When an authorized foreign corporation is dissolved or its authority or existence is otherwise terminated or cancelled in the jurisdiction of its incorporation or when such foreign corporation is merged into or consolidated with another foreign corporation, a certificate of the secretary of state, or official performing the equivalent function as to corporate records, of the jurisdiction of incorporation of such foreign corporation attesting to the occurrence of any such event or a certified copy of an order or decree of a court of such jurisdiction directing the dissolution of such foreign corporation, the termination of its existence or the cancellation of its authority shall be delivered to the department of state. The filing of the certificate, order or decree shall have the same effect as the filing of a certificate of surrender of authority under section 1311 (Surrender of authority). The secretary
of state shall continue as agent of the foreign corporation upon whom
process against it may be served in the manner set forth in paragraph
(b) of section 306 (Service of process), in any action or special
proceeding based upon any liability or obligation incurred by the
foreign corporation within this state prior to the filing of such
certificate, order or decree and [he] the person serving such process
shall promptly cause a copy of any such process to be mailed by [regis-
tered] certified mail, return receipt requested, to such foreign corpo-
ration at the post office address on file in his office specified for
such purpose. The post office address may be changed by signing and
delivering to the department of state a certificate of change setting
forth the statements required under section 1310 (Certificate of change,
contents) to effect a change in the post office address under subpara-
graph [(a) (4)] (7) of paragraph (a) of section 1308 (Amendments or
changes).

§ 55. Subdivision (c) of section 121-104 of the partnership law, as
added by chapter 950 of the laws of 1990, is amended to read as follows:
(c) Any designated post office address maintained by the secretary of
state as agent of a domestic limited partnership or foreign limited
partnership for the purpose of mailing process shall be the post office
address, within or without the state, to which a person shall mail proc-
cess against such limited partnership as required by this article. Any
designated post office address to which the secretary of state or a
person shall mail a copy of process served upon [him] the secretary of
state as agent of a domestic limited partnership or foreign limited
partnership shall continue until the filing of a certificate under this
article directing the mailing to a different post office address.
§ 56. Paragraphs 1, 2 and 3 of subdivision (a) of section 121-104-A of the partnership law, as added by chapter 448 of the laws of 1998, are amended to read as follows:

1. The name of the limited partnership and the date that its [articles of organization] certificate of limited partnership or application for authority was filed by the department of state.

2. That the address of the party has been designated by the limited partnership as the post office address to which [the secretary of state] a person shall mail a copy of any process served on the secretary of state as agent for such limited partnership, and that such party wishes to resign.

3. That sixty days prior to the filing of the certificate of resignation for receipt of process with the department of state the party has sent a copy of the certificate of resignation for receipt of process by registered or certified mail to the address of the registered agent of the [designated] designating limited partnership, if other than the party filing the certificate of resignation[, for receipt of process, or if the [resigning] designating limited partnership has no registered agent, then to the last address of the [designated] designating limited partnership, known to the party, specifying the address to which the copy was sent. If there is no registered agent and no known address of the designating limited partnership the party shall attach an affidavit to the certificate stating that a diligent but unsuccessful search was made by the party to locate the limited partnership, specifying what efforts were made.

§ 57. Subdivision (a) of section 121-105 of the partnership law, as added by chapter 950 of the laws of 1990, is amended to read as follows:
(a) In addition to the designation of the secretary of state, each limited partnership or authorized foreign limited partnership may designate a registered agent upon whom process against the limited partnership may be served. The agent must be (i) a natural person who is a resident of this state or has a business address in this state, (or) (ii) a domestic corporation or a foreign corporation authorized to do business in this state, or a domestic limited liability company or a foreign limited liability company authorized to do business in this state.

§ 58. Subdivisions (a) and (c) of section 121-109 of the partnership law, as added by chapter 950 of the laws of 1990 and as relettered by chapter 341 of the laws of 1999, are amended to read as follows:

(a) Service of process on the secretary of state as agent of a domestic or authorized foreign limited partnership, or other business entity that has designated the secretary of state as agent for service of process pursuant to this chapter, shall be made as follows:

(1) By mailing the process and notice of service of process pursuant to this section by certified mail, return receipt requested, to such domestic or authorized foreign limited partnership or other business entity, at the post office address, on file in the department of state, specified for that purpose. On the same day as the process is mailed, a duplicate copy of such process and proof of mailing shall be personally [delivering] delivered to and [leaving] left with [him or his] the secretary of state or a deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany, [duplicate copies of such process] together with the statutory fee, which fee shall be a taxable disbursement. Proof of mailing shall be by affidavit of compliance with this
section. Service of process on such limited partnership or other business entity shall be complete when the secretary of state is so served.

(2) The service on the limited partnership is complete when the secretary of state is so served.

(3) The secretary of state shall promptly send one of such copies by certified mail, return receipt requested, addressed to the limited partnership at the post office address, on file in the department of state, specified for that purpose.

(c) The department of state shall keep a record of all process served upon it under this section and shall record therein the date of such service and his action with reference thereto. It shall, upon request made within ten years of such service, issue a certificate under its seal certifying as to the receipt of the process by an authorized person, the date and place of such service and the receipt of the statutory fee. Process served upon the secretary of state under this chapter shall be destroyed by him after a period of ten years from such service.

§ 59. Paragraph 3 of subdivision (a) and subparagraph 4 of paragraph (i) of subdivision (c) of section 121-201 of the partnership law, paragraph 3 of subdivision (a) as amended by chapter 264 of the laws of 1991, and subparagraph 4 of paragraph (i) of subdivision (c) as amended by chapter 44 of the laws of 2006, are amended to read as follows:

(3) a designation of the secretary of state as agent of the limited partnership upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state;
(4) a statement that the secretary of state has been designated as agent of the limited partnership upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;

§ 60. Paragraph 4 of subdivision (b) of section 121-202 of the partnership law, as amended by chapter 576 of the laws of 1994, is amended to read as follows:

(4) a change in the name of the limited partnership, or a change in the post office address to which [the secretary of state] a person shall mail a copy of any process against the limited partnership served on [him] the secretary of state, or a change in the name or address of the registered agent, if such change is made other than pursuant to section 121-104 or 121-105 of this article.

§ 61. Section 121-202-A of the partnership law, as added by chapter 448 of the laws of 1998, paragraph 2 of subdivision (a) as amended by chapter 172 of the laws of 1999, is amended to read as follows:

§ 121-202-A. Certificate of change. (a) A certificate of limited partnership may be changed by filing with the department of state a certificate of change entitled "Certificate of Change of ..... (name of limited partnership) under Section 121-202-A of the Revised Limited Partnership Act" and shall be signed and delivered to the department of state. A certificate of change may (i) specify or change the location of the limited partnership's office; (ii) specify or change the post office address to which [the secretary of state] a person shall mail a copy of process against the limited partnership served upon [him] the secretary of state; and (iii) make, revoke or change the designation of a regis-
tered agent, or to specify or change the address of its registered
agent. It shall set forth:
(1) the name of the limited partnership, and if it has been changed,
the name under which it was formed;
(2) the date its certificate of limited partnership was filed by the
department of state; and
(3) each change effected thereby.
(b) A certificate of change which changes only the post office address
to which [the secretary of state] a person shall mail a copy of any
process against a limited partnership served upon [him or] the secretary
of state and/or the address of the registered agent, provided such
address being changed is the address of a person, partnership, limited
liability corporation or corporation whose address, as agent, is the
address to be changed or who has been designated as registered agent for
such limited partnership shall be signed and delivered to the department
of state by such agent. The certificate of change shall set forth the
statements required under subdivision (a) of this section; that a notice
of the proposed change was mailed to the domestic limited partnership by
the party signing the certificate not less than thirty days prior to the
date of delivery to the department of state and that such domestic
limited partnership has not objected thereto; and that the party signing
the certificate is the agent of such limited partnership to whose
address [the secretary of state] a person is required to mail copies of
process served on the secretary of state or the registered agent, if
such be the case. A certificate signed and delivered under this subdivi-
sion shall not be deemed to effect a change of location of the office of
the limited partnership in whose behalf such certificate is filed.
§ 62. Paragraph 4 of subdivision (a) and subparagraph 5 of paragraph (i) of subdivision (d) of section 121-902 of the partnership law, paragraph 4 of subdivision (a) as amended by chapter 172 of the laws of 1999 and subparagraph 5 of paragraph (i) of subdivision (d) as amended by chapter 44 of the laws of 2006, are amended to read as follows:

(4) a designation of the secretary of state as its agent upon whom process against it may be served and the post office address, within or without this state, to which a person shall mail a copy of any process against it served upon [him] the secretary of state;

(5) a statement that the secretary of state has been designated as its agent upon whom process against it may be served and the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;

§ 63. Section 121-903-A of the partnership law, as added by chapter 448 of the laws of 1998, is amended to read as follows:

§ 121-903-A. Certificate of change. (a) A foreign limited partnership may change its application for authority by filing with the department of state a certificate of change entitled "Certificate of Change of ........ (name of limited partnership) under Section 121-903-A of the Revised Limited Partnership Act" and shall be signed and delivered to the department of state. A certificate of change may (i) change the location of the limited partnership's office; (ii) change the post office address to which [the secretary of state] a person shall mail a copy of process against the limited partnership served upon [him] the secretary of state; and (iii) make, revoke or change the designation of
a registered agent, or to specify or change the address of its registered agent. It shall set forth:

1. the name of the foreign limited partnership and, if applicable, the fictitious name the foreign limited partnership has agreed to use in this state pursuant to section 121-902 of this article;
2. the date its application for authority was filed by the department of state; and
3. each change effected thereby.

(b) A certificate of change which changes only the post office address to which a person shall mail a copy of any process against a foreign limited partnership served upon the secretary of state and/or the address of the registered agent, provided such address being changed is the address of a person, partnership, limited liability company or corporation whose address, as agent, is the address to be changed or who has been designated as registered agent for such foreign limited partnership shall be signed and delivered to the department of state by such agent. The certificate of change shall set forth the statements required under subdivision (a) of this section; that a notice of the proposed change was mailed to the foreign limited partnership by the party signing the certificate not less than thirty days prior to the date of delivery to the department of state and that such foreign limited partnership has not objected thereto; and that the party signing the certificate is the agent of such foreign limited partnership to whose address a person is required to mail copies of process served on the secretary of state or the registered agent, if such be the case. A certificate signed and delivered under this subdivision shall not be deemed to effect a change of
location of the office of the limited partnership in whose behalf such certificate is filed.

§ 64. Paragraph 6 of subdivision (b) of section 121-905 of the partnership law, as added by chapter 950 of the laws of 1990, is amended to read as follows:

(6) a post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it served upon [him] the secretary of state.

§ 65. Paragraph 7 of subdivision (a) of section 121-1103 of the partnership law, as added by chapter 950 of the laws of 1990, is amended to read as follows:

(7) A designation of the secretary of state as its agent upon whom process against it may be served in the manner set forth in section 121-109 of this article in any action or special proceeding, and a post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process served upon [him] the secretary of state. Such post office address shall supersede any prior address designated as the address to which process shall be mailed.

§ 66. Subparagraphs 2 and 4 of paragraph (I) and clause 4 of subparagraph (A) of paragraph (II) of subdivision (a) of section 121-1500 of the partnership law, subparagraph 2 of paragraph (I) as added by chapter 576 of the laws of 1994, subparagraph 4 of paragraph (I) as amended by chapter 643 of the laws of 1995 and such paragraph as redesignated by chapter 767 of the laws of 2005 and clause 4 of subparagraph (A) of paragraph (II) as amended by chapter 44 of the laws of 2006, are amended to read as follows:

(2) the address, within this state, of the principal office of the partnership without limited partners;
(4) a designation of the secretary of state as agent of the partnership without limited partners upon whom process against it may be served and the post office address within or without this state to which the [secretary of state] a person shall mail a copy of any process against it or served [upon it] on the secretary of state;

(4) a statement that the secretary of state has been designated as agent of the registered limited liability partnership upon whom process against it may be served and the post office address within or without this state to which [the secretary of state] a person shall mail a copy of any process against it served upon [him or her] the secretary of state;

§ 67. Paragraphs (ii) and (iii) of subdivision (g) of section 121-1500 of the partnership law, as amended by section 8 of part S of chapter 59 of the laws of 2015, are amended to read as follows:

(ii) the address, within this state, of the principal office of the registered limited liability partnership, (iii) the post office address, within or without this state, to which [the secretary of state] a person shall mail a copy of any process accepted against it served upon [him or her] the secretary of state, which address shall supersede any previous address on file with the department of state for this purpose, and

§ 68. Subdivision (j-1) of section 121-1500 of the partnership law, as added by chapter 448 of the laws of 1998, is amended to read as follows:

(j-1) A certificate of change which changes only the post office address to which [the secretary of state] a person shall mail a copy of any process against a registered limited liability partnership served upon [him] the secretary of state and/or the address of the registered agent, provided such address being changed is the address of a person, partnership, limited liability company or corporation whose address, as
agent, is the address to be changed or who has been designated as registered agent for such registered limited liability partnership shall be signed and delivered to the department of state by such agent. The certificate of change shall set forth: (i) the name of the registered limited liability partnership and, if it has been changed, the name under which it was originally filed with the department of state; (ii) the date of filing of its initial registration or notice statement; (iii) each change effected thereby; (iv) that a notice of the proposed change was mailed to the limited liability partnership by the party signing the certificate not less than thirty days prior to the date of delivery to the department of state and that such limited liability partnership has not objected thereto; and (v) that the party signing the certificate is the agent of such limited liability partnership to whose address a person is required to mail copies of process served on the secretary of state or the registered agent, if such be the case. A certificate signed and delivered under this subdivision shall not be deemed to effect a change of location of the office of the limited liability partnership in whose behalf such certificate is filed. The certificate of change shall be accompanied by a fee of five dollars.

§ 69. Subdivision (a) of section 121-1502 of the partnership law, as amended by chapter 643 of the laws of 1995, paragraph (v) as amended by chapter 470 of the laws of 1997, is amended to read as follows:

(a) In order for a foreign limited liability partnership to carry on or conduct or transact business or activities as a New York registered foreign limited liability partnership in this state, such foreign limited liability partnership shall file with the department of state a notice which shall set forth: (i) the name under which the foreign
limited liability partnership intends to carry on or conduct or transact business or activities in this state; (ii) the date on which and the jurisdiction in which it registered as a limited liability partnership; (iii) the address, within this state, of the principal office of the foreign limited liability partnership; (iv) the profession or professions to be practiced by such foreign limited liability partnership and a statement that it is a foreign limited liability partnership eligible to file a notice under this chapter; (v) a designation of the secretary of state as agent of the foreign limited liability partnership upon whom process against it may be served and the post office address within or without this state, to which [the secretary of state] a person shall mail a copy of any process against it [or] served upon [it] the secretary of state; (vi) if the foreign limited liability partnership is to have a registered agent, its name and address in this state and a statement that the registered agent is to be the agent of the foreign limited liability partnership upon whom process against it may be served; (vii) a statement that its registration as a limited liability partnership is effective in the jurisdiction in which it registered as a limited liability partnership at the time of the filing of such notice; (viii) a statement that the foreign limited liability partnership is filing a notice in order to obtain status as a New York registered foreign limited liability partnership; (ix) if the registration of the foreign limited liability partnership is to be effective on a date later than the time of filing, the date, not to exceed sixty days from the date of filing, of such proposed effectiveness; and (x) any other matters the foreign limited liability partnership determines to include in the notice. Such notice shall be accompanied by either (1) a copy of the last registration or renewal registration (or similar filing), if
any, filed by the foreign limited liability partnership with the jurisdiction where it registered as a limited liability partnership or (2) a certificate, issued by the jurisdiction where it registered as a limited liability partnership, substantially to the effect that such foreign limited liability partnership has filed a registration as a limited liability partnership which is effective on the date of the certificate (if such registration, renewal registration or certificate is in a foreign language, a translation thereof under oath of the translator shall be attached thereto). Such notice shall also be accompanied by a fee of two hundred fifty dollars.

§ 70. Subparagraphs (ii) and (iii) of paragraph (I) of subdivision (f) of section 121-1502 of the partnership law, as amended by section 9 of part S of chapter 59 of the laws of 2015, are amended to read as follows:

(ii) the address, within this state, of the principal office of the New York registered foreign limited liability partnership, (iii) the post office address within or without this state, to which a person shall mail a copy of any process accepted against it served upon [him or her] the secretary of state, which address shall supersede any previous address on file with the department of state for this purpose, and

§ 71. Clause 5 of subparagraph (A) of paragraph (II) of subdivision (f) of section 121-1502 of the partnership law, as amended by chapter 44 of the laws of 2006, is amended to read as follows:

(5) a statement that the secretary of state has been designated as agent of the foreign limited liability partnership upon whom process against it may be served and the post office address within or without this state, to which a person shall mail a copy
of any process against it served upon [him or her] the secretary of state;

§ 72. Subdivision (i-1) of section 121-1502 of the partnership law, as added by chapter 448 of the laws of 1998, is amended to read as follows:

(i-1) A certificate of change which changes only the post office address to which [the secretary of state] a person shall mail a copy of any process against a New York registered foreign limited liability partnership served upon [him] the secretary of state and/or the address of the registered agent, provided such address being changed is the address of a person, partnership, limited liability company or corporation whose address, as agent, is the address to be changed or who has been designated as registered agent of such registered foreign limited liability partnership shall be signed and delivered to the department of state by such agent. The certificate of change shall set forth: (i) the name of the New York registered foreign limited liability partnership; (ii) the date of filing of its initial registration or notice statement; (iii) each change effected thereby; (iv) that a notice of the proposed change was mailed to the limited liability partnership by the party signing the certificate not less than thirty days prior to the date of delivery to the department of state and that such limited liability partnership has not objected thereto; and (v) that the party signing the certificate is the agent of such limited liability partnership to whose address [the secretary of state] a person is required to mail copies of process served on the secretary of state or the registered agent, if such be the case. A certificate signed and delivered under this subdivision shall not be deemed to effect a change of location of the office of the limited liability partnership in whose behalf such certificate is
filed. The certificate of change shall be accompanied by a fee of five
dollars.

§ 73. Subdivision (a) of section 121-1505 of the partnership law, as
added by chapter 470 of the laws of 1997, is amended and two new subdi-
visions (d) and (e) are added to read as follows:

(a) Service of process on the secretary of state as agent of a regis-
tered limited liability partnership or New York registered foreign
limited liability partnership under this article shall be made by mail-
ning the process and notice of service thereof by certified mail, return
receipt requested, to such registered limited liability partnership or
New York registered foreign limited liability partnership, at the post
office address on file in the department of state specified for such
purpose. On the same date that such process is mailed, a duplicate copy
of such process and proof of mailing together with the statutory fee,
which fee shall be a taxable disbursement shall be personally [deliver-
ing] delivered to and [leaving] left with the secretary of state or a
deputy, or with any person authorized by the secretary of state to
receive such service, at the office of the department of state in the
city of Albany, [duplicate copies of such process] together with the
statutory fee, which fee shall be a taxable disbursement. Proof of mail-
ing shall be by affidavit of compliance with this section. Service of
process on such registered limited liability partnership or New York
registered foreign limited liability partnership shall be complete when
the secretary of state is so served. [The secretary of state shall
promptly send one of such copies by certified mail, return receipt
requested, to such registered limited liability partnership, at the post
office address on file in the department of state specified for such
purpose.]
(d) The department of state shall keep a record of each process served
upon the secretary of state under this chapter, including the date of
such service. It shall, upon request made within ten years of such
service, issue a certificate under its seal certifying as to the receipt
of the process by an authorized person, the date and place of such
service and the receipt of the statutory fee. Process served upon the
secretary of state under this chapter shall be destroyed by the depart-
ment of state after a period of ten years from such service.

(e) Any designated post office address maintained by the secretary of
state as agent of a registered limited liability partnership or New York
registered foreign limited liability partnership for the purpose of
mailing process shall be the post office address, within or without the
state, to which a person shall mail process against such limited liabil-
ity company as required by this article. Such address shall continue
until the filing of a certificate under this chapter directing the mail-
ing to a different post office address.

§ 74. Subdivision (b) of section 121-1506 of the partnership law, as
added by chapter 448 of the laws of 1998, paragraph 4 as amended by
chapter 172 of the laws of 1999, is amended to read as follows:

(b) The party (or the party's legal representative) whose post office
address has been supplied by a limited liability partnership as its
address for process may resign. A certificate entitled "Certificate of
Resignation for Receipt of Process under Section 121-1506(b) of the
Partnership Law" shall be signed by such party and delivered to the
department of state. It shall set forth:

(1) The name of the limited liability partnership and the date that
its certificate of registration was filed by the department of state.
(2) That the address of the party has been designated by the limited liability partnership as the post office address to which [the secretary of state] a person shall mail a copy of any process served on the secretary of state as agent for such limited liability partnership and that such party wishes to resign.

(3) That sixty days prior to the filing of the certificate of resignation with the department of state the party has sent a copy of the certificate of resignation for receipt of process by registered or certified mail to the address of the registered agent of the [designated] designating limited liability partnership, if other than the party filing the certificate of resignation, for receipt of process, or if the [resigning] designating limited liability partnership has no registered agent, then to the last address of the [designated] designating limited liability partnership, known to the party, specifying the address to which the copy was sent. If there is no registered agent and no known address of the designating limited liability partnership the party shall attach an affidavit to the certificate stating that a diligent but unsuccessful search was made by the party to locate the limited liability partnership, specifying what efforts were made.

(4) That the [designated] designating limited liability partnership is required to deliver to the department of state a certificate of amendment providing for the designation by the limited liability partnership of a new address and that upon its failure to file such certificate, its authority to do business in this state shall be suspended.

§ 75. Paragraph 16 of subdivision 1 of section 103 of the private housing finance law, as added by chapter 22 of the laws of 1970, is amended to read as follows:
1 (16) A designation of the secretary of state as agent of the corpo-
2 ration upon whom process against it may be served and the post office
3 address, within or without this state, to which [the secretary of state]
4 a person shall mail a copy of any process against it served upon [him]
5 the secretary of state.

