



New York State Assembly

Carl E. Heastie, Speaker

ANNUAL REPORT 2015

Committee on
**Corporations, Authorities and
Commissions**

James F. Brennan, Chairman



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
COMMITTEE ON
CORPORATIONS,
AUTHORITIES,
AND COMMISSIONS

COMMITTEES
CODES
EDUCATION
REAL PROPERTY TAXATION

JAMES F. BRENNAN
44TH ASSEMBLY DISTRICT
KINGS COUNTY

December 15, 2015

The Honorable Carl E. Heastie
Speaker of the Assembly

Dear Speaker Heastie:

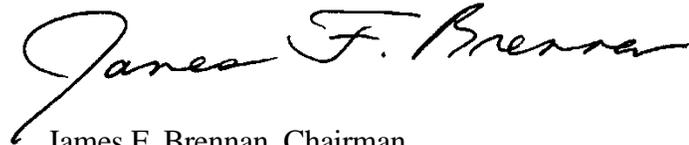
As Chairman of the Assembly Standing Committee on Corporations, Authorities and Commissions, I am pleased to submit the Committee's 2015 Annual Report.

During the 2015 session, among other significant pieces of legislation, the committee reported and Assembly passed the "Port Authority of New York and New Jersey Transparency and Accountability Act of 2015." This bill is modeled after the landmark Public Authority Accountability Act of 2005 and Public Authority Reform Act of 2009, which brought a new level of accountability to public authorities in New York. The reforms in the bill would require increased oversight of the authority's finances, operations, and capital projects by the Board of Commissioners and require the authority to operate in a more transparent manner. After significant time and negotiation between stakeholders, including a veto by the Governors of New York and New Jersey in 2014, the NY Legislature and Governor Cuomo agreed on an historic reform bill. Negotiations to finalize these reforms with New Jersey are on-going and will be a priority in the upcoming session.

Additionally through the 2015-2016 state budget, the MTA and other regional transportation authorities across the state received \$4.9 billion in transit aid. The committee supported specific priorities such as a \$25 million increase in aid to upstate transit authorities and \$4 million for Long Island Rail Road to upgrade its diesel freight train fleet to reduce air pollution. These investments show the Assembly's continuing commitment to mass transit. As Chair of the committee, I also introduced several revenue generating proposals that would provide additional assistance to the MTA as they begin the 2015-2019 Capital Program.

It has been a privilege to serve as Chairman of the Corporations, Authorities and Commissions Committee. With your continued leadership we look forward to a productive session in the year to come.

Sincerely,

A handwritten signature in black ink that reads "James F. Brennan". The signature is written in a cursive style with a large, sweeping initial "J".

James F. Brennan, Chairman
Assembly Standing Committee on
Corporations, Authorities and Commissions

2015 Annual Report

New York State Assembly Standing Committee On Corporations, Authorities and Commissions

James F. Brennan, Chairman

Committee Members

Majority

Catherine T. Nolan
Vivian E. Cook
Sandra R. Galef
Brian Kavanagh
Addie J. Russell
Robert J. Rodriguez
Thomas J. Abinanti
Daniel Quart
Phillip Goldfeder
Steven Otis
Nily Rozic
Ron Kim
David Buchwald
Francisco Moya
Rebecca Seawright
Erik Dilan
Aravella Simotas
Diana Richardson

Minority

Jane L. Corwin
Peter Lopez
Michael A. Montesano
Kenneth D. Blankenbush
Christopher S. Friend
Nicole Malliotakis
Phillip A. Palmesano

Staff

Christian Malanga, Assistant Secretary for Program and Policy
Michael Raymond Hernandez, Associate Counsel
Robert L. Franchini, Legislative Analyst
Laurie Wheelock, Legislative Director
Fong Chan, Legislative Counsel
Lisa Forkas, Committee Clerk
Jeannine Barcher, Program and Counsel Executive Secretary

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I. INTRODUCTION

The Committee on Corporations, Authorities and Commissions has jurisdiction over the laws concerning private, not-for-profit and public corporations in New York State. Much of the committee's focus is on the organizational framework and activities of the State's public corporations, largely referred to as public authorities. Public authorities are created in state law, operate at the state and local government level, and provide services such as mass transit, infrastructure building, power generation, and construction services. While these entities perform vital public services, it is imperative that they act with transparency and are held accountable through public oversight. Consequently, the committee devotes significant time to considering legislation that promotes accountability and holding public oversight hearings of public authorities.

During the annual state budget process, the committee reviews funding for transportation authorities and works to ensure that funds are appropriated wisely. New York has a mass transit system in nearly every major population center across the state with a public authority operating most of these systems. The committee has a particular interest in the Metropolitan Transportation Authority (MTA), which runs the largest mass transit system in the state and has extensive capital requirements.

In addition, the committee monitors the operations and policies of the New York State Public Service Commission (PSC) and considers legislation that amends Public Service Law. The Commission's five Commissioners and the Department of Public Service are required by Public Service Law to ensure that customers of investor-owned electric, gas, telephone, water, and cable utilities in the state provide adequate service at reasonable rates. The committee takes an active role in protecting consumers and reports significant legislation that modernizes and amends Public Service Law.

The committee also examines legislation affecting the governance of for-profit and not-for-profit corporations in the State. This includes the cemetery corporation, a special type of not-for-profit corporation in the state, which is under the purview of the committee and performs a vital public service for the state. Through legislation, the committee ensures laws affecting corporations remain up-to-date and serve the public interest.

II. COMMITTEE LEGISLATION OF 2015

A. Public Authorities

The following bills were signed into law:

A.2737 (Paulin)

Chapter 12

This chapter makes clarifications to Chapter 534 of the laws of 2014 which subjects the Port Authority of New York and New Jersey to the Freedom of Information Law (FOIL) and Personal Privacy Protection Law of New York.

A.7364-A (Otis)

Chapter 489

This chapter authorizes the City of New Rochelle to allow three additional advertising billboards to be placed along a portion of I-95. It authorizes the City of New Rochelle to allow up to nine billboards instead of the six billboards currently allowed along a portion of I-95.

A.5651-A (Russell)

Chapter 435

This chapter amends the powers of the Ogdensburg Bridge and Port Authority to allow for bonding that would support the reconstruction and upgrading of the Ogdensburg Bridge. Additionally the chapter allows bonding to support infrastructure, upgrade and expansion at the Ogdensburg International Airport.

A.7430-A (Seawright)

Chapter 517

This bill would make technical amendments to the laws governing the Roosevelt Island Operating Corporation. These amendments would add the Roosevelt Island Operating Corporation to the consolidated Public Authorities Law, update the Equal Employment Opportunities section of law relating to the Roosevelt Island Operating Corporation to include sexual orientation, and add the new development subleases that the Roosevelt Island Operating Corporation entered into in the years since the original laws were enacted.

The following bills passed the Assembly:

A.1975 (Brennan)

Passed the Assembly

This bill would require the New York Power Authority (NYPA) to file annual reports with the Department of Public Service (DPS) that conform in the exact manner that is applicable to electric companies under subdivision six of section 66 of Public Service Law. The bill would also require NYPA to conform to the uniformed system of accounts as prescribed under DPS rules and regulations. The first annual report would be due March 31, 2018 and annually thereafter.

A.4788-B (Quart)

Passed the Assembly

This bill would require state authorities to webcast, record, and archive their board and committee meetings on their websites