§ 76. Subdivision 7 of section 339-n of the real property law is
7 REPEALED and subdivisions 8 and 9 are renumbered subdivisions 7 and 8.
8 § 76-a. Subdivision 15 of section 20.03 of the arts and cultural
9 affairs law, as added by chapter 656 of the laws of 1991, is amended to
10 read as follows:
11 15. "Non-institutional portion" shall mean the part or portion of a
12 combined-use facility other than the institutional portion. If the non-
13 institutional portion, or any part thereof, consists of a condominium,
14 the consent of the trust which has developed or approved the developer
15 of such condominium shall be required prior to any amendment of the
16 declaration of such condominium pursuant to subdivision [nine] eight of
17 section three hundred thirty-nine-n of the real property law and prior
18 to any amendment of the by-laws of such condominium pursuant to para-
19 graph (j) of subdivision one of section three hundred thirty-nine-v of
20 the real property law, and whether or not such trust is a unit owner of
21 such condominium, it may exercise the rights of the board of managers
22 and an aggrieved unit owner under section three hundred thirty-nine-j of
23 the real property law in the case of a failure of any unit owner of such
24 condominium to comply with the by-laws of such condominium and with the
25 rules, regulations, and decisions adopted pursuant thereto.

§ 77. Subdivision 2 of section 339-s of the real property law, as
27 added by chapter 346 of the laws of 1997, is amended to read as follows:
2. [Each such declaration, and any amendment or amendments thereof shall be filed with the department of state] (a) The board of managers for each condominium subject to this article shall file with the secretary of state a certificate, in writing, signed, designating the secretary of state as agent of the board of managers upon whom process against it may be served and the post office address to which a person shall mail a copy of such process. The certificate shall be accompanied by a fee of sixty dollars.

(b) Any board of managers may change the address to which a person shall mail a copy of process served upon the secretary of state, by filing a signed certificate of amendment with the department of state. Such certificate shall be accompanied by a fee of sixty dollars.

(c) Service of process on the secretary of state as agent of a board of managers shall be made by mailing the process and notice of service of process pursuant to this section by certified mail, return receipt requested, to such board of managers, at the post office address, on file in the department of state, specified for this purpose. On the same day that such process is mailed, a duplicate copy of such process and proof of mailing shall be personally delivered to and left with the secretary of state or a deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany, a duplicate copy of such process with proof of mailing together with the statutory fee, which shall be a taxable disbursement. Proof of mailing shall be by affidavit of compliance with this section. Service of process on a board of managers shall be complete when the secretary of state is so served.

(d) As used in this article, "process" shall mean judicial process and all orders, demands, notices or other papers required or permitted by
law to be personally served on a board of managers, for the purpose of
acquiring jurisdiction of such board of managers in any action or
proceeding, civil or criminal, whether judicial, administrative, arbitra-
tive or otherwise, in this state or in the federal courts sitting in
or for this state.

(e) Nothing in this section shall affect the right to serve process in
any other manner permitted by law.

(f) The department of state shall keep a record of each process served
under this section, including the date of service. It shall, upon
request, made within ten years of such service, issue a certificate
under its seal certifying as to the receipt of process by an authorized
person, the date and place of such service and the receipt of the statu-
tory fee. Process served on the secretary of state under this section
shall be destroyed by the department of state after a period of ten
years from such service.

(g) Any designated post office address maintained by the secretary of
state as agent of the board of managers for the purpose of mailing proc-
ess shall be the post office address, within or without the state, to
which a person shall mail process against such board as required by this
article. Such address shall continue until the filing of a certificate
under this chapter directing the mailing to a different post office
address.

§ 78. Subdivisions 3 and 4 of section 442-g of the real property law,
as amended by chapter 482 of the laws of 1963, are amended to read as
follows:

3. Service of such process upon the secretary of state shall be made
by personally delivering to and leaving with [him or his] the secretary
of state or a deputy, or with any person authorized by the secretary of
state to receive such service, at the office of the department of state
in the city of Albany, [duplicate copies] a copy of such process and
proof of mailing together with a fee of five dollars if the action is
solely for the recovery of a sum of money not in excess of two hundred
dollars and the process is so endorsed, and a fee of ten dollars in any
other action or proceeding, which fee shall be a taxable disbursement.
If such process is served upon behalf of a county, city, town or
village, or other political subdivision of the state, the fee to be paid
to the secretary of state shall be five dollars, irrespective of the
amount involved or the nature of the action on account of which such
service of process is made. [If the cost of registered mail for trans-
mitting a copy of the process shall exceed two dollars, an additional
fee equal to such excess shall be paid at the time of the service of
such process.] Proof of mailing shall be by affidavit of compliance with
this section. Proof of service shall be by affidavit of compliance with
this subdivision filed by or on behalf of the plaintiff together with
the process, within ten days after such service, with the clerk of the
court in which the action or special proceeding is pending. Service
made as provided in this section shall be complete ten days after such
papers are filed with the clerk of the court and shall have the same
force and validity as if served on him personally within the state and
within the territorial jurisdiction of the court from which the process
issues.

4. The [secretary of state] person serving such process shall [prompt-
ly] send [one of] such [copies] process by [registered] certified mail,
return receipt requested, to the nonresident broker or nonresident
salesman at the post office address of his main office as set forth in
the last application filed by him.
§ 79. Subdivision 2 of section 203 of the tax law, as amended by chapter 100 of the laws of 1964, is amended to read as follows:

2. Every foreign corporation (other than a moneyed corporation) subject to the provisions of this article, except a corporation having a certificate of authority [under section two hundred twelve of the general corporation law] or having authority to do business by virtue of section thirteen hundred fifty of the business corporation law, shall file in the department of state a certificate of designation in its corporate name, signed and acknowledged by its president or a vice-president or its secretary or treasurer, under its corporate seal, designating the secretary of state as its agent upon whom process in any action provided for by this article may be served within this state, and setting forth an address to which [the secretary of state] a person shall mail a copy of any such process against the corporation which may be served upon [him] the secretary of state. In case any such corporation shall have failed to file such certificate of designation, it shall be deemed to have designated the secretary of state as its agent upon whom such process against it may be served; and until a certificate of designation shall have been filed the corporation shall be deemed to have directed [the secretary of state] a person serving process to mail copies of process served upon [him] the secretary of state to the corporation at its last known office address within or without the state. When a certificate of designation has been filed by such corporation [the secretary of state] a person serving process shall mail copies of process thereafter served upon [him] the secretary of state to the address set forth in such certificate. Any such corporation, from time to time, may change the address to which [the secretary of state] a person is directed to mail copies of process, by filing a certificate to
that effect executed, signed and acknowledged in like manner as a
certificate of designation as herein provided. Service of process upon
any such corporation or upon any corporation having a certificate of
authority [under section two hundred twelve of the general corporation
law] or having authority to do business by virtue of section thirteen
hundred five of the business corporation law, in any action commenced at
any time pursuant to the provisions of this article, may be made by
either (1) personally delivering to and leaving with the secretary of
state, a deputy secretary of state or with any person authorized by the
secretary of state to receive such service [duplicate copies] a copy
thereof at the office of the department of state in the city of Albany,
in which event [the secretary of state] a person serving such process
shall forthwith send by [registered] certified mail, return receipt
requested, [one of such copies] a duplicate copy to the corporation at
the address designated by it or at its last known office address within
or without the state, or (2) personally delivering to and leaving with
the secretary of state, a deputy secretary of state or with any person
authorized by the secretary of state to receive such service, a copy
thereof at the office of the department of state in the city of Albany
and by delivering a copy thereof to, and leaving such copy with, the
president, vice-president, secretary, assistant secretary, treasurer,
assistant treasurer, or cashier of such corporation, or the officer
performing corresponding functions under another name, or a director or
managing agent of such corporation, personally without the state. Proof
of such personal service without the state shall be filed with the clerk
of the court in which the action is pending within thirty days after
such service, and such service shall be complete ten days after proof
thereof is filed.
§ 80. Section 216 of the tax law, as added by chapter 415 of the laws of 1944, the opening paragraph as amended by chapter 100 of the laws of 1964 and redesignated by chapter 613 of the laws of 1976, is amended to read as follows:

§ 216. Collection of taxes. Every foreign corporation (other than a moneyed corporation) subject to the provisions of this article, except a corporation having a certificate of authority [under section two hundred twelve of the general corporation law] or having authority to do business by virtue of section thirteen hundred five of the business corporation law, shall file in the department of state a certificate of designation in its corporate name, signed and acknowledged by its president or a vice-president or its secretary or treasurer, under its corporate seal, designating the secretary of state as its agent upon whom process in any action provided for by this article may be served within this state, and setting forth an address to which [the secretary of state] a person shall mail a copy of any such process against the corporation which may be served upon him. In case any such corporation shall have failed to file such certificate of designation, it shall be deemed to have designated the secretary of state as its agent upon whom such process against it may be served; and until a certificate of designation shall have been filed the corporation shall be deemed to have directed [the secretary of state] a person to mail [copies] a copy of process served upon [him] the secretary of state to the corporation at its last known office address within or without the state. When a certificate of designation has been filed by such corporation [the secretary of state] a person serving such process shall mail [copies] a copy of process thereafter served upon [him] a person serving such process to the address set forth in such certificate. Any such corporation, from time
to time, may change the address to which [the secretary of state] a person is directed to mail copies of process, by filing a certificate to that effect executed, signed and acknowledged in like manner as a certificate of designation as herein provided. Service of process upon any such corporation or upon any corporation having a certificate of authority [under section two hundred twelve of the general corporation law] or having authority to do business by virtue of section thirteen hundred five of the business corporation law, in any action commenced at any time pursuant to the provisions of this article, may be made by either (1) personally delivering to and leaving with the secretary of state, a deputy secretary of state or with any person authorized by the secretary of state to receive such service [duplicate copies] a copy thereof at the office of the department of state in the city of Albany, in which event [the secretary of state] a person serving such process shall forthwith send by [registered] certified mail, return receipt requested, [one of such copies] a duplicate copy to the corporation at the address designated by it or at its last known office address within or without the state, or (2) personally delivering to and leaving with the secretary of state, a deputy secretary of state or with any person authorized by the secretary of state to receive such service, a copy thereof at the office of the department of state in the city of Albany and by delivering a copy thereof to, and leaving such copy with, the president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, or cashier of such corporation, or the officer performing corresponding functions under another name, or a director or managing agent of such corporation, personally without the state. Proof of such personal service without the state shall be filed with the clerk of the court in which the action is pending within thirty days after
such service, and such service shall be complete ten days after proof thereof is filed.

§ 81. Subdivisions (a) and (b) of section 310 of the tax law, as added by chapter 400 of the laws of 1983, are amended to read as follows:

(a) Designation for service of process.—Every petroleum business which is a corporation, except such a petroleum business having a certificate of authority [under section two hundred twelve of the general corporation law] or having authority to do business by virtue of section thirteen hundred five of the business corporation law, shall file in the department of state a certificate of designation in its corporate name, signed and acknowledged by its president or vice-president or its secretary or treasurer, under its corporate seal, designating the secretary of state as its agent upon whom process in any action provided for by this article may be served within this state, and setting forth an address to which [the secretary of state] a person shall mail a copy of any such process against such petroleum business which may be served upon [him] the secretary of state. In case any such petroleum business shall have failed to file such certificate of designation, it shall be deemed to have designated the secretary of state as its agent upon whom such process against it may be served; and until a certificate of designation shall have been filed such a petroleum business shall be deemed to have directed [the secretary of state] a person to mail copies of process served upon [him] the secretary of state to such petroleum business at its last known office address within or without the state. When a certificate of designation has been filed by such a petroleum business [the secretary of state] a person serving process shall mail copies of process thereafter served upon [him] the secretary of state to the address set forth in such certificate. Any such petrole-
um business, from time to time, may change the address to which [the
secretary of state] a person is directed to mail copies of process, by
filing a certificate to that effect executed, signed and acknowledged in
like manner as a certificate of designation as herein provided.
(b) Service of process.--Service of process upon any petroleum busi-
ness which is a corporation (including any such petroleum business
having a certificate of authority [under section two hundred twelve of
the general corporation law] or having authority to do business by
virtue of section thirteen hundred five of the business corporation
law), in any action commenced at any time pursuant to the provisions of
this article, may be made by either (1) personally delivering to and
leaving with the secretary of state, a deputy secretary of state or with
any person authorized by the secretary of state to receive such service
duplicate copies a copy thereof at the office of the department of
state in the city of Albany, in which event [the secretary of state] a
person serving process shall forthwith send by [registered] certified
mail, return receipt requested, [one of such copies] a duplicate copy to
such petroleum business at the address designated by it or at its last
known office address within or without the state, or (2) personally
delivering to and leaving with the secretary of state, a deputy secre-
tary of state or with any person authorized by the secretary of state to
receive such service, a copy thereof at the office of the department of
state in the city of Albany and by delivering a copy thereof to, and
leaving such copy with, the president, vice-president, secretary,
assistant secretary, treasurer, assistant treasurer, or cashier of such
petroleum business, or the officer performing corresponding functions
under another name, or a director or managing agent of such petroleum
business, personally without the state. Proof of such personal service
without the state shall be filed with the clerk of the court in which
the action is pending within thirty days after such service, and such
service shall be complete ten days after proof thereof is filed.
§ 82. This act shall take effect on the one hundred twentieth day
after it shall have become a law.

PART S

Section 1. Subdivision 6 of section 441-a of the real property law, as
amended by chapter 183 of the laws of 2006, is amended to read as
follows:
6. Pocket card. The department shall prepare, issue and deliver, with
the assistance of the department of motor vehicles, [to each licensee]
upon payment of a fee of five dollars by a licensee, a pocket card in
such form and manner as the department shall prescribe, but which shall
contain the photo, name and business address of the licensee, and, in
the case of a real estate salesman, the name and business address of the
broker with whom he or she is associated and shall certify that the
person whose name appears thereon is a licensed real estate broker or
salesman, as may be. Such cards must be shown on demand. In the case of
loss, destruction or damage, the secretary of state may, upon submission
of satisfactory proof, issue a duplicate pocket card upon payment of a
fee of ten dollars.
§ 2. This act shall take effect immediately.

PART T
Section 1. Subdivision 2 of section 54-1101 of the environmental
conservation law, as amended by section 4 of part U of chapter 58 of the
laws of 2016, is amended to read as follows:

2. State assistance payments and/or technical assistance, as defined
in section nine hundred seventeen of the executive law, shall not exceed
[fifty] seventy-five percent of the cost of the program. For the purpose
of determining the amount of state assistance payments, costs shall not
be more than the amount set forth in the application for state assist-
ance payments approved by the secretary. The state assistance payments
shall be paid on audit and warrant of the state comptroller on a certif-
icate of availability of the director of the budget.

§ 2. The opening paragraph and paragraph a of subdivision 1 of section
918 of the executive law, as added by chapter 840 of the laws of 1981,
are amended to read as follows:

The secretary may enter into a contract or contracts for grants or
payments to be made, within the limits of any appropriations therefor,
for the following:

a. To any local governments, or to two or more local governments, for
projects approved by the secretary which lead to preparation of a water-
front revitalization program; provided, however, that such grants or
payments shall not exceed [fifty] seventy-five percent of the approved
cost of such projects;

§ 3. This act shall take effect immediately.
Section 1. Paragraph (e) of subdivision 1 of section 169 of the executive law, as amended by section 9 of part A of chapter 60 of the laws of 2012, is amended to read as follows:

(e) [chairman of state athletic commission,] director of the office of victim services, chairman of human rights appeal board, chairman of the industrial board of appeals, chairman of the state commission of correction, members of the board of parole, member-chairman of unemployment insurance appeal board, director of veterans' affairs, and vice-chairman of the workers' compensation board;

§ 2. This act shall take effect immediately.

PART V

Section 1. Expenditures of moneys appropriated in a chapter of the laws of 2017 to the department of agriculture and markets from the special revenue funds-other/state operations, miscellaneous special revenue fund-339, public service account shall be subject to the provisions of this section. Notwithstanding any other provision of law to the contrary, direct and indirect expenses relating to the department of agriculture and markets' participation in general ratemaking proceedings pursuant to section 65 of the public service law or certification proceedings pursuant to article 7 or 10 of the public service law, shall be deemed expenses of the department of public service within the meaning of section 18-a of the public service law. No later than August 15, 2018, the commissioner of the department of agriculture and markets shall submit an accounting of such expenses, including, but not limited to, expenses in the 2017 -- 2018 fiscal year for personal and non-personal services and fringe benefits, to the chair of the public
service commission for the chair's review pursuant to the provisions of
section 18-a of the public service law.

§ 2. Expenditures of moneys appropriated in a chapter of the laws of
2017 to the department of state from the special revenue funds-
other/state operations, miscellaneous special revenue fund-339, public
service account shall be subject to the provisions of this section.
Notwithstanding any other provision of law to the contrary, direct and
indirect expenses relating to the department of state's participation in
general ratemaking proceedings pursuant to section 65 of the public
service law or certification proceedings pursuant to article 7 or 10 of
the public service law, shall be deemed expenses of the department of
public service within the meaning of section 18-a of the public service
law. No later than August 15, 2018, the secretary of state shall submit
an accounting of such expenses, including, but not limited to, expenses
in the 2017 -- 2018 fiscal year for personal and non-personal services
and fringe benefits, to the chair of the public service commission for
the chair's review pursuant to the provisions of section 18-a of the
public service law.

§ 3. Expenditures of moneys appropriated in a chapter of the laws of
2017 to the office of parks, recreation and historic preservation from
the special revenue funds-other/state operations, miscellaneous special
revenue fund-339, public service account shall be subject to the
provisions of this section. Notwithstanding any other provision of law
to the contrary, direct and indirect expenses relating to the office of
parks, recreation and historic preservation's participation in general
ratemaking proceedings pursuant to section 65 of the public service law
or certification proceedings pursuant to article 7 or 10 of the public
service law, shall be deemed expenses of the department of public
service within the meaning of section 18-a of the public service law. No
later than August 15, 2018, the commissioner of the office of parks,
recreation and historic preservation shall submit an accounting of such
expenses, including, but not limited to, expenses in the 2017 -- 2018
fiscal year for personal and non-personal services and fringe benefits,
to the chair of the public service commission for the chair's review
pursuant to the provisions of section 18-a of the public service law.

§ 4. Expenditures of moneys appropriated in a chapter of the laws of
2017 to the department of environmental conservation from the special
revenue funds-other/state operations, environmental conservation special
revenue fund-301, utility environmental regulation account shall be
subject to the provisions of this section. Notwithstanding any other
provision of law to the contrary, direct and indirect expenses relating
to the department of environmental conservation's participation in state
energy policy proceedings, or certification proceedings pursuant to
article 7 or 10 of the public service law, shall be deemed expenses of
the department of public service within the meaning of section 18-a of
the public service law. No later than August 15, 2018, the commissioner
of the department of environmental conservation shall submit an account-
ing of such expenses, including, but not limited to, expenses in the
2017 -- 2018 fiscal year for personal and non-personal services and
fringe benefits, to the chair of the public service commission for the
chair's review pursuant to the provisions of section 18-a of the public
service law.

§ 5. Notwithstanding any other law, rule or regulation to the contra-
ry, expenses of the department of health public service education
program incurred pursuant to appropriations from the cable television
account of the state miscellaneous special revenue funds shall be deemed
expenses of the department of public service. No later than August 15, 2018, the commissioner of the department of health shall submit an accounting of expenses in the 2017 - 2018 fiscal year to the chair of the public service commission for the chair's review pursuant to the provisions of section 217 of the public service law.

§ 6. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART W

Section 1. Section 2 of part BB of chapter 58 of the laws of 2012, amending the public authorities law relating to authorizing the dormitory authority to enter into certain design and construction management agreements, as amended by section 1 of part S of chapter 58 of the laws of 2015, is amended to read as follows:

§ 2. This act shall take effect immediately [and shall expire and be deemed repealed April 1, 2017].

§ 2. This act shall take effect immediately.

PART X

Section 1. Legislative findings. In order to increase the authority of the superintendent of financial services to respond to the harm posed by impaired insurers in this state, the legislature finds that it is in the best interest of the people of this state to enact an administrative supervision statute. The superintendent of financial services has the right and responsibility to enforce the insurance law and the authority to seek redress against any person responsible for the impairment or
insolvency of the insurer, and nothing in this act is intended to
restrict or limit such right, responsibility, or authority.

§ 2. The insurance law is amended by adding a new section 1123 to read
as follows:

§ 1123. Administrative supervision. (a) For the purposes of this
subsection, "insurer" shall have the meaning set forth in paragraph one
of subsection (b) of section seven thousand four hundred one of this
chapter, and shall include a licensed United States branch of an alien
insurer entered through this state.

(b)(1) The superintendent may issue an order placing a domestic insur-
er under administrative supervision if the superintendent determines
that one or more of the conditions set forth in section seven thousand
four hundred two of this chapter exists. Upon such a determination, the
superintendent shall furnish the insurer with a written list of require-
ments to abate the condition or conditions within the time specified in
the order, which shall not exceed one hundred eighty days. The domestic
insurer may challenge the order by requesting an administrative hearing
pursuant to the adjudicatory proceeding rules in article three of the
state administrative procedure act and regulations promulgated by the
superintendent but the order shall remain in full force and effect
during the course of the adjudicatory proceeding. Upon issuance of the
order, the superintendent shall advise such domestic insurer of its
right to request a hearing challenging the order pursuant to the adjudi-
catory proceeding rules in article three of the state administrative
procedure act and regulations promulgated by the superintendent.

(2) If, at the end of the period specified in the order, the super-
intendent determines that the condition or conditions that gave rise to
the order still exists or exist, then administrative supervision shall
continue. The insurer may request a hearing to challenge the superintendent's determination to continue administrative supervision.

(3) If the superintendent determines that the condition or conditions that gave rise to administrative supervision no longer exists or exist, then the superintendent shall release the insurer from supervision.

(c) During the period of supervision, the superintendent may prohibit the insurer from engaging in any of the following activities without the superintendent's prior approval:

(1) disposing of, conveying, or encumbering any of its assets or its business in force;

(2) withdrawing any funds from its bank accounts;

(3) lending any of its funds;

(4) investing any of its funds;

(5) paying any claims;

(6) transferring any of its property;

(7) incurring any debt, obligation, or liability;

(8) merging or consolidating with another company;

(9) approving new premiums or renewing any policies;

(10) entering into any new reinsurance contract or treaty;

(11) terminating, surrendering, forfeiting, converting, or lapsing any insurance policy, certificate, or contract, except for nonpayment of premiums due;

(12) releasing, paying, or refunding premium deposits, accrued cash or loan values, unearned premiums, or other reserves on any insurance policy, certificate, or contract;

(13) making any material change in management;

(14) increasing salaries and benefits of officers or directors or the payment of bonuses, dividends, or other payments; or
(15) such other activities that the superintendent determines are necessary to protect policyholders or the people of this state.

(d) The superintendent may appoint as administrative supervisor, at the insurer's expense, one or more persons not employed by any insurer or interested in such insurer, except as a policyholder.

(e)(1) The expenses of administrative supervision pursuant to this subsection shall be borne and paid by the insurer so supervised.

(2) In the event that an insurer becomes subject to a proceeding under article seventy-four of this chapter within one year of the superintendent releasing the insurer from administrative supervision, all accrued and outstanding expenses incurred in connection with administrative supervision shall be treated as actual and necessary costs and expenses of the administration of such proceeding under article seventy-four of this chapter.

(f) All matters pertaining to a proceeding or determination pursuant to this subsection shall be confidential and not subject to subpoena or public inspection under article six of the public officers law or any other statute, except to the extent that the superintendent finds release of information necessary to protect the public.

(g) Nothing in this subsection shall be construed as precluding the superintendent from initiating judicial proceedings to place an insurer in rehabilitation, liquidation, conservation, or dissolution proceedings.

§ 3. Subsection (a) of section 1309 of the insurance law is amended to read as follows:

(a) Whenever the superintendent finds from a financial statement or report on examination that an authorized insurer is unable to pay its outstanding lawful obligations as they mature in the regular course of
business, as shown by an excess of required reserves and other liabilities over admitted assets, or by its not having sufficient assets to reinsure all outstanding risks with other solvent authorized assuming insurers after paying all accrued claims owed, such insurer shall be deemed insolvent and the superintendent may proceed against it pursuant to the provisions of article seventy-four of this chapter or may place the insurer under administrative supervision pursuant to section one thousand one hundred twenty-three of this chapter.

§ 4. Subsection (a) of section 1310 of the insurance law is amended to read as follows:

(a) Whenever the superintendent finds from a financial statement, or a report on examination, of any domestic stock insurer that [(i)] [(1) the admitted assets are less than the aggregate amount of its liabilities and outstanding capital stock or [(ii)] [(2) the admitted assets of any such insurer [which] that is required to maintain a minimum surplus to policyholders are less than the aggregate amount of its liabilities and the amount of its minimum surplus to policyholders, [he] the superintendent shall determine the amount of the impairment and order the insurer to eliminate the impairment within such period as [he] the superintendent designates, not more than ninety days from the service of the order. [He] The superintendent may also order the insurer not to issue any new policies while the impairment exists. If the impairment as determined by the provisions of [item (i) hereof] paragraph one of this subsection equals or exceeds twenty-five percent of the insurer's outstanding capital stock, or as determined by the provisions of [item (i) or (ii) hereof] paragraph one or two of this subsection is such that the insurer does not have the minimum capital or minimum surplus to policyholders required by this chapter, and if at the expiration of such
designated period, such insurer has not satisfied the superintendent
that such impairment has been eliminated, the superintendent may proceed
against the insurer pursuant to the provisions of article seventy-four
of this chapter on the ground that its condition is such that its
further transaction of business will be hazardous to its policyholders
or its creditors or the public or the superintendent may place the
insurer under administrative supervision pursuant to section one thou-
sand one hundred twenty-three of this chapter.

§ 5. Subsection (c) of section 1311 of the insurance law is amended to
read as follows:

(c) If the impairment so determined is such that such insurer does not
have the minimum surplus required for item (iii) of subsection (a)
[hereof] of this section, and if when such designated period expires the
insurer has not satisfied the superintendent that such impairment has
been eliminated, the superintendent may proceed against such insurer
pursuant to the provisions of article seventy-four of this chapter on
the ground that its further transaction of business will be hazardous to
its policyholders, its creditors or the public or the superintendent may
place the insurer under administrative supervision pursuant to section
one thousand one hundred twenty-three of this chapter.

§ 6. Paragraph 2 of subsection (c) of section 1312 of the insurance
law is amended to read as follows:

(2) If at the expiration of such designated period such insurer has
not satisfied the superintendent that such impairment has been elimi-
nated, the superintendent may proceed against such insurer pursuant to
the provisions of article seventy-four of this chapter as an insurer
whose condition is such that its further transaction of business in the
United States will be hazardous to its policyholders, its creditors or
the public in the United States or the superintendent may place the
insurer under administrative supervision pursuant to subsection (b) of
section one thousand one hundred twenty-three of this chapter.

§ 7. This act shall take effect immediately.

PART Y

Section 1. Subsections (c) and (d) of section 109 of the insurance
law, paragraph 1 of subsection (c) as amended by section 55 of part A of
chapter 62 of the laws of 2011, is amended and a new subsection (e) is
added to read as follows:

(c) (1) If the superintendent finds after notice and hearing that any
authorized insurer, representative of the insurer, licensed insurance
agent, licensed insurance broker, licensed adjuster, or any
other person or entity licensed, certified, registered, or authorized
pursuant subject to this chapter, has wilfully violated the provisions
of this chapter or any regulation promulgated thereunder, then the
superintendent may order the person or entity to pay to the people of
this state a penalty in a sum not exceeding the greater of (A) ten
thousand dollars for each offense; (B) a multiple of two times the
aggregate damages attributable to the violation; or (C) a multiple of
two times the aggregate economic gain attributable to the violation. The
superintendent may promulgate regulations implementing the terms of this
subsection.

(2) Failure to pay such penalty within thirty days after the order,
unless it is suspended by an order of a court of competent jurisdiction,
shall constitute a further violation of the provisions of this chapter.
(3) No penalty shall be imposed pursuant to this subsection if a monetary penalty is otherwise provided in this chapter.

(d) (1) The superintendent may maintain a civil action in the name of the people of the state to recover a judgment for a money penalty imposed by law or to enforce any order issued by the superintendent for the violation of any provision of this chapter.

(2) Notwithstanding any law to the contrary, the superintendent may, in his or her sole discretion, either (A) prosecute any such action and retain charge and control of the action; or (B) refer such action to the department of law for prosecution.

(e) Any person or entity that is required by this chapter to be licensed, certified, registered, or authorized shall be subject to the laws of this chapter and the penalties contained herein as if the person or entity was so licensed, certified, registered, or authorized, even if the person or entity does not possess the required license, certification, registration, or authorization.

§ 2. Section 44 of the banking law is amended by adding two new subdivisions 10 and 11 to read as follows:

10. The superintendent may maintain a civil action in the name of the people of the state to recover a judgement for a money penalty imposed by law or to enforce any order issued by the superintendent for the violation of any provision of this chapter. Notwithstanding any law to the contrary, the superintendent may, in his or her discretion, either (a) prosecute any such action and retain charge and control of the action; or (b) refer such action to the department of law for prosecution.

11. Any person or entity who engages in activity that is regulated in this chapter without being licensed, certified, registered, authorized,
chartered, accredited, incorporated or otherwise obtaining any permission of the superintendent required by this chapter before engaging in such activity shall be subject to the laws of this chapter and the penalties contained herein as if the person or entity was so licensed, certified, registered, authorized, chartered, accredited, incorporated, or otherwise approved by the superintendent.

§ 3. Subsection (a) of section 309 of the financial services law is amended and a new subsection (c) is added to read as follows:

(a) In addition to such other remedies as are provided under this chapter, the superintendent may maintain and prosecute an action against any person subject to this chapter, the insurance law or the banking law, or the person's officers, directors, trustees or agents, for the purpose of obtaining an injunction restraining such person or persons from doing any acts in violation of the provisions of this chapter, the insurance law or the banking law. The superintendent may commence such action against any person or entity that is required by this chapter, the banking law, or the insurance law to be licensed, certified, registered, authorized, chartered, accredited, or incorporated, as if the person or entity was so licensed, certified, registered, authorized, chartered, accredited, or incorporated, even if the person or entity does not possess the required license, certification, registration, authorization, charter, accreditation, or incorporation.

(c) Notwithstanding any law to the contrary, the superintendent may, in his or her discretion, either (i) prosecute any such action and retain charge and control of the action; or (ii) refer such action to the department of law for prosecution.

§ 4. This act shall take effect immediately.
PART Z

Section 1. The banking law is amended by adding a new article 14-A to read as follows:

ARTICLE XIV-A

STUDENT LOAN SERVICERS

Section 710. Definitions.

711. Licensing.
712. Application for a student loan servicer license; fees.
713. Application process to receive license to engage in the business of student loan servicing.
714. Changes in officers and directors.
715. Changes in control.
716. Grounds for suspension or revocation of license.
717. Books and records; reports and electronic filing.
718. Rules and regulations.
719. Prohibited practices.
720. Servicing student loans without a license.
721. Responsibilities.
722. Examinations.
723. Penalties for violation of this article.
724. Severability of provisions.
725. Compliance with other laws.

§ 710. Definitions. 1. "Applicant" shall mean any person applying for a license to be a student loan servicer.
2. "Borrower" shall mean any resident of this state who has received a student loan or agreed to pay a student loan or any person who shares responsibility with such resident for repaying a student loan.
3. "Borrower benefit" shall mean an incentive offered to a borrower in connection with the origination of a student loan, including but not limited to an interest rate reduction, principal rebate, fee waiver or rebate, loan cancellation, or cosigner release.

4. "Exempt organization" shall mean any banking organization, foreign banking corporation, national bank, federal savings association, federal credit union, or any bank, trust company, savings bank, savings and loan association, or credit union organized under the laws of any other state, or any instrumentality created by the United States or any state with the power to service student loans, or any person exempted by the superintendent of financial services pursuant to regulations promulgated in accordance with this article.

5. "Person" shall mean any individual, association, corporation, limited liability company, partnership, trust, unincorporated organization, government or political subdivision of a government, and any other entity.

6. "Servicer" or "student loan servicer" shall mean a person licensed pursuant to section seven hundred eleven of this article to engage in the business of servicing any student loan of a borrower.

7. "Servicing" shall mean:
   (a) receiving any payment from a borrower pursuant to the terms of any student loan;
   (b) applying any payment to a borrower's account pursuant to the terms of a student loan or the contract governing the servicing of any such loan;
   (c) providing any notification of amounts owed on a student loan by or on account of any borrower;
(d) during a period when a borrower is not required to make a payment
on a student loan, maintaining account records for the student loan and
communicating with the borrower regarding the student loan on behalf of
the owner of the student loan promissory note;
(e) interacting with a borrower with respect to or regarding any
attempt to avoid default on the borrower's student loan, or facilitating
the activities described in paragraph (a) or (b) of this subdivision; or
(f) performing other administrative services with respect to a borrow-
er's student loan.

8. "Student loan" shall mean any loan to a borrower to finance postse-
condary education or expenses related to postsecondary education.

§ 711. Licensing. 1. No person shall engage in the business of servic-
ing student loans owed by one or more borrowers residing in this state
without first being licensed by the superintendent as a student loan
servicer in accordance with this article and such regulations as may be
prescribed by the superintendent.

2. The licensing provisions of this subdivision shall not apply to any
exempt organization, or any person that shall be exempted in accordance
with regulations prescribed by the superintendent hereunder; provided
that such exempt organization notifies the superintendent that the
exempt organization is acting as a student loan servicer in this state
and complies with sections seven hundred nineteen and seven hundred
twenty-one of this article and any regulation applicable to student loan
servicers promulgated by the superintendent.

§ 712. Application for a student loan servicer license; fees. 1. The
application for a license to be a student loan servicer shall be in
writing, under oath, and in the form prescribed by the superintendent.
Notwithstanding article three of the state technology law or any other
law to the contrary, the superintendent may require that an application
for a license or any other submission or application for approval as may
be required by this article be made or executed by electronic means if
he or she deems it necessary to ensure the efficient and effective
administration of this article. The application shall include a
description of the activities of the applicant, in such detail and for
such periods as the superintendent may require, including:

(a) an affirmation of financial solvency noting such capitalization
requirements as may be required by the superintendent, and access to
such credit as may be required by the superintendent;

(b) a financial statement prepared by a certified public accountant,
the accuracy of which is sworn to under oath before a notary public by
an officer or other representative of the applicant who is authorized to
execute such documents;

(c) the fingerprints of the applicant, or its members, officers, part-
ners, directors and principals as may be appropriate, which may be
submitted to the division of criminal justice services and the federal
bureau of investigation for state and national criminal history record
checks;

(d) an affirmation that the applicant, or its members, officers, part-
ners, directors and principals as may be appropriate, are at least twen-
ty-one years of age;

(e) information as to the character, fitness, financial and business
responsibility, background and experiences of the applicant, or its
members, officers, partners, directors and principals as may be appro-
priate;

(f) any additional detail or information required by the superinten-
dent.
2. An application to become a student loan servicer or any application with respect to a student loan servicer shall be accompanied by a fee as prescribed pursuant to section eighteen-a of this chapter.

§ 713. Application process to receive license to engage in the business of student loan servicing. 1. Upon the filing of an application for a license, if the superintendent shall find that the financial responsibility, experience, character, and general fitness of the applicant and, if applicable, the members, officers, partners, directors and principals of the applicant are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purpose of this article, the superintendent shall thereupon issue a license in duplicate to engage in the business of servicing student loans described in section seven hundred ten of this article in accordance with the provisions of this article. If the superintendent shall not so find, the superintendent shall not issue a license, and the superintendent shall so notify the applicant. The superintendent shall transmit one copy of a license to the applicant and file another copy in the office of the department of financial services. Upon receipt of such license, a student loan servicer shall be authorized to engage in the business of servicing student loans in accordance with the provisions of this article. Such license shall remain in full force and effect until it is surrendered by the servicer or revoked or suspended as hereinafter provided.

2. The superintendent may refuse to issue a license pursuant to this article if he or she shall find that the applicant, or any person who is a director, officer, partner, agent, employee, member, substantial stockholder of the applicant, consultant or person having a relationship with the applicant similar to a consultant:
(a) has been convicted of a crime involving an activity which is a felony under this chapter or under article one hundred fifty-five, one hundred seventy, one hundred seventy-five, one hundred seventy-six, one hundred eighty, one hundred eighty-five, one hundred eighty-seven, one hundred ninety, two hundred, two hundred ten or four hundred seventy of the penal law or any comparable felony under the laws of any other state or the United States, provided that such crime would be a felony if committed and prosecuted under the laws of this state;

(b) has had a license or registration revoked by the superintendent or any other regulator or jurisdiction;

(c) has been an officer, director, partner, member or substantial stockholder of an entity which has had a license or registration revoked by the superintendent or any other regulator or jurisdiction; or

(d) has been an agent, employee, officer, director, partner or member of an entity, or a consultant to, or person having had a similar relationship with, any entity which has had a license or registration revoked by the superintendent where such person shall have been found by the superintendent to bear responsibility in connection with the revocation.

3. The term "substantial stockholder", as used in this subdivision, shall be deemed to refer to a person owning or controlling directly or indirectly ten per centum or more of the total outstanding stock of a corporation.

§ 714. Changes in officers and directors. Upon any change of any of the executive officers, directors, partners or members of any student loan servicer, the student loan servicer shall submit to the superintendent the name, address, and occupation of each new officer, director,
partner or member, and provide such other information as the superintenden-
tent may require.

§ 715. Changes in control. 1. It shall be unlawful, except with the
prior approval of the superintendent, for any action to be taken which
results in a change of control of the business of a student loan servi-
cer. Prior to any change of control, the person desirous of acquiring
control of the business of a student loan servicer shall make written
application to the superintendent and pay an investigation fee as
prescribed pursuant to section eighteen-a of this chapter to the super-
intendent. The application shall contain such information as the super-
intendent, by rule or regulation, may prescribe as necessary or appro-
priate for the purpose of making the determination required by
subdivision two of this section. Such information shall include, but not
be limited to, the information and other material required for a student
loan servicer by subdivision one of section seven hundred twelve of this
article.

2. The superintendent shall approve or disapprove the proposed change
of control of a student loan servicer in accordance with the provisions
of section seven hundred thirteen of this article.

3. For a period of six months from the date of qualification thereof
and for such additional period of time as the superintendent may
prescribe, in writing, the provisions of subdivisions one and two of
this section shall not apply to a transfer of control by operation of
law to the legal representative, as hereinafter defined, of one who has
control of a student loan servicer. Thereafter, such legal represen-
tative shall comply with the provisions of subdivisions one and two of
this section. The provisions of subdivisions one and two of this section
shall be applicable to an application made under this section by a legal
The term "legal representative", for the purposes of this subdivision, shall mean a person duly appointed by a court of competent jurisdiction to act as executor, administrator, trustee, committee, conservator or receiver, including a person who succeeds a legal representative and a person acting in an ancillary capacity there-to in accordance with the provisions of such court appointment.

4. As used in this section the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a student loan servicer, whether through the ownership of voting stock of such student loan servicer, the ownership of voting stock of any person which possesses such power or otherwise. Control shall be presumed to exist if any person, directly or indirectly, owns, controls or holds with power to vote ten per centum or more of the voting stock of any student loan servicer or of any person which owns, controls or holds with power to vote ten per centum or more of the voting stock of any student loan servicer, but no person shall be deemed to control a student loan servicer solely by reason of being an officer or director of such student loan servicer. The superintendent may in his discretion, upon the application of a student loan servicer or any person who, directly or indirectly, owns, controls or holds with power to vote or seeks to own, control or hold with power to vote any voting stock of such student loan servicer, determine whether or not the ownership, control or holding of such voting stock constitutes or would constitute control of such student loan servicer for purposes of this section.

§ 716. Grounds for suspension or revocation of license. 1. The superintendent may revoke any license to engage in the business of a student
loan servicer issued pursuant to this article if he or she shall find that:

(a) a servicer has violated any provision of this article, any rule or regulation promulgated by the superintendent under and within the authority of this article, or any other applicable law;

(b) any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the superintendent refusing originally to issue such license;

(c) a servicer does not cooperate with an examination or investigation by the superintendent;

(d) a servicer engages in fraud, intentional misrepresentation, or gross negligence in servicing a student loan;

(e) the competence, experience, character, or general fitness of the servicer, an individual controlling, directly or indirectly, ten percent or more of the outstanding interests, or any person responsible for servicing a student loan for the servicer indicates that it is not in the public interest to permit the servicer to continue servicing student loans;

(f) the servicer engages in unsafe or injurious practice;

(g) the servicer is insolvent, suspends payment of its obligations, or makes a general assignment for the benefit of its creditors; or

(h) a servicer has violated the laws of this state, any other state law or any federal law involving fraudulent or dishonest dealing, or a final judgment has been entered against a student loan servicer in a civil action upon grounds of fraud, misrepresentation or deceit.

2. As a part of his or her determination regarding suspension or revocation, the superintendent is authorized to require the fingerprinting of any person, officer, director, partner, member or employee of a
student loan servicer. Such fingerprints shall be submitted to the divi-

sion of criminal justice services for a state criminal history record
check and may be submitted to the federal bureau of investigation for a
national criminal history record check.

3. The superintendent may, on good cause shown, or where there is a
substantial risk of public harm, suspend any license for a period not
exceeding thirty days, pending investigation. "Good cause", as used in
this subdivision, shall exist when a student loan servicer has defaulted
or is likely to default in performing its financial engagements or
engages in dishonest or inequitable practices which may cause substan-
tial harm to the persons afforded the protection of this article.

4. Except as provided in subdivision three of this section, no license
shall be revoked or suspended except after notice and a hearing thereon.
Any order of suspension issued after notice and a hearing may include as
a condition of reinstatement that the student loan servicer make resti-
tution to consumers of fees or other charges which have been improperly
charged or collected, including but not limited to by allocating
payments contrary to a borrower's direction or in a manner that fails to
help a borrower avoid default, as determined by the superintendent. Any
hearing held pursuant to the provisions of this section shall be
noticed, conducted and administered in compliance with the state admin-
istrative procedure act.

5. Any student loan servicer may surrender any license by delivering
to the superintendent written notice that the student loan servicer
thereby surrenders such license, but such surrender shall not affect the
servicer's civil or criminal liability for acts committed prior to the
surrender. If such surrender is made after the issuance by the super-
intendent of a statement of charges and notice of hearing, the super-


intendent may proceed against the servicer as if the surrender had not
taken place.

6. No revocation, suspension, or surrender of any license shall impair
or affect the obligation of any pre-existing lawful contract between the
student loan servicer and any person, including the department of finan-
cial services.

7. Every license issued pursuant to this article shall remain in full
force and effect until the same shall have been surrendered, revoked or
suspended in accordance with any other provisions of this article.

8. Whenever the superintendent shall revoke or suspend a license
issued pursuant to this article, he or she shall forthwith execute in
duplicate a written order to that effect. The superintendent shall file
one copy of the order in the office of the department of financial
services and shall forthwith serve the other copy upon the student loan
servicer. Any such order may be reviewed in the manner provided by arti-
cle seventy-eight of the civil practice law and rules. An application
for review as authorized by this section must be made within thirty days
from the date of the order of suspension or revocation.

§ 717. Books and records; reports and electronic filing. 1. Each
student loan servicer and exempt organization shall keep and use in its
business such books, accounts and records as will enable the superinten-
dent to determine whether the servicer or exempt organization is compliy-
ing with the provisions of this article and with the rules and regu-
lations lawfully made by the superintendent. Every servicer and exempt
organization shall preserve such books, accounts, and records, for at
least three years.

2. (a) Each student loan servicer shall annually, on or before a date
to be determined by the superintendent, file a report with the super-

intendent giving such information as the superintendent may require concerning the business and operations during the preceding calendar year of such servicer under authority of this article. Such report shall be subscribed and affirmed as true by the servicer under the penalties of perjury and shall be in the form prescribed by the superintendent.

(b) In addition to annual reports, the superintendent may require such additional regular or special reports as he or she may deem necessary to the proper supervision of student loan servicers under this article. Such additional reports shall be subscribed and affirmed as true by the servicer under the penalties of perjury and shall be in the form prescribed by the superintendent.

3. Notwithstanding article three of the state technology law or any other law to the contrary, the superintendent may require that any submission or approval as may be required by the superintendent be made or executed by electronic means if he or she deems it necessary to ensure the efficient administration of this article.

§ 718. Rules and regulations. 1. In addition to such powers as may otherwise be prescribed by this chapter, the superintendent is hereby authorized and empowered to promulgate such rules and regulations as may in the judgment of the superintendent be consistent with the purposes of this article, or appropriate for the effective administration of this article, including, but not limited to:

(a) Such rules and regulations in connection with the activities of student loan servicers and exempt organizations as may be necessary and appropriate for the protection of borrowers in this state.

(b) Such rules and regulations as may be necessary and appropriate to define unfair, deceptive or abusive acts or practices in connection with
the activities of student loan servicers and exempt organizations in servicing student loans.

(c) Such rules and regulations as may define the terms used in this article and as may be necessary and appropriate to interpret and implement the provisions of this article.

(d) Such rules and regulations as may be necessary for the enforcement of this article.

2. The superintendent is hereby authorized and empowered to make such specific rulings, demands and findings as the superintendent may deem necessary for the proper conduct of the student loan servicing industry.

§ 719. Prohibited practices. No student loan servicer shall:

1. Directly or indirectly employ any scheme, device or artifice to defraud or mislead a borrower.

2. Engage in any unfair, deceptive or predatory act or practice toward any person or misrepresent or omit any material information in connection with the servicing of a student loan, including, but not limited to, misrepresenting the amount, nature or terms of any fee or payment due or claimed to be due on a student loan, the terms and conditions of the loan agreement or the borrower's obligations under the loan.

3. Misapply payments to the outstanding balance of any student loan or to any related interest or fees.

4. Provide inaccurate information to a consumer reporting agency.

5. Refuse to communicate with an authorized representative of the borrower who provides a written authorization signed by the borrower, provided that the servicer may adopt procedures reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower.
§ 720. Servicing student loans without a license. 1. Whenever, in the opinion of the superintendent, a person is engaged in the business of servicing student loans, either actually or through subterfuge, without a license from the superintendent, the superintendent may order that person to desist and refrain from engaging in the business of servicing student loans in the state. If, within thirty days after an order is served, a request for a hearing is filed in writing and the hearing is not held within sixty days of the filing, the order shall be rescinded.

2. The superintendent may maintain a civil action to enforce any order issued by the superintendent pursuant to this section.

3. This section shall not apply to exempt organizations.

§ 721. Responsibilities. 1. If a student loan servicer regularly reports information to a consumer reporting agency, the servicer shall accurately report a borrower's payment performance to at least one consumer reporting agency that compiles and maintains files on consumers on a nationwide basis as defined in Section 603(p) of the federal Fair Credit Reporting Act (15 U.S.C. Sec. 1681a(p)), upon acceptance as a data furnisher by that consumer reporting agency.

2. (a) Except as provided in federal law or required by a student loan agreement, a student loan servicer shall inquire of a borrower how to apply a borrower's nonconforming payment. A borrower's direction on how to apply a nonconforming payment shall remain in effect for any future nonconforming payment during the term of a student loan until the borrower provides different directions.
(b) For purposes of this subdivision, "nonconforming payment" shall mean a payment that is either more or less than the borrower's required student loan payment.

3. (a) If the sale, assignment, or other transfer of the servicing of a student loan results in a change in the identity of the person to whom the borrower is required to send subsequent payments or direct any communications concerning the student loan, a student loan servicer shall transfer all information regarding a borrower, a borrower's account, and a borrower's student loan, including but not limited to the borrower's repayment status and any borrower benefits associated with the borrower's student loan, to the new student loan servicer servicing the borrower's student loan within forty-five days.

(b) A student loan servicer shall adopt policies and procedures to verify that it has received all information regarding a borrower, a borrower's account, and a borrower's student loan, including but not limited to the borrower's repayment status and any borrower benefits associated with the borrower's student loan, when the servicer obtains the right to service a student loan.

4. If a student loan servicer sells, assigns, or otherwise transfers the servicing of a student loan to a new servicer, the sale, assignment or other transfer shall be completed at least seven days before the borrower's next payment is due.

5. (a) A student loan servicer that sells, assigns, or otherwise transfers the servicing of a student loan shall require as a condition of such sale, assignment or other transfer that the new student loan servicer shall honor all borrower benefits originally represented as being available to a borrower during the repayment of the student loan and the possibility of such benefits, including any benefits that were
represented as being available but for which the borrower had not yet qualified.

(b) A student loan servicer that obtains the right to service a student loan shall honor all borrower benefits originally represented as being available to a borrower during the repayment of the student loan and the possibility of such benefits, including any benefits that were represented as being available but for which the borrower had not yet qualified.

6. A student loan servicer shall respond within thirty days after receipt to a written inquiry from a borrower or a borrower's representative.

7. A student loan servicer shall preserve records of each student loan and all communications with borrowers for not less than two years following the final payment on a student loan or the sale, assignment or other transfer of the servicing of a student loan, whichever occurs first, or such longer period as may be required by any other provision of law.

§ 722. Examinations. 1. The superintendent may at any time, and as often as he or she may determine, either personally or by a person duly designated by the superintendent, investigate the business and examine the books, accounts, records, and files used therein of every student loan servicer. For that purpose the superintendent and his or her duly designated representative shall have free access to the offices and places of business, books, accounts, papers, records, files, safes and vaults of all student loan servicers. The superintendent and any person duly designated by him or her shall have the authority to require the attendance of and to examine under oath all persons whose testimony he or she may require relative to such business.
2. No person subject to investigation or examination under this section may knowingly withhold, abstract, remove, mutilate, destroy or secrete any books, records, computer records or other information.

3. The expenses incurred in making any examination pursuant to this section shall be assessed against and paid by the student loan servicer so examined, except that traveling and subsistence expenses so incurred shall be charged against and paid by servicers in such proportions as the superintendent shall deem just and reasonable, and such proportionate charges shall be added to the assessment of the other expenses incurred upon each examination. Upon written notice by the superintendent of the total amount of such assessment, the servicer shall become liable for and shall pay such assessment to the superintendent.

4. In any hearing in which a department employee acting under authority of this chapter is available for cross-examination, any official written report, worksheet, other related papers, or duly certified copy thereof, compiled, prepared, drafted, or otherwise made by such department employee, after being duly authenticated by the employee, may be admitted as competent evidence upon the oath of the employee that such worksheet, investigative report, or other related documents were prepared as a result of an examination of the books and records of a servicer or other person, conducted pursuant to the authority of this chapter.

5. Unless otherwise exempt pursuant to subdivision two of section seven hundred eleven of this article, affiliates of a student loan servicer shall be subject to examination by the superintendent on the same terms as the servicer, but only when reports from, or examination of, a servicer provides evidence of unlawful activity between a servicer
1 and affiliate benefitting, affecting, or arising from the activities
2 regulated by this article.

§ 723. Penalties for violation of this article. 1. In addition to such
3 penalties as may otherwise be applicable by law, the superintendent may,
4 after notice and hearing, require any person found violating the
5 provisions of this article or the rules or regulations promulgated here-
6 under to pay to the people of this state an additional penalty for each
7 violation of the article or any regulation or policy promulgated here-
8 under a sum not to exceed an amount as determined pursuant to section
9 forty-four of this chapter for each such violation.
10 2. Nothing in this article shall limit any statutory or common-law
11 right of any person to bring any action in any court for any act, or the
12 right of the state to punish any person for any violation of any law.

§ 724. Severability of provisions. If any provision of this article,
15 or the application of such provision to any person or circumstance,
16 shall be held invalid, illegal or unenforceable, the remainder of the
17 article, and the application of such provision to persons or circum-
18 stances other than those as to which it is held invalid, illegal or
19 unenforceable, shall not be affected thereby.

§ 725. Compliance with other laws. 1. Student loan servicers shall
21 engage in the business of servicing student loans in conformity with the
22 provisions of this chapter, such rules and regulations as may be promul-
23 gated by the superintendent thereunder and all applicable federal laws
24 and the rules and regulations promulgated thereunder.
25 2. Nothing in this section shall be construed to limit any otherwise
26 applicable state or federal law or regulations.

§ 2. Subdivision 10 of section 36 of the banking law, as amended by
28 chapter 182 of the laws of 2011, is amended to read as follows:
10. All reports of examinations and investigations, correspondence and memoranda concerning or arising out of such examination and investigations, including any duly authenticated copy or copies thereof in the possession of any banking organization, bank holding company or any subsidiary thereof (as such terms "bank holding company" and "subsidiary" are defined in article three-A of this chapter), any corporation or any other entity affiliated with a banking organization within the meaning of subdivision six of this section and any non-banking subsidiary of a corporation or any other entity which is an affiliate of a banking organization within the meaning of subdivision six-a of this section, foreign banking corporation, licensed lender, licensed cashier of checks, licensed mortgage banker, registered mortgage broker, licensed mortgage loan originator, licensed sales finance company, licensed mortgage loan servicer, licensed student loan servicer, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, any other person or entity subject to supervision under this chapter, or the department, shall be confidential communications, shall not be subject to subpoena and shall not be made public unless, in the judgment of the superintendent, the ends of justice and the public advantage will be subserved by the publication thereof, in which event the superintendent may publish or authorize the publication of a copy of any such report or any part thereof in such manner as may be deemed proper or unless such laws specifically authorize such disclosure. For the purposes of this subdivision, "reports of examinations and investigations, and any correspondence and memoranda concerning or arising out of such examinations and investigations", includes any such materials of a bank, insurance or securities regulatory agency or any unit of the federal government or that of this state.
any other state or that of any foreign government which are considered
confidential by such agency or unit and which are in the possession of
the department or which are otherwise confidential materials that have
been shared by the department with any such agency or unit and are in
the possession of such agency or unit.

§ 3. Subdivisions 1, 2, 3 and 5 of section 39 of the banking law,
subdivisions 1, 2 and 5 as amended by chapter 123 of the laws of 2009
and subdivision 3 as amended by chapter 155 of the laws of 2012, are
amended to read as follows:

1. To appear and explain an apparent violation. Whenever it shall
appear to the superintendent that any banking organization, bank holding
company, registered mortgage broker, licensed mortgage banker, licensed
student loan servicer, registered mortgage loan servicer, licensed mort-
gage loan originator, licensed lender, licensed cashier of checks,
licensed sales finance company, licensed insurance premium finance agen-
cy, licensed transmitter of money, licensed budget planner, out-of-state
state bank that maintains a branch or branches or representative or
other offices in this state, or foreign banking corporation licensed by
the superintendent to do business or maintain a representative office in
this state has violated any law or regulation, he or she may, in his or
her discretion, issue an order describing such apparent violation and
requiring such banking organization, bank holding company, registered
mortgage broker, licensed mortgage banker, licensed student loan servi-
cer, licensed mortgage loan originator, licensed lender, licensed cashier
of checks, licensed sales finance company, licensed insurance premium
finance agency, licensed transmitter of money, licensed budget planner,
out-of-state state bank that maintains a branch or branches or represen-
tative or other offices in this state, or foreign banking corporation to
appear before him or her, at a time and place fixed in said order, to present an explanation of such apparent violation.

2. To discontinue unauthorized or unsafe and unsound practices. Whenever it shall appear to the superintendent that any banking organization, bank holding company, registered mortgage broker, licensed mortgage banker, licensed student loan servicer, registered mortgage loan servicer, licensed mortgage loan originator, licensed lender, licensed cashier of checks, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, out-of-state state bank that maintains a branch or branches or representative or other offices in this state, or foreign banking corporation licensed by the superintendent to do business in this state is conducting business in an unauthorized or unsafe and unsound manner, he or she may, in his or her discretion, issue an order directing the discontinuance of such unauthorized or unsafe and unsound practices, and fixing a time and place at which such banking organization, bank holding company, registered mortgage broker, licensed mortgage banker, licensed student loan servicer, registered mortgage loan servicer, licensed mortgage loan originator, licensed lender, licensed cashier of checks, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, out-of-state state bank that maintains a branch or branches or representative or other offices in this state, or foreign banking corporation may voluntarily appear before him or her to present any explanation in defense of the practices directed in said order to be discontinued.

3. To make good impairment of capital or to ensure compliance with financial requirements. Whenever it shall appear to the superintendent that the capital or capital stock of any banking organization, bank
holding company or any subsidiary thereof which is organized, licensed
or registered pursuant to this chapter, is impaired, or the financial
requirements imposed by subdivision one of section two hundred two-b of
this chapter or any regulation of the superintendent on any branch or
agency of a foreign banking corporation or the financial requirements
imposed by this chapter or any regulation of the superintendent on any
licensed lender, registered mortgage broker, licensed mortgage banker,
licensed student loan servicer, licensed cashier of checks, licensed
sales finance company, licensed insurance premium finance agency,
licensed transmitter of money, licensed budget planner or private banker
are not satisfied, the superintendent may, in the superintendent's
discretion, issue an order directing that such banking organization,
bank holding company, branch or agency of a foreign banking corporation,
registered mortgage broker, licensed mortgage banker, licensed student
loan servicer, licensed lender, licensed cashier of checks, licensed
sales finance company, licensed insurance premium finance agency,
licensed transmitter of money, licensed budget planner, or private bank-
er make good such deficiency forthwith or within a time specified in
such order.

5. To keep books and accounts as prescribed. Whenever it shall appear
to the superintendent that any banking organization, bank holding compa-
ny, registered mortgage broker, licensed mortgage banker, licensed
student loan servicer, registered mortgage loan servicer, licensed mort-
gage loan originator, licensed lender, licensed cashier of checks,
licensed sales finance company, licensed insurance premium finance agen-
cy, licensed transmitter of money, licensed budget planner, agency or
branch of a foreign banking corporation licensed by the superintendent
to do business in this state, does not keep its books and accounts in
such manner as to enable him or her to readily ascertain its true condition, he or she may, in his or her discretion, issue an order requiring such banking organization, bank holding company, registered mortgage broker, licensed mortgage banker, licensed student loan servicer, registered mortgage loan servicer, licensed mortgage loan originator, licensed lender, licensed cashier of checks, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed budget planner, or foreign banking corporation, or the officers or agents thereof, or any of them, to open and keep such books or accounts as he or she may, in his or her discretion, determine and prescribe for the purpose of keeping accurate and convenient records of its transactions and accounts.

§ 4. Paragraph (a) of subdivision 1 of section 44 of the banking law, as amended by chapter 155 of the laws of 2012, is amended to read as follows:

(a) Without limiting any power granted to the superintendent under any other provision of this chapter, the superintendent may, in a proceeding after notice and a hearing, require any safe deposit company, licensed lender, licensed cashier of checks, licensed sales finance company, licensed insurance premium finance agency, licensed transmitter of money, licensed mortgage banker, licensed student loan servicer, registered mortgage broker, licensed mortgage loan originator, registered mortgage loan servicer or licensed budget planner to pay to the people of this state a penalty for any violation of this chapter, any regulation promulgated thereunder, any final or temporary order issued pursuant to section thirty-nine of this article, any condition imposed in writing by the superintendent in connection with the grant of any
application or request, or any written agreement entered into with the superintendent.

§ 5. This act shall take effect on the one hundred eightieth day after it shall have become a law.

PART AA

Section 1. The banking law is amended by adding a new section 4-d to read as follows:

§ 4-d. Protecting vulnerable adults from financial exploitation. 1. Definitions. As used in this section:

(a) "Banking institution" means any bank, trust company, savings bank, savings and loan association, credit union, or branch of a foreign banking corporation, which is chartered, organized or licensed under the laws of this state or any other state or the United States, and, in the ordinary course of business takes deposit accounts in this state.

(b) "Vulnerable adult" means an individual who, because of mental and/or physical impairment is potentially unable to manage his or her own resources or protect himself or herself from financial exploitation.

(c) "Financial exploitation" means: (i) the improper taking, withholding, appropriation, or use of a vulnerable adult's money, assets, or property; or (ii) any act or omission by a person, including through the use of a power of attorney, guardianship, or any other authority regarding a vulnerable adult to: (A) obtain control, through deception, intimidation or undue influence, over the vulnerable adult's money, assets, or property or (B) convert the vulnerable adult's money, assets, or property.
(d) "Transaction hold" means a delay in the completion of one or more financial transactions pending an investigation by a banking institution, adult protective services, or a law enforcement agency.

(e) "Adult protective services" means the division of the New York City Human Resources Administration and each county's department of human services or department of social services responsible for providing adult protective services pursuant to section four hundred seventy-three of the social services law.

(f) "Law enforcement agency" means any agency, including the financial frauds and consumer protection unit of the department of financial services, which is empowered by law to conduct an investigation or to make an arrest for a felony, and any agency which is authorized by law to prosecute or participate in the prosecution of a felony.

2. Application of transaction hold. (a) If a banking institution reasonably believes: (i) that financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted; and (ii) that the placement of a transaction hold may be necessary to protect a vulnerable adult's money, assets, or property from financial exploitation, then the banking institution may, at its discretion, apply a transaction hold on the account of a vulnerable adult, the account on which a vulnerable adult is a beneficiary, including a trust or guardianship account, or the account of a person who is reasonably believed by the banking institution to be engaging in the financial exploitation of a vulnerable adult.

(b) A banking institution may also apply a transaction hold on the account of a vulnerable adult, the account on which a vulnerable adult is a beneficiary, including a trust or guardianship account, or the account of a person who is reasonably believed by the banking institu-
tion to be engaging in the financial exploitation of a vulnerable adult, if: (i) adult protective services or a law enforcement agency provides information to the banking institution establishing a reasonable basis to believe that financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted; and (ii) the placement of a transaction hold may be necessary to protect a vulnerable adult's money, assets, or property from financial exploitation.

(c) A banking institution that applies a transaction hold shall:

(i) make a reasonable effort to provide notice, orally or in writing, to all parties authorized to transact business on the account on which a transaction hold was placed within two business days of when the transaction hold was placed;

(ii) immediately, but no later than one business day after the transaction hold is placed, report the transaction hold, including the basis for the banking institution's belief that the financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted, to adult protective services and to a law enforcement agency;

(iii) at the request of adult protective services or a law enforcement agency, provide all information and documents that relate to the transaction hold within three business days of the request for the information or documents; and

(iv) notwithstanding the transaction hold, make funds available from the account on which a transaction hold is placed to allow the vulnerable adult or other account holder to meet his or her ongoing obligations such as housing and other living expenses or emergency expenses as determined by adult protective services, a law enforcement agency or a not-for-profit organization that regularly provides services to
vulnerable adults in the community in which the vulnerable adult resides.

(d) During the pendency of a transaction hold, a banking institution may, in its discretion, also make funds available from the account on which a transaction hold is placed to allow the vulnerable adult or other account holder meet his or her ongoing obligations such as housing and other living expenses or emergency expenses, provided the banking institution does not have a reasonable basis to believe that the dispersal of such funds to the vulnerable adult or other account holder will result in the financial exploitation of the vulnerable adult. Any such dispersal of funds pursuant to this subdivision shall be reported within one business day after the dispersal is made to adult protective services and to a law enforcement agency.

(e) The superintendent may adopt regulations identifying the factors that a banking institution should consider in determining whether: (i) the financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted; and (ii) the placement of a transaction hold is necessary to protect a vulnerable adult's money, assets, or property.

3. Duration of transaction hold. (a) Subject to paragraphs (b), (c) and (d) of this subdivision, a transaction hold that a banking institution places on an account pursuant to this section shall terminate five business days after the date on which the transaction hold is applied by the banking institution. A banking institution may terminate the transaction hold at any time during this five day period if the banking institution is satisfied that the termination of the transaction hold is not likely to result in financial exploitation of a vulnerable adult.
(b) A transaction hold may be extended beyond the period set forth in paragraph (a) of this subdivision for up to an additional fifteen days at the request of either adult protective services or a law enforcement agency.

(c) A transaction hold may be extended beyond the periods set forth in paragraphs (a) and (b) of this subdivision only pursuant to an order issued by a court of competent jurisdiction.

(d) A transaction hold may be terminated at any time pursuant an order issued by a court of competent jurisdiction.

4. Immunity. A banking institution or an employee of a banking institution shall be immune from criminal, civil, and administrative liability for all good faith actions in relation to the application of this section including any good faith determination to apply or not apply a transaction hold on an account. Where there is reasonable basis to conclude: (a) that financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted; and (b) that the placement of a transaction hold may be necessary to protect a vulnerable adult's money, assets, or property from financial exploitation, such immunity shall not apply to a determination not to apply a transaction hold when the banking institution or employee acts recklessly or engages in intentional misconduct in making the determination, or the determination results from a conflict of interest.

5. Certification program. The department may develop a financial exploitation certification program for banking institutions. Upon completion of the training components required by the program and after establishing the necessary internal policies, procedures, and in-house training programs, a banking institution shall receive from the department an adult financial exploitation prevention certificate demonstrat-
ing that staff at such banking institution have been trained on how to
identify, help prevent, and report the financial exploitation of a
vulnerable adult. At the discretion of the superintendent, the certifi-
cation program may be mandatory for banking institutions licensed by
the department.

6. Regulations. The superintendent may issue such rules and regu-
lations that provide the procedures for the enforcement of the terms of
this section and any other rules and regulations that he or she deems
necessary to implement the terms of this section.

§ 2. This act shall take effect on the one hundred eightieth day after
it shall have become a law.

PART BB

Section 1. The financial services law is amended by adding a new
section 105 to read as follows:

§ 105. Disqualification. (a) Definitions. (1) Covered individual. The
term "covered individual," when used in this section, means (A) an indi-
vidual operating under or required to operate under a license, registra-
tion, permit certification or authorization under this chapter, the
banking law, the insurance law, or the regulations promulgated there-
under, (B) an owner, director, trustee, officer, employee, member or
partner of a covered entity, or (C) an individual otherwise engaged in
the business of banking, insurance or financial services in the state.
(2) Covered entity. The term "covered entity," when used in this
section, means any entity (A) operating under or required to operate
under a license, registration, permit, certificate or authorization
under the banking law or the insurance law; (B) authorized, accredited,
chartered or incorporated or possessing or required to possess other
similar status under the banking law, or the insurance law; (C) regu-
lated by the superintendent pursuant to this chapter; (D) that has
submitted an application to the superintendent (i) for a license, regis-
tration, permit, certificate or authorization under the banking law or
the insurance law, (ii) to be authorized, accredited, chartered or
incorporated under the banking law, or the insurance law or to be regu-
lated pursuant to this chapter.

(3) Disqualifying event. For purposes of this section, an individual
commits a "disqualifying event," when he or she:

(A) has violated a written agreement between the superintendent and
the covered individual;

(B) has willfully violated an agreement between the superintendent and
a covered entity;

(C) has engaged or participated in any unsafe or unsound practice in
connection with any covered entity;

(D) has willfully made or caused to be made in any application, filing, or submission with the superintendent, any statement which was
at the time and in the light of the circumstances under which it was
made false or misleading with respect to any material fact, or has omit-
ted to state in any such application or report any material fact which
is required to be stated therein;

(E) has been convicted within five years of any felony or misdemeanor
that:

(i) involves the purchase or sale of any financial product or service,
the taking of a false oath, the making of a false report, bribery,
perjury, burglary, any substantially equivalent activity however denomi-
nated, or conspiracy to commit any such offense;
(ii) arises out of the conduct of the business of a covered entity or in connection with the promotion, sale or delivery of a financial product or service;

(iii) involves the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds, or securities, or substantially equivalent activity however denominated; or

(iv) has a direct bearing on the individual's fitness or ability to perform one or more of the duties or responsibilities necessarily related to the license, position, or job in question;

(F) has been found by a federal financial regulatory authority, a state financial regulatory authority, or a foreign financial regulatory authority that is recognized by the superintendent as such to have:

(i) made or caused to be made in any application for registration or report required to be filed with the financial regulatory authority, or in any proceeding before the financial regulatory authority with respect to registration, any statement that was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any application or report to the financial regulatory authority any material fact that is required to be stated therein; or

(ii) violated any banking law, or statute or regulation regarding transactions in securities, or contracts of sale of a commodity for future delivery, traded on or subject to the rules of a contract market or any board of trade; or

(G) is subject to any final order of any federal financial regulatory authority, a state financial regulatory authority, or a foreign finan-
cial regulatory authority that is recognized by the superintendent as such that:

(i) bars such person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, banking, savings association activities, or credit union activities; or

(ii) constitutes a final order based on violations of any laws or regulations that prohibits fraudulent, manipulative, or deceptive conduct.

(b) Disqualification. Without limiting any power granted to the superintendent under any other provision of state or federal law, (1) whenever the superintendent has reason to believe that a covered individual has committed a disqualifying event that is of such severity as to have a direct bearing on the individual's fitness or ability to (A) serve as an owner, director, trustee, officer, employee, member or partner of a covered entity or having any association with a covered entity, (B) hold any license, registration, permit, certification or authorization issued by the department, or (C) otherwise engage in the business of banking, insurance, or financial services in the state, (2) the superintendent may serve a statement of the charges against such covered individual and a notice of an opportunity to appear before the superintendent to show cause why he or she should not be disqualified from (A) serving as an owner, director, trustee, officer, employee, member or partner of a covered entity or having any association with a covered entity, (B) holding any license, registration, permit, certification or authorization issued by the department, or (C) otherwise engaging in the business of banking, insurance, or financial services in the state.
Order of disqualification. Without limiting any power granted to
the superintendent under any other provision of state or federal law, if
such covered individual waives a hearing, or fails to appear in person
or by a duly authorized representative without good cause shown at the
time and place set for the hearing or, if after a hearing, (1) the
superintendent finds that the covered individual has engaged in a
disqualifying event that is of such severity as to have a direct bearing
on the individual's fitness or ability to (A) serve as an owner, direc-
tor, trustee, officer, employee, member or partner of a covered entity
or having any association with a covered entity, (B) hold any license,
registration, permit, certification or authorization issued by the
department, or (C) otherwise engage in the business of banking, insur-
ance, or financial services in the state, (2) the superintendent may
issue an order disqualifying the covered individual from (A) serving as
an owner, director, trustee, officer, employee, member or partner of a
covered entity or having any association with a covered entity, (B)
holding any license, registration, permit, certification or authori-
zation issued by the department, or (C) otherwise engaging in the busi-
ness of banking, insurance, or financial services in the state. Such
order of disqualification may also prohibit the covered individual's
performance of any contractual agreements with any covered entity. Such
order of disqualification may be for the covered individual's lifetime
or for any shorter period determined by the superintendent to be in the
public's interest. Any order issued pursuant to this subsection and the
findings of fact upon which it is based may not be made public or
disclosed to anyone, except as provided in subdivision ten of section
thirty-six of the banking law or in connection with proceedings for a
violation of this section.
(d) Suspension pending determination of charges. (1) In connection with, or at any time after service of the written notice pursuant to subsection (b) of this section, the superintendent may suspend for a period of up to one hundred eighty days, pending the determination of the charges, a covered individual from serving as a director, trustee, officer, employee, member or partner of a covered entity or having any association with a covered entity; or holding any license, registration, certification or authorization issued by the department, if the superintendent has reason to believe that by reason of the conduct giving rise to the alleged disqualifying event:

(A) a covered entity has suffered or will probably suffer financial loss;

(B) the interests of the depositors at a covered entity have been or could be prejudiced; or

(C) the covered individual demonstrates willful disregard for the safety and soundness of a covered entity.

(2) The superintendent may extend the suspension for additional periods of up to one hundred eighty days if the hearing conducted pursuant to subsection (c) of this section is not completed within the prior suspension period due to the request of the covered individual.

(3) Any suspension order issued pursuant to this subsection shall become effective upon service, unless it is amended or rescinded by the superintendent or a court of competent jurisdiction, or replaced by an order issued pursuant to subsection (c) of this section. Such suspension order may be reviewed in the manner provided by article seventy-eight of the civil practice law and rules.
(e) Rules and regulations. The superintendent may issue such rules and regulations as are necessary to implement the provisions of this section.

§ 2. This act shall take effect January 1, 2018.

PART CC

Section 1. The banking law is amended by adding a new section 340-a to read as follows:

§ 340-a. Exemption for certain lenders and partnering organizations.

1. For purposes of this section:

(a) "Exempt entity" shall mean an entity exempted pursuant to subdivision two of this section.

(b) "Limited lending activity" shall mean the lending of money to an individual borrower for which no interest or fees, except as otherwise provided for in this section, are charged and for which the borrower may make full or partial repayment of the loan prior to the disbursement of the loan proceeds.

2. Notwithstanding this section and sections one, ten, fourteen, thirty-six-b and thirty-eight of this chapter, the superintendent may allow an entity to engage in limited lending activity without being subject to the requirements of this chapter, if the entity:

(a) engages in no activity regulated by this chapter except the making of zero-interest loans and any activity incidental thereto;

(b) is exempt from federal income taxes under section 501 (c) (3) of the Internal Revenue Code and is organized and operated exclusively for one or more of the purposes described in section 501 (c) (3) of the Internal Revenue Code;
(c) pays no part of its net earnings to a private shareholder or individual;
(d) pays or receives no broker's fee in connection with any loan that it makes; and
(e) satisfies the other requirements set forth in this section.

3. (a) An application to operate as an exempt entity shall be filed with the superintendent, in a manner prescribed by the superintendent, along with a fee in the amount of five hundred dollars. The superintendent shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the applicant and, if the superintendent finds these qualities are such as to warrant the belief that the applicant's business will be conducted honestly, fairly, equitably, carefully and efficiently within the purposes and intent of this section, and in a manner commanding the confidence and trust of the community, the superintendent shall advise the applicant in writing of the superintendent's approval of the application for an exemption pursuant to this section. The superintendent may, in his or her discretion, refuse to grant an exemption if he or she finds that one or more of the provisions of this section were not met or are not being met by the applicant or that denial of the exemption is in the best interests of the public.

(b) The superintendent may suspend or revoke any exemption granted pursuant to this section, if he or she finds that:

(i) any such entity, knowingly or without the exercise of due care to prevent such violation, has violated any provision of this section or article, or has failed to comply with any demand, or requirement made by the superintendent;
(ii) there has been any material misstatement or failure to give a true and correct answer in an application or in response to any question posed by the superintendent;

(iii) the exempt entity has defrauded any borrower or willfully failed to perform any written agreement with such person; or

(iv) any fact or condition exists which, if it had existed at the time of the original application for an exemption, would have warranted the superintendent to refuse to grant such exemption.

(c) Except as provided for in paragraph (d) of this subdivision, no exemption granted hereunder shall be suspended or revoked except after a hearing. The superintendent shall give the exempt entity at least ten days written notice of the time and place of such hearing by registered mail addressed to the principal place of business of the exempt entity. Any order suspending or revoking an exemption shall recite the grounds upon which it is based and shall not be effective until ten days after written notice has been sent by registered mail to the exempt entity's principal place of business.

(d) Upon, or at any time after service of written notice pursuant to paragraph (c) of this subdivision, the superintendent may suspend, pending the determination of the charges, an exemption issued pursuant to this section if the superintendent has reason to believe that an exempt entity:

(i) has defaulted or is likely to default in the performance of its financial engagements;

(ii) is engaging in dishonest or inequitable practices; or

(iii) poses a substantial harm to the persons afforded the protection of this section.
4. (a) Every exempt entity shall maintain records relating to its lending activities for at least five years.

(b) Every exempt entity shall file an annual report with the superintendent on or before March fifteenth of each year, containing information that the superintendent requires concerning lending activities by the entity, including any loans facilitated by a partnering nonprofit organization described in subdivision thirteen of this section, within the state during the preceding calendar year.

5. Every loan made by an exempt entity shall comply with the following requirements:

(a) The loan shall be unsecured.

(b) No interest may be imposed.

(c) Except for a reimbursement of up to ten dollars to cover an insufficient funds fee incurred by an exempt entity due to actions of the borrower, no administrative or other fees may be imposed on a borrower.

No exempt entity shall charge more than two insufficient funds fees to the same borrower in a single month.

(d) The following information shall be disclosed to the borrower in writing, in a typeface no smaller than twelve-point type and in the primary language of the borrower, at the time the loan application is received by the exempt entity:

(i) the amount to be borrowed, that no interest will be charged on the loan, and the total dollar cost of the loan to the borrower if the loan is paid back on time, including the principal amount borrowed, the repayment installment amount, the frequency of payment, and the insufficient funds fee, if applicable; and

(ii) an explanation of whether, and under what circumstances, a borrower may exit a loan agreement.
(e) The principal amount upon origination of the loan shall be no less than two hundred fifty dollars and no more than two thousand five hundred dollars, and a term of not less than the following:

(i) ninety days for loans whose principal balance upon origination is less than five hundred dollars;

(ii) one hundred twenty days for loans whose principal balance upon origination is at least five hundred dollars, but is less than one thousand five hundred dollars; or

(iii) one hundred eighty days for loans whose principal balance upon origination is at least one thousand five hundred dollars.

6. The exempt entity may restructure a borrower's loan only if the loan as restructured continues to comply with the requirements in paragraphs (a), (b) and (c) of subdivision five of this section.

7. An exempt entity shall not sell or assign unpaid debt arising out of any loans made pursuant to the authority of this section to third parties for collection.

8. Prior to disbursement of loan proceeds, the exempt entity shall at no cost to the borrower either:

(a) provide a credit education program or seminar to the borrower that has been previously reviewed and approved by the superintendent for use in complying with this section; or

(b) obtain evidence that the borrower has attended a credit education program or seminar offered by an independent third party that has been previously reviewed and approved by the superintendent for use in complying with this section.

9. An exempt entity shall report each borrower's payment performance to at least one consumer reporting agency that compiles and maintains files on consumers on a nationwide basis. For purposes of this section,
A consumer reporting agency that compiles and maintains files on consumers on a nationwide basis is one that meets the definition in section 603(p) of the federal Fair Credit Reporting Act (15 U.S.C. Sec. 1681a(p)). Any exempt entity that is accepted as a data furnisher shall report all borrower payment performance since the inception of lending by such entity, as soon as practicable after such individual is accepted into the exempt entity's lending program, but in no event more than six months after its acceptance into the program.

10. The exempt entity shall underwrite each loan and shall ensure that a loan is not made if, through its underwriting, the entity determines that the borrower's total monthly debt service payments, at the time of loan origination, including the loan for which the borrower is being considered, and across all outstanding forms of credit that can be independently verified by the exempt entity, exceeds fifty percent of the borrower's gross monthly household income, unless a lesser amount is mandated by subparagraph (iii) of paragraph (c) of this subdivision. The exempt entity shall in every case:

(a) Obtain information and documentation pertaining to all of a borrower's outstanding debt obligations during the loan application and underwriting process, including but not limited to verified information from a credit report and loans that are self-reported by the borrower but not available through independent verification.

(b) Not include for purposes of a debt-to-income ratio evaluation, loans from friends or family, except if in the judgment of the exempt entity, such inclusion is necessary to protect the interests of the consumer.
(c) Verify the borrower's household income to determine the borrower's debt-to-income ratio using information from any of the following sources:

(i) electronic means or services deemed acceptable by the superintendent;

(ii) Internal Revenue Service form W-2, tax returns, payroll receipts, bank statements, or other third-party documents that provide reasonably reliable evidence of the borrower's actual income; or

(iii) a signed statement from the borrower stating sources and amounts of income, if the borrower's actual income cannot be independently verified using electronic means or services, Internal Revenue Service forms, tax returns, payroll receipts, bank statements, or other third-party documents. If income is verified using a signed statement from a borrower, a loan shall not be made if the borrower's total monthly debt service payments, at the time of loan origination, including the loan for which the borrower is being considered, and across all outstanding forms of credit, exceeds twenty-five percent of the borrower's gross monthly household income.

11. The exempt entity shall notify each borrower, at least two days prior to each payment due date, of the amount due and the payment due date. Notification may be provided by any means mutually acceptable to the borrower and the exempt entity. A borrower shall have the right to opt out of this notification at any time, upon electronic or written request to the exempt entity. The exempt entity shall notify each borrower of this right prior to disbursing loan proceeds.

12. No exempt entity, in connection with, or incidental to, the facilitating of any loan made pursuant to this section, shall offer, sell, or
require a borrower to contract for "credit insurance" or insurance on tangible personal or real property of any type securing any loan.

13. An exempt entity may partner with a nonprofit organization for the purpose of facilitating zero-interest loans by the exempt entity pursuant to this section. This nonprofit organization shall not be subject to this section, provided that it satisfies the requirements applicable to an exempt entity set forth in paragraphs (b), (c) and (d) of subdivision two of this section and provided that:

(a) The exempt entity notifies the superintendent within fifteen days of entering into a written agreement with a partnering nonprofit organization, on such form and in such manner as the superintendent may prescribe. At a minimum, this notification shall include the name of the partnering nonprofit organization, the contact information for a person responsible for the lending activities facilitated by that partnering organization, a copy of the agreement and the address or addresses at which the partnering organization can be reached.

(b) The exempt entity includes information regarding the loans facilitated by the partnering organization in the annual report required pursuant to subdivision four of this section.

(c) The superintendent may, at his or her sole discretion, disqualify a partnering nonprofit organization upon a determination that this organization has acted in violation of this section or any regulation adopted hereunder.

14. The superintendent may examine or request a special report from each exempt entity and each partnering nonprofit organization for compliance with the provisions of this section at any time. Any entity so examined shall make available to the superintendent or his or her representative all books and records requested by the superintendent.
related to the lending activities facilitated by that entity. In addition to the application fee provided for in paragraph (a) of subdivision three of this section, the cost of any such examination shall be paid for by the entity being examined.

15. All reports of examinations and investigations, correspondence and memoranda concerning or arising out of any examination or investigation of an exempt entity shall be subject to the provisions of subdivision ten of section thirty-six of this chapter.

16. The superintendent is hereby authorized and empowered to make such general rules and regulations, and such specific rulings, demands and findings as he or she may deem necessary for the proper conduct of the lending activities exempted from licensing under this section.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law.

PART DD

Section 1. The state finance law is amended by adding a new section 89·i to read as follows:

§ 89·i. Paid family leave risk adjustment fund. 1. There is hereby established in the sole custody of the superintendent of financial services a special fund, to be known as the "paid family leave risk adjustment fund".

2. Such fund shall consist of money received by the superintendent from insurance carriers as payments into any risk adjustment mechanism established by regulation in accordance with paragraph two of subsection (n) of section four thousand two hundred thirty-five of the insurance law.
3. All moneys retained in such fund shall be held on behalf of insurance carriers and paid out by the superintendent to insurance carriers pursuant to the risk adjustment mechanism established by regulation in accordance with paragraph two of subsection (n) of section four thousand two hundred thirty-five of the insurance law.

4. The funds so received and deposited in such risk adjustment fund shall not be deemed to be state funds.

§ 2. This act shall take effect immediately.

PART EE

Section 1. Section 340 of the banking law, as amended by chapter 22 of the laws of 1990, is amended to read as follows:

§ 340. Doing business without license prohibited. 1. No person or other entity shall engage in the business of making loans in the principal amount of twenty-five thousand dollars or less for any loan to an individual for personal, family, household, or investment purposes and in a principal amount of fifty thousand dollars or less to an individual or business for business and commercial loans, [and charge, contract for, or receive a greater rate of interest than the lender would be permitted by law to charge if he were not a licensee hereunder] except as authorized by this article or by regulations issued by the superintendent and without first obtaining a license from the superintendent.

2. For the purposes of this section, a person or entity shall be considered as engaging in the business of making loans in New York, and subject to the licensing and other requirements of this article, if it solicits loans in the amounts prescribed by this section [within this state] and, in connection with such solicitation, makes loans, purchases
or otherwise acquires from others loans or other forms of financing, or
arranges or facilitates the funding of loans, to individuals then resi-
dent in this state or to businesses located or doing business in this
state, except that no person or entity shall be considered as engaging
in the business of making loans in this state on the basis of isolated[,,
incidental] or occasional transactions which otherwise meet the require-
ments of this section.

3. When necessary to facilitate low cost lending in any community, the
superintendent shall have the power to adopt regulations that provide an
exemption from the licensure requirement in subdivision one of this
section for a person or entity. The superintendent may also adopt any
such additional rules or regulations that he or she deems necessary to
implement the terms of this section including the exemption provision in
this subdivision.

4. Nothing in this article shall apply to licensed collateral loan
brokers.

§ 2. This act shall take effect January 1, 2018.

PART FF

Section 1. Paragraph (b) of subdivision 6 of section 1304 of the real
property actions and proceedings law, as amended by section 7 of part Q
of chapter 73 of the laws of 2016, is amended to read as follows:

(b) (1) "Home loan" means a home loan, including an open-end credit
plan, [other than a reverse mortgage transaction,] in which:

(i) The principal amount of the loan at origination did not exceed the
conforming loan size that was in existence at the time of origination
for a comparable dwelling as established by the federal housing adminis-
tration or federal national mortgage association;

(ii) The borrower is a natural person;

(iii) The debt is incurred by the borrower primarily for personal, family, or household purposes;

(iv) The loan is secured by a mortgage or deed of trust on real estate upon which there is located or there is to be located a structure or structures intended principally for occupancy of from one to four families which is or will be occupied by the borrower as the borrower's principal dwelling; and

(v) The property is located in this state.

(2) A home loan shall include a loan secured by a reverse mortgage that meets the requirements of clauses (i) through (v) of subparagraph one of this paragraph.

§ 2. Subdivision (a) of rule 3408 of the civil practice law and rules, as amended by section 2 of part Q of chapter 73 of the laws of 2016, is amended to read as follows:

(a) In any residential foreclosure action involving a home loan as such term is defined in section thirteen hundred four of the real property actions and proceedings law, in which the defendant is a resident of the property subject to foreclosure, plaintiff shall file proof of service within twenty days of such service, however service is made, and the court shall hold a mandatory conference within sixty days after the date when proof of service upon such defendant is filed with the county clerk, or on such adjourned date as has been agreed to by the parties, for the purpose of holding settlement discussions pertaining to the relative rights and obligations of the parties under the mortgage loan documents,
including, but not limited to: [1.] (i) determining whether the parties can reach a mutually agreeable resolution to help the defendant avoid losing his or her home, and evaluating the potential for a resolution in which payment schedules or amounts may be modified or other workout options may be agreed to, including, but not limited to, a loan modification, short sale, deed in lieu of foreclosure, or any other loss mitigation option; or [2.] (ii) whatever other purposes the court deems appropriate.

2. Paragraph one of this subdivision shall not apply to a home loan secured by a reverse mortgage where the default was triggered by the death of the last surviving borrower unless the last surviving borrower's spouse, if any, is a resident of the property subject to foreclosure.

§ 3. This act shall take effect immediately; provided, however, that:

(a) the amendments to paragraph (b) of subdivision 6 of section 1304 of the real property actions and proceedings law, made by section one of this act, shall take effect on the same date and in the same manner as section 7 of part Q of chapter 73 of the laws of 2016 takes effect; and

(b) the amendments to subdivision (a) of rule 3408 of the civil practice law and rules, made by section two of this act, shall be subject to the expiration and reversion of such subdivision pursuant to subdivision e of section 25 of chapter 507 of the laws of 2009, as amended.

PART GG

Section 1. This act enacts into law major components of legislation relating to assessments, distribution of assets, and insurers deemed to be in a hazardous financial condition. Each component is wholly
contained within a Subpart identified as Subparts A through C. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes references to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this act sets forth the general effective date of this act.

SUBPART A

Section 1. Subsection (a) of section 206 of the financial services law, is amended and a new subsection (g) is added to read as follows:

(a) For each fiscal year commencing on or after April first, two thousand twelve, assessments to defray operating expenses, including all direct and indirect costs, of the department, except expenses incurred in the liquidation of banking organizations, shall be assessed by the superintendent in accordance with this subsection. Persons regulated under the insurance law shall be assessed by the superintendent for the operating expenses of the department that are solely attributable to regulating persons under the insurance law, which shall include any expenses that were permissible to be assessed in fiscal year two thousand nine-two thousand ten, with the assessments allocated pro rata upon all domestic insurers and all licensed United States branches of alien insurers domiciled in this state within the meaning of paragraph four of subsection (b) of section seven thousand four hundred eight of the insurance law, in proportion to the gross direct premiums and other
considerations, written or received by them in this state during the
calendar year ending December thirty-first immediately preceding the end
of the fiscal year for which the assessment is made (less return premi-
ums and considerations thereon) for policies or contracts of insurance
covering property or risks resident or located in this state the issu-
ance of which policies or contracts requires a license from the super-
intendent. Persons regulated under the banking law shall be assessed by
the superintendent for the operating expenses of the department that are
solely attributable to regulating persons under the banking law in such
proportions as the superintendent shall deem just and reasonable.

Persons regulated under this chapter shall be assessed by the super-
intendent for the operating expenses of the department that are solely
attributable to regulated persons under this chapter in such proportions
as the superintendent shall deem just and reasonable. Operating expenses
of the department not covered by the assessments set forth above shall
be assessed by the superintendent in such proportions as the superinten-
dent shall deem just and reasonable upon all domestic insurers and all
licensed United States branches of alien insurers domiciled in this
state within the meaning of paragraph four of subsection (b) of section
seven thousand four hundred eight of the insurance law, and upon any
regulated person under this chapter and the banking law, other than
mortgage loan originators, except as otherwise provided by sections one
hundred fifty-one and two hundred twenty-eight of the workers' compen-
sation law and by section sixty of the volunteer firefighters' benefit
law. The provisions of this subsection shall not be applicable to a bank
holding company, as that term is defined in article three-A of the bank-
ing law. Persons regulated under the banking law will not be assessed
for expenses that the superintendent deems to benefit solely persons
regulated under the insurance law, and persons regulated under the

insurance law will not be assessed for expenses that the superintendent
deems to benefit solely persons regulated under the banking law.

(g) The expenses of every examination of the affairs of any regulated

person subject to this chapter, shall be borne and paid by the regulated

person so examined, but the superintendent, with the approval of the

comptroller, may, in the superintendent's discretion for good cause

shown, remit such charges.

§ 2. This act shall take effect January 1, 2018.

SUBPART B

Section 1. Legislative findings. In order to provide an appropriate

scheme of distribution of assets of all insolvent insurers, the legisla-
ture finds that it is in the best interest of the people of this state
to amend statutes regarding the priority of distribution under Article

74 of the Insurance Law.

§ 2. Paragraph 1 of subsection (a) of section 7434 of the insurance

law, as amended by chapter 134 of the laws of 1999, is amended to read

as follows:

(1) Upon the recommendation of the superintendent, as receiver, and

under the direction of the court, distribution payments shall be made in

a manner that will assure the proper recognition of priorities and a

reasonable balance between the expeditious completion of the [liqui-
dation] proceeding subject to this article and the protection of unliq-

uidated and undetermined claims. The priority of distribution of claims

from [an] all insolvent [property/casualty insurer] insurers in any

proceeding subject to this article, unless otherwise specified, shall be
in accordance with the order in which each class of claims is set forth in this paragraph and as provided in this paragraph. Every claim in each class shall be paid in full or adequate funds retained for such payment before the members of the next class receive any payment. No subclasses shall be established within any class. No claim by a shareholder, policyholder, contract holder or other creditor shall be permitted to circumvent the priority classes through the use of equitable remedies.

The order of distribution of claims shall be:

(i) Class one. Claims with respect to the actual and necessary costs and expenses of administration, incurred by the liquidator, rehabilitator or conservator under this article.

(ii) Class two. All claims under policies or contracts including such claims of the federal or any state or local government for losses incurred, third party claims, claims for unearned premiums, and all claims of a security fund, guaranty association or the equivalent except claims arising under reinsurance contracts.

(iii) Class three. Claims of the federal government except those under class two above.

(iv) Class four. Claims for wages owing to employees of an insurer against whom a proceeding under this article is commenced for services rendered within one year before commencement of the proceeding, not exceeding one thousand two hundred dollars to each employee, and claims for unemployment insurance contributions required by article eighteen of the labor law. Such priority shall be in lieu of any other similar priority which may be authorized by law.

(v) Class five. Claims of state and local governments except those under class two above.
(vi) Class six. Claims of general creditors including[, but not limited to,] claims arising under reinsurance contracts.

(vii) Class seven. Claims filed late or any other claims other than claims under class eight or class nine below.

(viii) Class eight. Claims for advanced or borrowed funds made pursuant to section one thousand three hundred seven of this chapter.

(ix) Class nine. Claims of shareholders or other owners in their capacity as shareholders.

§ 3. Section 7435 of the insurance law, as added by chapter 802 of the laws of 1985, paragraph 7 of subsection (a) as amended by chapter 300 of the laws of 1996, is amended to read as follows:

§ 7435. Distribution for life insurers. (a) Upon the recommendation of the superintendent, as receiver, and under the direction of the court, distribution payments shall be made in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the proceeding subject to this article and the protection of unliquidated and undetermined claims. The priority of distribution of claims from the estate of [a] an insolvent life insurance company in any proceeding subject to this article shall be in accordance with the order in which each class of claims is [herein] set forth in this section and as provided in this section. Every claim in each class shall[, subject to such limitations as may be prescribed by law and do not directly conflict with the express provisions of this section,] be paid in full or adequate funds retained for such payment before the members of the next class receive any payment. No subclasses shall be established within any class. No claim by a shareholder, policyholder, annuitant, or other creditor shall be permitted to circumvent
the priority classes through the use of equitable remedies. The order of
distribution of claims shall be:

(1) Class one. Claims with respect to the actual and necessary costs
and expenses of administration, incurred by the liquidator, rehabilita-
tor, conservator or ancillary rehabilitator under this article, or by
The Life Insurance Guaranty Corporation or The Life Insurance Company
Guaranty Corporation of New York, and claims described in subsection (d)
of section seven thousand seven hundred thirteen of this chapter.

(2) Class two. [Debts due to employees for services performed to the
extent that they do not exceed one thousand two hundred dollars and
represent payment for services performed within one year before the
commencement of a proceeding under this article. Such priority shall be
in lieu of any other similar priority which may be authorized by law as
to wages or compensation of employees] All claims under insurance poli-
cies, including such claims of the federal or any state or local govern-
ment, annuity contracts, and funding agreements, and all claims of the
The Life Insurance Company Guaranty Corporation of New York or any other
guaranty corporation or association of this state or another jurisdic-
tion, other than claims provided for in paragraph one of this subsection
and claims for interest.

(3) Class three. [All claims for payment for goods furnished or
services rendered to the impaired or insolvent insurer in the ordinary
course of business within ninety days prior to the date on which the
insurer was determined to be impaired or insolvent, whichever is appli-
cable] Claims of the federal government except claims provided for in
paragraph two of this subsection.

(4) Class four. [All claims under insurance policies, annuity
contracts and funding agreements, and all claims of The Life Insurance
Company Guaranty Corporation of New York or any other guaranty corporation or association of this state or another jurisdiction, other than (i) claims provided for in paragraph one of this subsection, and (ii) claims for interest. Debts due to employees for services performed to the extent that they do not exceed one thousand two hundred dollars and represent payment for services performed within one year before the commencement of a proceeding under this article. Such priority shall be in lieu of any other similar priority that may be authorized by law as to wages or compensation of employees.

(5) Class five. [Claims of the federal or any state or local government. Claims, including those of any governmental body for a penalty or forfeiture, shall be allowed to this class only to the extent of the pecuniary loss sustained from the act, transaction or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under paragraph eight of this subsection] All claims for payment for goods furnished or services rendered to the impaired or insolvent insurer in the ordinary course of business within ninety days prior to the date on which the insurer was determined to be impaired or insolvent, whichever is applicable.

(6) Class six. [Claims of general creditors and any other claims other than claims under paragraphs seven and eight of this subsection] Claims of any state or local government other than claims provided for under paragraph two of this subsection. Claims, including those of any governmental body for a penalty or forfeiture, shall be allowed to this class only to the extent of pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such
claims shall be postponed to the class of claims under paragraph nine of this subsection.

(7) Class seven. [Surplus, capital or contribution notes, or similar obligations] Claims of general creditors and any other claims other than claims under paragraphs eight and nine of this subsection.

(8) Class eight. [The claims of (i) policyholders, other than claims under paragraph four of this subsection, and (ii) shareholders or other owners] Surplus, capital, or contribution notes, or similar obligations.

(9) Class nine. The claims of policyholders or annuitants, other than owners.

(b) Every claim under a separate account agreement providing, in effect, that the assets in the separate account shall not be chargeable with liabilities arising out of any other business of the insurer shall be satisfied out of the assets in the separate account equal to the reserves maintained in such account for such agreement and, to the extent, if any, not fully discharged thereby, shall be treated as a class four claim against the estate of the life insurance company.

(c) For purposes of this section:

(1) "The estate of the life insurance company" shall mean the general assets of such company less any assets held in separate accounts that, pursuant to section four thousand two hundred forty of this chapter, are not chargeable with liabilities arising out of any other business of the insurer.

(2) "Insurance policies, annuity contracts and funding agreements" shall mean all policies and contracts of any of the kinds of insurance specified in paragraph one, two or three of subsection (a) of section one thousand one hundred thirteen of this chapter and all funding agree-
ments described in section three thousand two hundred twenty-two of this chapter, including all separate account agreements, except that separate account agreements referred to in subsection (b) of this section shall be included only to the extent referred to therein.

(3) "Separate account agreement or agreements" shall mean any agreement or agreements for separate accounts referred to in section four thousand two hundred forty of this chapter.

§ 4. This act shall take effect immediately.

SUBPART C

Section 1. Section 1104 of the insurance law, the section heading as amended and subsections (c) and (d) as added by chapter 235 of the laws of 1989, the opening paragraph of subsection (c) as amended by chapter 598 of the laws of 2000, is amended to read as follows:

§ 1104. Revocation or suspension of license; restriction of license authority or limitation on premiums written. (a) The superintendent may revoke any license, certificate of authority, or registration issued to any foreign or alien insurer to do an insurance business in this state if, after notice to and hearing, [he] the superintendent finds that such insurer has failed to comply with any requirement imposed upon it by the provisions of this chapter and if in [his] the superintendent's judgment such revocation is reasonably necessary to protect the interests of the people of this state. The superintendent may, in his or her discretion, reinstate any such license, certificate of authority, or registration if [he] the superintendent finds that a ground for such revocation no longer exists.
(b) The superintendent shall revoke the certificate of authority of any corporation or agent convicted of violating section two thousand six hundred three of this chapter.

(c) [The] (1) Notwithstanding any other provision of this chapter, the superintendent may [suspend the license, restrict the license authority, or limit the amount of premiums written in this state of any accident and health insurance company, property/casualty insurance company, co-operative property/casualty insurance company, title insurance company, mortgage guaranty insurance company, reciprocal insurer, Lloyds underwriters or nonprofit property/casualty insurance company] take one or more of the actions specified in subparagraph (B) of paragraph four of this subsection against an insurer, except those insurers subject to the provisions of subsection (c) of section two thousand three hundred forty-three of this chapter, if after a hearing on a record, unless waived by the affected insurer, the superintendent determines that such insurer's surplus to policyholders is not adequate in relation to the insurer's outstanding liabilities or to its financial needs or if the superintendent otherwise determines that the continued operation of the insurer might be deemed to be hazardous to the insurer's policyholders, creditors, or to the general public.

(2) All matters pertaining to a proceeding or determination pursuant to this subsection shall be confidential and not subject to subpoena or public inspection under article six of the public officers law or any other statute, except to the extent that the superintendent finds release of information necessary to protect the public. The hearing shall be initiated within twenty days after written notice to the insurer. Any determination pursuant to this subsection shall contain findings specifying the factors deemed significant in regard to the particular
insurer, and shall set forth the reasons supporting the suspension, restriction or limitation ordered by the superintendent.

(3) The superintendent may consider the following factors [shall be considered by the superintendent] in making [such] a determination as to whether an insurer's surplus to policyholders is adequate in relation to the insurer's outstanding liabilities or to its financial needs:

[(1)] (A) the size of the insurer as measured by its admitted assets, capital and surplus to policyholders, reserves, premium writings, insurance in force and other appropriate criteria, with such surplus to policyholders for foreign insurers adjusted in accordance with section one thousand four hundred thirteen of this chapter;

[(2)] (B) the extent to which the insurer's business is diversified among the several kinds of insurance;

[(3)] (C) the number and size of risks insured in each kind of insurance and the insurer's loss experience in regard to such risks;

[(4)] (D) the extent of geographical dispersion of the insurer's risks;

[(5)] (E) the nature and extent of the insurer's reinsurance program;

[(6)] (F) the quality, diversification and liquidity of the insurer's investment portfolio;

[(7)] (G) the recent past and projected future trends in regard to the insurer's loss experience and in the size of the insurer's surplus to policyholders;

[(8)] (H) the surplus to policyholders maintained by other comparable insurers;

[(9)] (I) the adequacy of the insurer's reserves; and

[(10)] (J) the quality and liquidity of investments in subsidiaries made pursuant to this chapter.
(4)(A) The superintendent may consider the following standards, either singly or a combination of two or more, to determine whether the continued operation of any insurer might be deemed to be hazardous to its policyholders, creditors, or to the general public:

(i) adverse findings reported in financial condition and market conduct examination reports, audit reports, actuarial opinions, reports, or summaries, or other reports;

(ii) the national association of insurance commissioners insurance regulatory information system and its other financial analysis solvency tools and reports;

(iii) whether the insurer has made adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer, when considered in light of the assets held by the insurer with respect to such reserves and related actuarial items, including the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts;

(iv) the ability of an assuming reinsurer to perform and whether the insurer's reinsurance program provides sufficient protection for the insurer's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;

(v) whether the insurer's operating loss in the last twelve-month period or any shorter period of time, including net capital gain or loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent of the insurer's remaining surplus to policyholders in excess of the minimum required;
(vi) whether the insurer's operating loss in the last twelve-month period or any shorter period of time, excluding net capital gains, is greater than twenty percent of the insurer's remaining surplus to policyholders in excess of the minimum required;

(vii) whether a reinsurer, an obligor, any entity in the insurer's holding company system, as defined in paragraph six of subsection (a) of section one thousand five hundred one of this chapter, or any subsidiary of an insurer, is insolvent, threatened with insolvency, or delinquent in payment of its monetary or other obligations, and which in the opinion of the superintendent may affect the solvency of the insurer;

(viii) contingent liabilities, pledges, or guarantees that either individually or collectively involve a total amount that in the superintendent's opinion may affect the insurer's solvency;

(ix) whether any person who controls an insurer, as defined in paragraph two of subsection (a) of section one thousand five hundred one of this chapter, is delinquent in the transmitting to, or payment of, net premiums to the insurer;

(x) the age and collectability of receivables;

(xi) whether the management of an insurer, including officers, directors, or any other person who directly or indirectly controls the operation of the insurer, fails to possess and demonstrate the competence, fitness, and reputation deemed necessary to serve the insurer in such position;

(xii) whether the insurer's management has failed to respond to an inquiry of the superintendent relative to the insurer's condition or has furnished false and misleading information concerning such an inquiry;

(xiii) whether the insurer has failed to meet financial filing requirements or filing requirements pursuant to articles fifteen,
sixteen, or seventeen of this chapter, or regulations promulgated there-
under, in the absence of a reason satisfactory to the superintendent;

(xiv) whether the insurer's management either has filed any false or
misleading sworn financial statement, or has released false or misleading
financial statements to lending institutions or to the general
public, or has made a false or misleading entry, or has omitted an entry
of material amount in the insurer's books;

(xv) whether the insurer has grown so rapidly and to such an extent
that it lacks adequate financial and administrative capacity to meet its
obligations in a timely manner;

(xvi) whether the insurer has experienced or is expected to experience
in the foreseeable future cash flow or liquidity problems;

(xvii) whether management has established reserves that do not comply
with minimum standards established by this chapter or regulations
promulgated thereunder, statutory accounting standards, as adopted by
the superintendent, sound actuarial principles and standards of prac-
tice;

(xviii) whether management persistently engages in material under
reserving that results in adverse development;

(xix) whether any transaction with an affiliate, a subsidiary, or a
parent for which the insurer receives assets or capital gains, or both,
do not provide sufficient value, liquidity, or diversity to assure the
insurer's ability to meet its outstanding obligations as they mature;

and

(xx) any other finding determined by the superintendent to be hazard-
ous to the insurer's policyholders, creditors, or to the general public.

(B) If the superintendent determines that the insurer's surplus to
policyholders is not adequate in relation to the insurer's outstanding
liabilities or to its financial needs or if the superintendent otherwise
determines that the continued operation of the insurer may be hazardous
to its policyholders, creditors, or to the general public, then the
superintendent may, upon a determination, suspend the insurer's license,
certificate of authority, or registration, restrict the insurer's license, certificate of authority, or registration authority, or issue
an order requiring the insurer to do one or more of the following:

(i) reduce the total amount of present and potential liability for
policy benefits by reinsurance;

(ii) reduce, suspend, or limit the volume of business being accepted
or renewed, or limit the amount of premiums written in this state;

(iii) reduce general insurance and commission expenses by specified
methods;

(iv) increase the insurer's capital and surplus;

(v) suspend or limit the declaration and payment of dividends by an
insurer to its stockholders or policyholders;

(vi) file reports on a form and in a manner acceptable to the super-
intendent concerning the market value of an insurer's assets;

(vii) limit or withdraw from certain investments or discontinue
certain investment practices to the extent the superintendent deems
necessary;

(viii) document the adequacy of premium rates in relation to the risks
insured;

(ix) file, in addition to regular annual statements, interim financial
reports on a form and in a manner prescribed by the superintendent,
which may include a form adopted by the national association of insur-
ance commissioners;
(x) correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the superintendent;

(xi) provide a business plan to the superintendent in order to continue to transact business in this state; or

(xii) notwithstanding any other provision of law, adjust rates for any non-life insurance policy or contract written by the insurer that the superintendent considers necessary to improve the insurer's financial condition.

(d) [The superintendent shall identify and review those licensed property/casualty insurers needing immediate or targeted regulatory attention, and shall include the number of insurers so identified in the report required by section three hundred thirty-four of this chapter. Such report shall also include the name of each licensed property/casualty insurer placed in formal conservatorship, rehabilitation or liquidation during the preceding year. Nothing herein shall be construed to restrict or diminish any right or power of the superintendent under any other provision of this chapter] For the purposes of this section, "insurer" shall mean any person, firm, association, corporation, or joint-stock company authorized to do an insurance business in this state by a license in force pursuant to the provisions of this chapter or exempted by the provisions of this chapter from such licensing, except that, for purposes of this section, the term "insurer" shall not include any health maintenance organization operating pursuant to section one thousand one hundred nine of this chapter or any continuing care retirement community operating pursuant to section one thousand one hundred nineteen of this chapter.

§ 2. This act shall take effect immediately.
§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or subpart of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or subpart thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect immediately provided, however, that the applicable effective date of Subparts A through C of this act shall be as specifically set forth in the last section of such Subparts.

PART HH

Section 1. Paragraph (a) of subdivision 2 of section 179 of the navigation law, as amended by section 2 of part X of chapter 58 of the laws of 2015, is amended to read as follows:

(a) An account which shall be credited with all license fees and penalties collected pursuant to paragraph (b) of subdivision one and paragraph (a) of subdivision four of section one hundred seventy-four of this article except as provided in section one hundred seventy-nine-a of this part, the portion of the surcharge collected pursuant to paragraph (d) of subdivision four of section one hundred seventy-four of this article, penalties collected pursuant to paragraph (b) of subdivision four of section one hundred seventy-four-a of this article, money collected pursuant to section one hundred eighty-seven of this [article] part, all penalties collected pursuant to section one hundred ninety-two
of this article, and registration fees collected pursuant to subdivision two of section 17-1009 of the environmental conservation law.

§ 2. The navigation law is amended by adding a new section 179-a to read as follows:

§ 179-a. New York environmental protection and spill remediation account. 1. There is hereby created an account within the miscellaneous capital projects fund, the New York environmental protection and spill remediation account. The New York environmental protection and spill remediation account shall consist of license fees received by the state pursuant to section one hundred seventy-four of this article, in an amount equal to expenditures made from this account.

2. These moneys, after appropriation by the legislature, and within the amounts set forth and for the several purposes specified, shall be available to reimburse the department of environmental conservation for expenditures associated with the purposes of costs incurred under section one hundred seventy-six of this article, including cleanup and removal of petroleum spills, and other capital, investigation, maintenance and remediation costs.

3. All payments made from the New York environmental protection and spill remediation account shall be made by the administrator upon certification by the commissioner.

4. Spending pursuant to this section shall be included in the annual report required by section one hundred ninety-six of this article.

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

PART II
Section 1. This act shall be known and may be cited as the "clean water infrastructure act of 2017".

§ 2. Article 15 of the environmental conservation law is amended by adding a new title 33 to read as follows:

TITLE 33
SOURCE WATER PROTECTION PROJECTS

Section 15-3301. Definitions.

15-3303. Land acquisition projects for source water protection.

§ 15-3301. Definitions.
As used in this title the following terms shall mean:

1. "Land acquisition projects" means open space acquisition projects undertaken with willing sellers including, but not limited to, the purchase of conservation easements, undertaken by a municipality, a not-for-profit corporation, or purchase of conservation easements by a soil and water conversation district.

2. "Municipality" means the same as such term as defined in section 56-0101 of this chapter.

3. "Not-for-profit corporation" means a corporation formed pursuant to the not-for-profit corporation law and qualified for tax-exempt status under the federal internal revenue code.

4. "Soil and water conservation district" means the same as such term as defined in section five of the soil and water conservation districts law.

5. "State assistance payment" means payment of the state share of the cost of projects authorized by this title to preserve, enhance, restore and improve the quality of the state’s environment.

§ 15-3303. Land acquisition projects for source water protection.
1. The commissioner is authorized to provide state assistance to municipalities, not-for-profit corporations and soil and water conservation districts to undertake land acquisition projects for source water protection, in cooperation with willing sellers. Projects shall develop, expand or enhance water quality protection, including but not limited to aquifers, watersheds, reservoirs, lakes, rivers and streams. The department shall set forth the state share of land acquisition projects in any request for proposal issued to solicit projects.

2. Any conservation easement acquired pursuant to this section that encumbers lands in a county designated state certified agricultural district shall allow agricultural activity on such lands provided that the activity complies with all applicable technical standards established by the natural resources conservation service.

3. In evaluating projects pursuant to this section, the department shall give priority first to projects which protect or recharge drinking water sources and watersheds including riparian buffers and second to projects which improve resilience.

4. No state assistance may be provided pursuant to this section to fund any project committed to in any agreement pursuant to a filtration avoidance determination.

5. The commissioner may enter into a contract with a municipality or a not-for-profit corporation for the undertaking of a land acquisition project. Costs under such contracts are subject to final computation by the department upon completion of the project, and shall not exceed the maximum eligible cost set forth in any such contract.

6. The cost of a source water protection land acquisition project may include the cost of preparation of a plan for the preservation of the real property interest in land acquired pursuant to this section except
where such considerations have already been undertaken as part of any
existing plan applicable to the newly acquired real property interest in
land.

7. The soil and water conservation committee in consultation with the
commissioner of agriculture and markets is authorized to provide state
assistance payments to county soil and water conservation districts for
land acquisition projects for source water protection consistent with
section eleven-b of the soil and water conservation districts law.
Projects shall develop, expand or enhance water quality protection,
including but not limited to aquifers, watersheds, reservoirs, lakes,
rivers and streams. Such committee shall give priority to projects
which establish buffers from waters which serves as or are tributaries
to drinking water supplies for such projects using state assistance
pursuant to this section.

8. a. Real property acquired, developed, improved, restored or reha-
bilitated by or through a municipality with funds made available pursuant
to this title shall not be sold, leased, exchanged, donated or
otherwise disposed of or used for other than water quality protection
purposes without approval from the department, which shall provide for
the substitution of other lands of equal environmental value and fair
market value and reasonably equivalent usefulness and location to those
to be discontinued, sold or disposed of, and such other requirements as
shall be approved by the commissioner; provided, however, that such real
property may be sold, leased, exchanged, donated or otherwise disposed
of to the state, another municipality or a not-for-profit for the same
purposes.

b. Real property acquired by a not-for-profit organization with funds
made available pursuant to this title shall not be sold, leased,
exchanged, donated or otherwise disposed of, except to a municipality or
the state for the same purposes, without the approval of the department.

9. If the state acquires a real property interest in land purchased by
a municipality or not-for-profit with funds made available pursuant to
this title, the state shall pay the fair market value of such interest
less the amount of funding provided by the state pursuant to this
section.

§ 3. The public health law is amended by adding a new section 1113 to
read as follows:

§ 1113. Lead service line replacement grant program. Notwithstanding
section one hundred sixty-three of the state finance law or any incon-
sistent provision of law to the contrary, and within amounts appropri-
ated therefor, the department shall award grants to municipalities with-
out a formal competitive process, for purposes of replacing lead service
lines used to supply drinking water. When determining which munici-
palities shall receive awards and the amount of such awards, the depart-
ment shall consider for each municipality the cost of replacing lead
service lines and the number of persons who receive drinking water from
such service lines, and shall give priority to those municipalities with
low-income communities, according to a methodology as shall be deter-
mined by the department.

§ 4. Article 27 of the environmental conservation law is amended by
adding a new title 12 to read as follows:

TITLE 12

CLEANUP AND ABATEMENT OF CERTAIN SOLID WASTE SITE AND DRINKING WATER

CONTAMINATION

Section 27-1201. Definitions.
27-1203. Mitigation and cleanup of solid waste sites.

27-1205. Mitigation of contaminants in drinking water.

27-1207. Use and reporting of solid waste and drinking water response account.

27-1209. Rules and regulations.


When used in this title:

1. "Mitigation and cleanup" means the investigation, sampling, management, removal, remediation or restoration of a solid waste site and all other actions required to restore or protect drinking water supplies, groundwater, or other environmental media and restoration of the site to a condition that it is no longer causing or contributing to pollution of groundwater, water supplies or the environment.

2. "Solid waste site" means a disposal facility as defined in regulations where solid waste has been improperly disposed as determined by the department or a court of competent jurisdiction, or an active or inactive solid waste management facility as defined in regulations where an impact to drinking water supplies, groundwater contamination or other environmental contamination is known or suspected. Solid waste site shall not include a site subject to investigation or remediation pursuant to title thirteen or fourteen of this article.

3. "Solid waste and drinking water response account" means the account established pursuant to subdivision one of section ninety-seven-b of the state finance law.

§ 27-1203. Mitigation and cleanup of solid waste sites.

1. The solid waste site cleanup priorities in this state are:

a. first, to mitigate and cleanup any solid waste site causing or contributing to impairments of drinking water quality; and
b. second, to mitigate and cleanup solid waste sites which are causing or contributing to other environmental contamination which may impact public health.

2. The owner or operator of a solid waste site shall, at the department's written request, submit to and cooperate with any and all remedial measures deemed necessary by the department for the mitigation and cleanup of solid waste. The department may implement all necessary measures to mitigate and cleanup the solid waste site after making all reasonable efforts to identify and compel the owner or operator to cooperate with the department. The department is not required to commence a hearing or issue an order prior to using moneys from the solid waste and drinking water response account.

3. All necessary and reasonable expenses of mitigation and cleanup of a solid waste site shall be paid by the person or persons who owned, operated or maintained the solid waste site except as provided in subdivision four of this section, or from the solid waste and drinking water response account and shall be a debt recoverable by the state from all persons who owned, operated or maintained the solid waste site, and a lien may be imposed upon real property pursuant to subdivision sixteen of section ninety-seven-b of the state finance law, and a charge may be placed on the premises upon which the solid waste site is maintained and upon any real or personal property, equipment, vehicles, and inventory controlled by such person or persons. Moneys recovered shall be paid to the solid waste and drinking water response account.

4. a. The department shall make all reasonable efforts to recover the full amount of any funds expended from the solid waste and drinking water response account for mitigation and cleanup through litigation or cooperative agreements. Any and all moneys recovered, repaid or reim-
bursed pursuant to this section shall be deposited with the comptroller and credited to such fund.

b. When a municipality develops and implements a plan to investigate, mitigate and cleanup a solid waste site, as approved by the department, for a site which is owned or has been operated by such municipality or when the department, pursuant to an agreement with a municipality, develops and implements such a plan, the commissioner shall, in the name of the state, agree in such agreement to provide from the solid waste and drinking water response account, within the limitations of appropriations therefor, seventy-five percent of the eligible design and construction costs of such program which are not recovered from or reimbursed or paid by a responsible party or the federal government.

5. The department shall have the authority to enter all solid waste sites for the purpose of investigation, mitigation and cleanup.

§ 27-1205. Mitigation of contaminants in drinking water.

1. Whenever the commissioner of health has required a public water system to take action to reduce exposure to contaminants pursuant to section eleven hundred twelve of the public health law, or at any time upon the request of the commissioner of health, the department may undertake all reasonable and necessary measures to ensure that safe drinking water is expeditiously made available to all people in any area of the state in which contamination is known to be present. Such area shall include, at a minimum, all properties served by the water system and any land and any surface or underground water sources identified by the department or department of health as causing or contributing to the contamination. The department's measures may include the installation of treatment systems, including but not limited to installation of onsite water supplies, or the provision of alternative water supply
sources to ensure that water meets applicable maximum contaminant levels
or other threshold concentrations set by the department of health.

2. If the department, in consultation with the department of health, is able to identify a source of contamination which caused or contributed to contamination, the department shall require the owner or operator of the source of contamination to investigate, develop and implement a plan to remediate the source of contamination.

3. The department shall make all reasonable efforts to recover the full amount of any funds expended from the solid waste and drinking water response account for a drinking water response through litigation or cooperative agreements. Any and all moneys recovered, repaid or reimbursed pursuant to this section shall be deposited with the comptroller and credited to such account.

a. When a municipality develops and implements a plan to respond to drinking water contamination, determined pursuant to subdivision one of this section, and the plan is approved by the department, for a site which is owned or has been operated by such municipality or when the department, pursuant to an agreement with a municipality, develops and implements such a plan, the commissioner shall, in the name of the state, agree in such agreement to provide from the solid waste and drinking water response account, within the limitations of appropriations therefor, seventy-five percent of the eligible design and construction costs of such program and which are not recovered from or reimbursed or paid by a responsible party or the federal government.

§ 27-1207. Use and reporting of solid waste and drinking water response account.

1. The solid waste and drinking water response account shall be made available to the department for the following purposes:
a. enumeration and assessment of solid waste sites;

b. investigation and environmental characterization of solid waste sites, including environmental sampling;

c. mitigation and cleanup of solid waste sites;

d. mitigation of drinking water contamination;

e. monitoring of solid waste sites; and

f. administration and enforcement of the requirements of this title.

2. On or before July first, two thousand nineteen and July first of each succeeding year, the department shall report on the status of the program.

§ 27-1209. Rules and regulations.

The commissioner shall have the power to promulgate rules and regulations necessary and appropriate to carry out the purposes of this title.

§ 5. Subdivisions 1, 2 and 6 and paragraphs (i) and (j) of subdivision 3 of section 97-b of the state finance law, subdivision 1 as amended and paragraph (j) of subdivision 3 as added by section 4 of part I of chapter 1 of the laws of 2003, subdivision 2 as amended by section 5 of part X of chapter 58 of the laws of 2015, paragraph (i) of subdivision 3 as amended by section 1 of part R of chapter 59 of the laws of 2007, subdivision 6 as amended by chapter 38 of the laws of 1985, are amended and a new paragraph (k) is added to subdivision 3 to read as follows:

1. There is hereby established in the custody of the state comptroller a nonlapsing revolving fund to be known as the "hazardous waste remedial fund", which shall consist of [a "site investigation and construction account",] an "industry fee transfer account", an "environmental restoration project account", "hazardous waste cleanup account", [and] a
"hazardous waste remediation oversight and assistance account" and a "solid waste and drinking water response account".

2. Such fund shall consist of all of the following:

(a) moneys appropriated for transfer to the fund's site investigation and construction account; (b) all fines and other sums accumulated in the fund prior to April first, nineteen hundred eighty-eight pursuant to section 71-2725 of the environmental conservation law for deposit in the fund's site investigation and construction account; (c) all moneys collected or received by the department of taxation and finance pursuant to section 27-0923 of the environmental conservation law for deposit in the fund's industry fee transfer account; [(d)] (b) all moneys paid into the fund pursuant to section 72-0201 of the environmental conservation law which shall be deposited in the fund's industry fee transfer account; [(e)] (c) all moneys paid into the fund pursuant to paragraph (b) of subdivision one of section one hundred eighty-six of the navigation law which shall be deposited in the fund's industry fee transfer account; [(f)] (d) all moneys recovered under sections 56-0503, 56-0505 and 56-0507 of the environmental conservation law into the fund's environmental restoration project account; [(g)] (e) all fees paid into the fund pursuant to section 72-0402 of the environmental conservation law which shall be deposited in the fund's industry fee transfer account; [(h)] (f) payments received for all state costs incurred in negotiating and overseeing the implementation of brownfield site cleanup agreements pursuant to title fourteen of article twenty-seven of the environmental conservation law shall be deposited in the hazardous waste remediation oversight and assistance account; (g) all moneys recovered pursuant to title twelve of article twenty-seven of the environmental conservation law into the fund's solid waste and drinking
water response account and [(i)] (h) other moneys credited or trans-
ferred thereto from any other fund or source for deposit in the fund's
[site investigation and construction] hazardous waste cleanup account.

(i) with respect to moneys in the hazardous waste remediation over-
sight and assistance account, non-bondable costs associated with hazard-
ous waste remediation projects. Such costs shall be limited to agency
staff costs associated with the administration of state assistance for
brownfield opportunity areas pursuant to section nine hundred seventy-
or the general municipal law, agency staff costs associated with the
administration of technical assistance grants pursuant to titles thir-
ten and fourteen of article twenty-seven of the environmental conserva-
tion law, and costs of the department of environmental conservation
related to the geographic information system required by section 3-0315
of the environmental conservation law; [and]

(j) with respect to moneys in the hazardous waste remediation over-
sight and assistance account, technical assistance grants pursuant to
titles thirteen and fourteen of article twenty-seven of the environ-
mental conservation law[.]; and

(k) With respect to moneys in the solid waste and drinking water
response account, when allocated, shall be available to the department
of environmental conservation to undertake mitigation and cleanup as the
department of environmental conservation may determine necessary due to
environmental conditions related to a solid waste site pursuant to title
twelve of article twenty-seven of the environmental conservation law
which indicates that conditions on such property are impairing drinking
water quality, ground water quality or creating other environmental
contamination and to ensure the provision of safe drinking water in
areas determined to have drinking water contamination by the department of health.

6. The commissioner of the department of environmental conservation shall make all reasonable efforts to recover the full amount of any funds expended from the fund pursuant to paragraph (a) and paragraph (k) of subdivision three of this section through litigation or cooperative agreements with responsible persons. Any and all moneys recovered or reimbursed pursuant to this section through voluntary agreements or court orders shall be deposited with the comptroller and credited to the account of such fund from which such expenditures were made.

§ 6. Section 97-b of the state finance law is amended by adding a new subdivision 16 to read as follows:

16. (a) All costs and damages for which a person is liable to the state of New York under titles twelve and thirteen of article twenty-seven of the environmental conservation law shall constitute a lien in favor of the state upon all real property and rights to such property which: (i) belongs to such person; and (ii) are subject to mitigation or cleanup pursuant to title twelve of article twenty-seven of the environmental conservation law or an inactive hazardous waste disposal site remedial program pursuant to title thirteen of article twenty-seven of the environmental conservation law.

(b) The lien imposed by this subdivision shall arise at the later of the following: (i) the time costs are first incurred by the state with respect to a response action pursuant to titles twelve and thirteen of article twenty-seven of the environmental conservation law; or (ii) the time that the person referred to in paragraph (a) of this subdivision is provided (by certified or registered mail) written notice of potential liability. Such lien shall continue until the liability for the costs,
or a judgment against the person arising out of such liability, is satisfied, becomes unenforceable, is otherwise vacated by court order or is released by the commissioner of environmental conservation where a legally enforceable agreement satisfactory to the commissioner has been executed relating to the cleanup and removal costs and damage costs or reimbursing the hazardous waste remedial fund for cleanup and removal costs and damage costs, or the attachment or enforcement of the lien is determined by the commissioner not to be in the public interest.

(c) The lien shall state: (i) that the lienor is the hazardous waste remedial fund; (ii) the name of record owner of the real property on which the lien has attached; (iii) the real property subject to the lien, with a description thereof sufficient for identification; (iv) that the real property described in the notice is or has been subject to mitigation or cleanup pursuant to title twelve of article twenty-seven of the environmental conservation law or an inactive hazardous waste disposal site remedial program pursuant to title thirteen of article twenty-seven of the environmental conservation law and that costs have been incurred by the lienor as a result of such activities; (v) that the owner is potentially liable for costs; and (vi) that a lien has attached to the described real property.

(d) The lien imposed by this subdivision shall be subject to the rights of any purchaser entitled to the affirmative defense set forth in subparagraph three of paragraph (a) of subdivision four of section 27-1323 of the environmental conservation law, holder of a security interest, or judgment lien creditor whose interest is perfected under New York state law before notice of the lien has been filed pursuant to paragraph (e) of this subdivision.
(e) A notice of lien imposed by this subdivision shall be filed pursuant to the requirements of section one hundred eighty-one-c of the navigation law; provided however, that a copy of the notice of lien is served upon the owner of the real property subject to the lien in accordance with the provisions of section eleven of the lien law.

(f) The costs constituting the lien may be recovered in an action in rem in a court of competent jurisdiction. Nothing in this subdivision shall affect the right of the state to bring an action against any person to recover all costs and damages for which such person is liable under titles twelve and thirteen of article twenty-seven of the environmental conservation law.

§ 7. The public authorities law is amended by adding a new section 1285-s to read as follows:

§ 1285-s. New York state regional water infrastructure projects. 1. For purposes of this section, "municipality" means any county, city, town, village, district corporation, county or town improvement district, any public benefit corporation or public authority established pursuant to the laws of New York or any agency of New York state which is empowered to construct and operate a waste water or drinking water infrastructure project, or any two or more of the foregoing which are acting jointly in connection with such a project.

2. (a) The corporation shall establish, with funds appropriated for such purpose, a New York state regional water infrastructure grants program to provide state assistance to municipalities for waste water and drinking water infrastructure projects that have a regional impact or demonstrated efficiencies. Such regional projects shall benefit or serve multiple municipalities, and may include shared infrastructure,
consolidation or interconnection of systems of multiple municipalities, or projects that otherwise achieve efficiencies.

(b) A municipality may make an application for a regional water infrastructure grant in a manner, form and timeframe and containing such information as the corporation may require provided however, such requirements shall not include a requirement for prior listing on the intended use plan.

3. Moneys for the regional water infrastructure grants program shall be segregated from all other funds of or in the custody of the corporation and shall only be used to provide state assistance to municipalities in accordance with the provisions of this section and to provide for the administrative and management costs of the program.

4. Moneys for the regional water infrastructure grants program may be invested as provided in subdivision six of section twelve hundred eighty-five-j of this title.

5. Contracts for the construction of projects financed with state assistance made available pursuant to this section shall be subject to the requirements of section two hundred twenty of the labor law and shall be considered "state contracts" subject to the requirements and provisions of article fifteen-A of the executive law.

§ 8. Section 1285-q of the public authorities law, as added by section 6 of part I of chapter 1 of the laws of 2003, subdivisions 1 and 3 as amended by section 43 of part BB of chapter 56 of the laws of 2015, is amended to read as follows:

§ 1285-q. Financing of hazardous waste site remediation and solid waste and drinking water response site projects. In order to effectuate the purposes of this title, the corporation shall have the following additional special powers:
1. Subject to chapter fifty-nine of the laws of two thousand, but notwithstanding any other provisions of law to the contrary, in order to assist the corporation in undertaking the administration and the financing of hazardous waste site remediation projects for payment of the state's share of the costs of the remediation of hazardous waste sites and solid waste and drinking water response sites, in accordance with [title] titles twelve and thirteen of article twenty-seven of the environmental conservation law and section ninety-seven-b of the state finance law, and for payment of state costs associated with the remediation of offsite contamination at significant threat sites as provided in section 27-1411 of the environmental conservation law, and beginning in state fiscal year two thousand fifteen - two thousand sixteen for environmental restoration projects pursuant to title five of article fifty-six of the environmental conservation law provided that funding for such projects shall not exceed ten percent of the funding appropriated for the purposes of financing hazardous waste site remediation projects, pursuant to [title] titles twelve and thirteen of article twenty-seven of the environmental conservation law in any state fiscal year pursuant to capital appropriations made to the department of environmental conservation, the director of the division of budget and the corporation are each authorized to enter into one or more service contracts, none of which shall exceed twenty years in duration, upon such terms and conditions as the director and the corporation may agree, so as to annually provide to the corporation in the aggregate, a sum not to exceed the annual debt service payments and related expenses required for any bonds and notes authorized pursuant to section twelve hundred ninety of this title. Any service contract entered into pursuant to this section shall provide that the obligation of the state to fund or to pay
the amounts therein provided for shall not constitute a debt of the
state within the meaning of any constitutional or statutory provision
and shall be deemed executory only to the extent of moneys available for
such purposes, subject to annual appropriation by the legislature. Any
such service contract or any payments made or to be made thereunder may
be assigned and pledged by the corporation as security for its bonds and
notes, as authorized pursuant to section twelve hundred ninety of this
title.

2. The comptroller is hereby authorized to receive from the corpo-
ration any portion of bond proceeds paid to provide funds for or reim-
burse the state for its costs associated with any hazardous waste site
remediation and solid waste and drinking water response projects and to
credit such amounts to the capital projects fund or any other appropriate fund.

3. The maximum amount of bonds that may be issued for the purpose of
financing hazardous waste site remediation and solid waste and drinking
water response projects and environmental restoration projects author-
ized by this section shall not exceed two billion two hundred million
dollars and shall not exceed one hundred million dollars for appropri-
ations enacted for any state fiscal year, provided that the bonds not
issued for such appropriations may be issued pursuant to reappropriation
in subsequent fiscal years. No bonds shall be issued for the repayment
of any new appropriation enacted after March thirty-first, two thousand
twenty-six for hazardous waste site remediation projects authorized by
this section. Amounts authorized to be issued by this section shall be
exclusive of bonds issued to fund any debt service reserve funds, pay
costs of issuance of such bonds, and bonds or notes issued to refund or
otherwise repay bonds or notes previously issued. Such bonds and notes
of the corporation shall not be a debt of the state, and the state shall not be liable thereon, nor shall they be payable out of any funds other than those appropriated by this state to the corporation for debt service and related expenses pursuant to any service contracts executed pursuant to subdivision one of this section, and such bonds and notes shall contain on the face thereof a statement to such effect.

§ 9. Subdivision 9 of section 97-b of the state finance law is REPEALED.

§ 10. Subdivision 4 of section 52-0303 of the environmental conservation law, as added by chapter 512 of the laws of 1986, is amended to read as follows:

4. A provision that in the event that any federal payments and responsible party payments become available which were not included in the calculation of the state share pursuant to subdivision two of this section, the amount of the state share shall be recalculated accordingly and the municipality shall pay to the state for deposit in the [design and construction] hazardous waste cleanup account of the hazardous waste remedial fund established under section ninety-seven-b of the state finance law the amount by which the state payment actually made exceeds the recalculated state share.

§ 11. The opening paragraph, and paragraphs i and j of subdivision 4 of section 27-1305 of the environmental conservation law, as amended by section 3 of part E of chapter 1 of the laws of 2003, are amended to read as follows:

On or before July first, nineteen hundred eighty-six and July first of each succeeding year, the department shall prepare a status report on the implementation of the plan, and an update of the policies, program objectives, methods and strategies as outlined in the plan which guide
the overall inactive hazardous waste site remediation program and solid
waste site and drinking water response mitigation and cleanup programs.

Such status report shall reflect information available to the department
as of March thirty-first of each year, and shall include an accounting
of all moneys expended or encumbered from the environmental
quality bond act of nineteen hundred eighty-six or the hazardous waste
remedial fund during the preceding fiscal year, such accounting to sepa-

rately list:

i. moneys expended or encumbered in stand-by contracts
entered into pursuant to section 3-0309 of this chapter and the purposes
for which these stand-by contracts were entered into; [and]

j. moneys expended or encumbered pursuant to title twelve of this
article; and

k. an accounting of payments received and payments obligated to be
received pursuant to this title and title twelve of this article, and a
report of the department's attempts to secure such obligations.

§ 12. Subparagraph (ii) of paragraph b of subdivision 3 of section
27-1313 of the environmental conservation law is REPEALED.

§ 13. Paragraph b of subdivision 1 and paragraphs b and f of subdivi-
sion 5 of section 27-1313 of the environmental conservation law, para-
graph b of subdivision 1 as added by section 5 of part E of chapter 1 of
the laws of 2003, paragraph b as amended by and paragraph f of subdivi-
sion 5 as added by chapter 857 of the laws of 1982, are amended and a
new subdivision 11 is added to read as follows:

b. The department shall have the authority to require, and may under-
take directly, the development and implementation of a department-ap-
proved inactive hazardous waste disposal site remedial program, in
accordance with section ninety-seven-b of the state finance law.
b. In the event that the commissioner has found that hazardous wastes at a site constitute a significant threat to the environment, but after a reasonable attempt to determine who may be responsible is either unable to determine who may be responsible, [or] is unable to locate a person who may be responsible, or is unable after making all reasonable effort to secure voluntary agreement to pay the costs of necessary remedial actions from owners or operators or other responsible persons, the department may develop and implement an inactive hazardous waste disposal site remedial program for such site. The commissioner shall make every effort, in an action brought before a court of appropriate jurisdiction or in accordance with the requirements for notice, hearing and review provided for in this title, to secure appropriate relief from any person subsequently identified or located who is responsible for the disposal of hazardous waste at such site, including, but not limited to, development and implementation of an inactive hazardous waste disposal site remedial program, payment of the cost of such a program, recovery of any reasonable expenses incurred by the state, money damages and penalties.

f. The commissioner shall make every effort, in an action brought before a court of appropriate jurisdiction or in accordance with the requirements for notice, hearing and review provided for in this title to secure appropriate relief from the owner or operator of such site and/or any person responsible for the disposal of hazardous wastes at such site pursuant to applicable principles of statutory or common law liability, including, but not limited to, development and implementation of an inactive hazardous waste disposal site remedial program, payment of the cost of such program, recovery of any reasonable expenses incurred by the state, money damages and penalties.
11. A remedial decision by the state or the department or a response
action taken by the department or ordered by the department under this
section shall not constitute a final decision or order until the depart-
ment files an action to enforce such decision or order or to collect a
penalty for violation of such order or to recover its response costs.

§ 14. The section heading and subdivision 1 of section 27-1316 of the
environmental conservation law, as added by section 8 of part E of chap-
ter 1 of the laws of 2003, are amended to read as follows:

[Citizen technical] Technical assistance grants.

1. The commissioner is authorized to provide, or order a person acting
under order or on consent, to provide grants to any eligible munici-
pality or not-for-profit corporation exempt from taxation under section
501(c)(3) of the internal revenue code who may be affected by an inac-
tive hazardous waste disposal site remedial program. To qualify to
receive such assistance, a community group must demonstrate that its
membership represents the interests of the community affected by such
site, and that members', or in the case of a municipality its residents,' health, economic well-being or enjoyment of the environment are poten-
tially affected by such site. An eligible municipality shall be a coun-
ty, city, town, village, or Indian tribe or nation residing within New
York state, with a population of ten thousand or less, provided, howev-
er, that the department may make a municipality eligible if it deter-
mines that a municipality is a hardship community. A municipality shall
not be eligible for a grant for any site which is owned or has been
operated by such municipality. Such grants shall be known as technical
assistance grants and may be used to obtain technical assistance in
interpreting information with regard to the nature of the hazard posed
by hazardous waste located at or emanating from an inactive hazardous
waste disposal site or sites and the development and implementation of an inactive hazardous waste disposal site remedial program or programs. Such grants may also be used:

(a) to advise affected residents on any health assessment; and

(b) for training funds for the education of interested affected community members or municipality to enable them to more effectively participate in the remedy selection process.

Grants awarded under this section may not be used for the purposes of collecting field sampling data, political activity or lobbying legislative bodies.

§ 15. Subdivision 1 of section 27-1321 of the environmental conservation law, as amended by section 22 of part G of chapter 58 of the laws of 2012, is amended to read as follows:

1. Notwithstanding any other provision of law to the contrary, any person who is, by professional training or experience and attainment, qualified to analyze and interpret matters pertaining to the treatment, storage, disposal, or transport of hazardous materials or hazardous wastes, and who voluntarily and without expectation of monetary compensation provides assistance or advice in mitigating the effects of an accidental or threatened discharge of any hazardous materials or hazardous wastes, or in preventing, cleaning up, or disposing of any such discharge, shall not be subject to a penalty or to civil liability for damages or injuries alleged to have been sustained by any person or entity by reason of an act or omission in the giving of such assistance or advice. For the purposes of this section, the term "hazardous materials" shall have the same meaning as that term is defined in regulations promulgated by the commissioner of transportation pursuant to section fourteen-f of the transportation law, and the term "hazardous wastes"
shall mean those wastes identified or listed pursuant to subdivision one of section [27-0903] 27-1301 of this article and any rules and regulations promulgated thereunder.

§ 16. Subdivision 10 of section 71-2702 of the environmental conservation law, as added by chapter 671 of the laws of 1986, is amended to read as follows:

10. "Substance hazardous to public health, safety or the environment" means any substance which:

(a) is identified or listed as a hazardous waste in regulations promulgated pursuant to section 27-0903 of this chapter and all amendments thereto, regardless of whether at the time of release the substance was actually a waste; [or]

(b) appears on the list in regulations promulgated pursuant to paragraph (a) of subdivision one of section 37-0103 of this chapter and all amendments thereto[.];

(c) is petroleum; or

(d) poses a present or potential hazard to the environment when improperly treated, stored, transported, disposed of, or otherwise managed.

§ 17. Paragraph a of subdivision 1 of section 71-2725 of the environmental conservation law is REPEALED.

§ 18. Subdivision 4 of section 11-b of the soil and water conservation districts law, as amended by chapter 538 of the laws of 1996, is amended to read as follows:

4. Eligible costs that may be funded pursuant to this section are architectural and engineering services, plans and specifications, including watershed based or individual agricultural nonpoint source pollution assessments, consultant and legal services, conservation ease-
ments and associated transaction costs specific to title thirty-three of
article fifteen of the environmental conservation law and other direct
expenses related to project implementation.

§ 19. If any clause, sentence, paragraph, section or part of this act
shall be adjudged by any court of competent jurisdiction to be invalid,
such judgment shall not affect, impair or invalidate the remainder ther-
eof, but shall be confined in its operation to the clause, sentence,
paragraph, section or part thereof directly involved in the controversy
in which such judgment shall have been rendered.

§ 20. This act shall take effect immediately.

PART JJ

Section 1. Paragraph (a) of subdivision 6 of section 92-s of the state
finance law, as amended by chapter 432 of the laws of 1997, is amended
to read as follows:

(a) All moneys heretofore and hereafter deposited in the environmental
protection transfer account shall be transferred by the comptroller to
the solid waste account, the parks, recreation and historic preservation
account, the climate change mitigation and adaptation account or the
open space account upon the request of the director of the budget.

§ 2. Subdivision 5 of section 27-1012 of the environmental conserva-
tion law, as amended by section 6 of part F of chapter 58 of the laws of
2013, is amended to read as follows:

5. All monies collected or received by the department of taxation and
finance pursuant to this title shall be deposited to the credit of the
comptroller with such responsible banks, banking houses or trust compa-
nies as may be designated by the comptroller. Such deposits shall be
kept separate and apart from all other moneys in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected, the comptroller shall retain the amount determined by the commissioner of taxation and finance to be necessary for refunds out of which the comptroller must pay any refunds to which a deposit initiator may be entitled. After reserving the amount to pay refunds, the comptroller must, by the tenth day of each month, pay into the state treasury to the credit of the general fund the revenue deposited under this subdivision during the preceding calendar month and remaining to the comptroller's credit on the last day of that preceding month; provided, however, that, beginning April first, two thousand [thirteen] fourteen, and all fiscal years thereafter, [fifteen] twenty-three million dollars plus all funds received from the payments due each fiscal year pursuant to subdivision four of this section in excess of [the amount received from April first, two thousand twelve through March thirty-first, two thousand thirteen] one hundred twenty-two million two hundred thousand dollars, shall be deposited to the credit of the environmental protection fund established pursuant to section ninety-two-s of the state finance law.

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2016.

PART KK

Section 1. Approximately 40 percent of the food produced in the United States today goes uneaten. Much of this organic waste is disposed of in solid waste landfills, where its decomposition accounts for over 15 percent of our nation's emissions of methane, a potent greenhouse gas.
Meanwhile, an estimated 2.8 million New Yorkers are facing hunger and food insecurity. This legislation is designed to address these multiple challenges by: encouraging the prevention of food waste generation by commercial generators and residents; directing the recovery of excess edible food from high-volume commercial food waste generators; and ensuring that a significant portion of inedible food waste from large volume food waste generators is managed in a sustainable manner, and does not end up being sent to landfills or incinerators.

§ 2. Article 27 of the environmental conservation law is amended by adding a new title 22 to read as follows:

TITLE 22

FOOD DONATION AND FOOD SCRAPS RECYCLING

Section 27-2201. Definitions.

27-2203. Designated food scraps generator responsibilities.

27-2205. Transporter responsibilities.

27-2207. Transfer station or other intermediary responsibilities.

27-2209. Food scraps disposal prohibition.

27-2211. Department responsibilities.

27-2213. Regulations.

27-2215. Exclusions.

27-2217. Preemption and severability.

§ 27-2201. Definitions.

1. "Designated food scraps generator" means a person who generates at a single location an annual average of two tons per week or more of excess food and food scraps, including, but not limited to, supermarkets, restaurants, higher educational institutions, hotels, food processors, correctional facilities, sports or entertainment venues, hospitals
and other health care facilities. For a location with multiple independ-
ent food service businesses, such as a mall or college campus, the enti-
ty responsible for contracting for solid waste hauling services is
responsible for managing excess food and food scraps from the independ-
ent businesses.

2. "Excess food" means edible food that is not sold or used by its
generator.

3. "Food scraps" means inedible food, trimmings from the preparation
of food, food-soiled paper, and edible food that is not donated. Food
scraps shall not include food from residential sources or any food which
is subject to a recall or seizure due to the presence of pathogens,
including but not limited to: Listeria Monocytogenes, confirmed Clos-
tridium Botulinum, E. coli 0157:H7 and all salmonella in ready-to-eat
foods.

4. "Organics recycler" means a facility that recycles food scraps
through use as animal feed or a feed ingredient, rendering, land appli-
cation, composting, aerobic digestion, anaerobic digestion, or ethanol
production. Animal scraps, food soiled paper, and post-consumer food
scraps are prohibited for use as animal feed or as a feed ingredient.
The product created from food scraps by a composting or digestion facil-
ity, or other treatment system, must be used in a beneficial manner as a
soil amendment and shall not be combusted or landfilled. The department
may designate other techniques or technologies by regulation, provided
they do not include combustion or landfilling.

5. "Person" means any individual, business entity, partnership, compa-
ny, corporation, not-for-profit corporation, association, governmental
entity, public benefit corporation, public authority, firm, organization
or any other group of individuals, or any officer or employee or agent thereof.

6. "Single location" means contiguous property under common ownership, which may include one or more buildings.

§ 27-2203. Designated food scraps generator responsibilities.

1. No later than January first, two thousand twenty-one:

(a) all designated food scraps generators shall separate their excess food for donation for human consumption to the maximum extent practicable, and in accordance with applicable laws, rules and regulations related to food donation; and

(b) except as provided by in paragraph (c) of this subdivision, each designated food scraps generator that is within fifty miles of an organics recycler, to the extent that the recycler has capacity to accept a substantial portion or all of the generator's excess food and food scraps as determined by the department on a yearly basis, shall:

(i) separate its remaining excess food and food scraps from other solid waste that cannot be effectively processed by the organics recycler that will be managing the materials. Whenever practicable, excess food and food scraps should be removed from packaging at the point of generation or be sent to a facility that can remove the packaging from the product;

(ii) ensure proper storage for excess food and food scraps collection on site which shall preclude such materials from becoming odorous or attracting vectors;

(iii) post instructions and provide training for employees concerning the proper methods to separate and store excess food and food scraps;

and
(iv) obtain a transporter that will deliver its excess food and food scraps to an organics recycler, either directly or through an intermediary, self-haul its food scraps to an organics recycler, either directly or through an intermediary, or provide for organics recycling on-site.

(c) The provisions of paragraph (b) of this subdivision shall not apply to any designated food scraps generator that has all of its solid waste processed in a mixed solid waste composting or mixed solid waste anaerobic digestion facility.

2. All designated food scraps generators shall submit an annual report to the department on or before March first, two thousand twenty-two, and annually thereafter, in an electronic format. The annual report must summarize the amount of excess food donated and the amount of excess food not donated, the amount of food scraps recycled, the organics recycler or recyclers and associated transporters used, and any other information as required by the department.

3. A designated food scraps generator may petition the department for a temporary waiver from some or all of the requirements of this title. The petition must include evidence of undue hardship based on the unique circumstances of the generator. A waiver shall be no longer than one year in duration.

§ 27-2205. Transporter responsibilities.

1. Any transporter that collects source-separated excess food and food scraps for recycling from a designated food scraps generator shall:

   (a) deliver collected excess food and food scraps to a transfer station or other intermediary that will deliver such excess food and food scraps to an organics recycler; or

   (b) deliver such food scraps directly to an organics recycler.
2. Any transporter that collects source-separated excess food and food scraps from a designated food scraps generator shall not deliver those excess food and food scraps to a combustion facility or a landfill nor commingle the material with any other solid waste unless such waste can be processed by an organics recycler.

§ 27-2207. Transfer station or other intermediary responsibilities.

Any transfer station or other intermediary that receives source-separated excess food and food scraps from a designated food scraps generator must ensure that the food scraps are taken to an organics recycler. No transfer station or other intermediary may commingle the material with any other solid waste unless such waste can be processed by an organics recycler.

§ 27-2209. Food scraps disposal prohibition.

Solid waste combustion facilities and landfills shall not accept source-separated excess food and food scraps from designated food scraps generators required to send their excess food not donated and food scraps to an organics recycler as outlined under section 27-2203 of this title, either directly or from an intermediary, after January first, two thousand twenty-one, unless the designated food scraps generator has received a temporary waiver under subdivision three of section 27-2203 of this title.

§ 27-2211. Department responsibilities.

1. The department shall, in consultation with industry representatives, publish on its website: (a) the methodology the department will use to determine who is a designated food scrap generator; and (b) a list of all designated food scraps generators, organics recyclers, and all transporters that manage source-separated organics.
2. No later than October first, two thousand twenty, the department shall assess the capacity of organic recyclers and notify designated food scraps generators if they are required to comply with the provisions of paragraph (b) of subdivision one of section 27-2203 of this title.

3. The department shall develop and make available educational materials to assist designated food scraps generators with compliance with this title. The department shall also develop education materials on food waste minimization and encourage municipalities to disseminate these materials both on their municipal websites and in any such future mailings to their residents as they may distribute.

§ 27-2213. Regulations.

The department may promulgate rules and regulations necessary to implement the provisions of this title. At a minimum, the department shall promulgate rules and regulations that set forth how designated food scraps generators shall comply with the provisions of paragraph (a) and subparagraph (i) of paragraph (b) of subdivision one of section 27-2203 of this title.

§ 27-2215. Exclusions.

1. This title shall not apply to any designated food scraps generators located in a city with a population of one million or more which has a local law, ordinance or regulation in place which requires the diversion of excess food and food scraps from disposal.

2. This title does not apply to elementary and secondary schools.

§ 27-2217. Preemption and severability.

1. Any provision of any local law or ordinance, or any regulation promulgated thereto, governing the recycling of food scraps shall upon the effective date of this title be preempted, except in a city with a
population of one million or more. However, local laws or ordinances, or parts thereof, affecting the recycling of food scraps that include generators not covered by this title shall not be preempted.

2. The provisions of this title shall be severable and if any portion thereof or the applicability thereof to any person or circumstances is held invalid, the remainder of this title and the application thereof shall not be affected thereby.

§ 3. This act shall take effect immediately.

PART LL

Section 1. The public authorities law is amended by adding a new section 1005-d to read as follows:

§ 1005-d. Sharing employees, services and resources; indemnity and defense. 1. For the purposes of this section, the following words and terms shall have the following meanings unless the context indicates another meaning or intent:

(a) "Department" means the department of transportation.

(b) "Services and assistance" includes but is not limited to engineering services; environmental sampling and testing; facility, property, infrastructure and equipment maintenance; and equipment and materials storage.

2. One or more shared services agreements may be executed between the department and the authority, canal corporation, or both of them, only for (a) an emergency situation, (b) extreme weather conditions, and (c) the provision of services and assistance to support the operation and maintenance of the canal system and related infrastructure, as deemed appropriate, including but limited to share employees, services or
resources as deemed appropriate including, but not limited to, for the
performance of work and activities by the department on the facilities
and property under the jurisdiction of the authority or canal corpo-
ration, and for the performance of work and activities by the authority
or canal corporation on the facilities and property under the jurisdic-
tion of the department. Such agreement or any project undertaken pursu-
ant to such an agreement shall not be deemed to impair the rights of
bondholders and may provide for, but not be limited to, the management,
supervision and direction of such employees' performance of such
services. All shared employees shall remain employees of their respec-
tive employers and all applicable collectively bargained agreements
shall remain in effect for the entire length of the shared services
agreement. Further, such shared services agreement shall not amend,
repeal or replace the terms of any agreement that is collectively nego-
tiated between an employer and an employee organization, including an
agreement or interest arbitration award made pursuant to article four-
teen of the civil service law.

3. The authority shall defend any unit, entity, officer or employee of
the department, using the forces of the department of law pursuant to
subdivision eleven of this section in any action, proceeding, claim,
demand or the prosecution of any appeal arising from or occasioned by
the acts or omissions to act in the performance of the functions of the
authority or canal corporation pursuant to a shared services agreement.

4. Defense pursuant to subdivision three of this section shall be
conditioned upon the full cooperation of the department.

5. The authority shall indemnify and hold harmless any unit, entity,
officer or employee of the department in the amount of any judgment
obtained against the department or in the amount of any settlement the
department enters into with the consent of the authority for any and all
claims, damages or liabilities arising from or occasioned by the acts or
omissions to act of the authority or canal corporation pursuant to a
shared services agreement; provided, however, that the act or omission
from which such judgment or settlement arose occurred while the authori-
ty or canal corporation was acting within the scope of its functions
pursuant to a shared services agreement. No such settlement of any such
action, proceeding, claim or demand shall be made without the approval
of the authority's board of trustees or its designee.

6. Any claim or proceeding commenced against any unit, entity, officer
or employee of the authority or canal corporation that arises pursuant
to any shared services agreement shall not be construed in any way to
impair, alter, limit, modify, abrogate or restrict any immunity avail-
able to or conferred upon any unit, entity, officer or employee of the
authority or canal corporation, or to impair, alter, limit, modify,
abrogate or restrict any right to defense and indemnification provided
for any governmental officer or employee by, in accordance with, or by
reason of, any other provision of state or federal statutory or common
law.

7. (a) The state shall defend any unit, entity, officer or employee of
the authority and canal corporation using the forces of the department
of law in any action, proceeding, claim, demand or the prosecution of
any appeal arising from or occasioned by the acts or omissions to act in
the performance of the functions of the department pursuant to a shared
services agreement.

(b) Defense pursuant to paragraph (a) of this subdivision shall be
conditioned upon the full cooperation of the authority and canal corpo-
ration.
(c) The state shall indemnify and hold harmless any unit, entity, officer or employee of the authority or canal corporation in the amount of any judgment obtained against the authority or canal corporation in the amount of any settlement the authority or canal corporation enters into with the consent of the state for any and all claims, damages or liabilities arising from or occasioned by the acts or omissions to act on behalf of the department pursuant to a shared services agreement, provided, however, that the act or omission from which such judgment or settlement arose occurred while the department was acting within the scope of its functions pursuant to a shared services agreement. Any such settlement shall be executed pursuant to section twenty-a of the court of claims act.

(d) Any claim or proceeding commenced against any unit, entity, officer or employee of the department pursuant to any shared services agreement shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity available to or conferred upon any unit, entity, officer or employee of the department, or to impair, alter, limit, modify, abrogate or restrict any right to defense and indemnification provided for any governmental officer or employee by, in accordance with, or by reason of, any other provision of state or federal statutory or common law.

(e) Any payment made pursuant to this subdivision or any monies paid for a claim against or settlement with the department, authority or canal corporation pursuant to this subdivision and pursuant to a shared services agreement shall be paid from appropriations for payment by the state pursuant to the court of claims act.

8. This section shall not in any way affect the obligation of any claimant to give notice to the state, authority, or canal corporation
under section ten and section eleven of the court of claims act or any other provision of law provided, however, that notice served upon the state, authority, or canal corporation who is a party to the shared services agreement shall be valid notice on all parties to the agreement, when such claim arises out of such shared services agreement. The state, authority and canal corporation shall notify each other when they receive a notice of claim, notice of intention to make a claim or a claim arising out of such agreement.

9. The provisions of this section shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any insurance agreement.

10. Notwithstanding any other provision of law, when employed pursuant to a shared services agreement, employees of the authority, canal corporation and department shall be deemed employees of all such entities and the state for purposes of the workers' compensation law.

11. At the request of the authority or canal corporation, services and assistance and legal services for the authority or canal corporation shall be performed by forces or officers of the department and the department of law respectively, and all other state officers, departments, boards, divisions and commissions shall render services within their respective functions.

§ 2. Subdivision 1 of section 17 of the public officers law is amended by adding a new paragraph (z) to read as follows:

(z) For purposes of this section, the term "employee" shall include members of the governing boards, officers and employees of the power authority of the state of New York or its subsidiaries.
§ 3. This act, being necessary for the prosperity of the state and its inhabitants, shall be liberally construed to effect the purposes and secure the beneficial intents hereof.

§ 4. If any provision of any section of this act or the application thereof to any person or circumstance shall be adjudged invalid by a court of competent jurisdiction, such order or judgment shall be confined in its operation to the controversy in which it was rendered, and shall not affect or invalidate the remainder of any provision of any section of this act or the application thereof to any other person or circumstance and to this end the provisions of each section of this act are hereby declared to be severable.

§ 5. This act shall take effect immediately.

PART MM

Section 1. Expenditures of moneys by the New York state energy research and development authority for services and expenses of the energy research, development and demonstration program, including grants, the energy policy and planning program, the zero emissions vehicle and electric vehicle rebate program, and the Fuel NY program shall be subject to the provisions of this section. Notwithstanding the provisions of subdivision 4-a of section 18-a of the public service law, all moneys committed or expended in an amount not to exceed $19,700,000 shall be reimbursed by assessment against gas corporations, as defined in subdivision 11 of section 2 of the public service law and electric corporations as defined in subdivision 13 of section 2 of the public service law, where such gas corporations and electric corporations have gross revenues from intrastate utility operations in excess of $500,000
in the preceding calendar year, and the total amount which may be charged to any gas corporation and any electric corporation shall not exceed one cent per one thousand cubic feet of gas sold and .010 cent per kilowatt-hour of electricity sold by such corporations in their intrastate utility operations in calendar year 2015. Such amounts shall be excluded from the general assessment provisions of subdivision 2 of section 18-a of the public service law. The chair of the public service commission shall bill such gas and/or electric corporations for such amounts on or before August 10, 2017 and such amounts shall be paid to the New York state energy research and development authority on or before September 10, 2017. Upon receipt, the New York state energy research and development authority shall deposit such funds in the energy research and development operating fund established pursuant to section 1859 of the public authorities law. The New York state energy research and development authority is authorized and directed to: (1) transfer $1 million to the state general fund for services and expenses of the department of environmental conservation, $150,000 to the state general fund for services and expenses of the department of agriculture and markets, and $750,000 to the University of Rochester laboratory for laser energetics from the funds received; and (2) commencing in 2016, provide to the chair of the public service commission and the director of the budget and the chairs and secretaries of the legislative fiscal committees, on or before August first of each year, an itemized record, certified by the president and chief executive officer of the authority, or his or her designee, detailing any and all expenditures and commitments ascribable to moneys received as a result of this assessment by the chair of the department of public service pursuant to section 18-a of the public service law. This itemized record shall include an item-
ized breakdown of the programs being funded by this section and the amount committed to each program. The authority shall not commit for any expenditure, any moneys derived from the assessment provided for in this section, until the chair of such authority shall have submitted, and the director of the budget shall have approved, a comprehensive financial plan encompassing all moneys available to and all anticipated commitments and expenditures by such authority from any source for the operations of such authority. Copies of the approved comprehensive financial plan shall be immediately submitted by the chair to the chairs and secretaries of the legislative fiscal committees. Any such amount not committed by such authority to contracts or contracts to be awarded or otherwise expended by the authority during the fiscal year shall be refunded by such authority on a pro-rata basis to such gas and/or electric corporations, in a manner to be determined by the department of public service.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2017.

§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.
§ 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through MM of this act shall be as specifically set forth in the last section of such Parts.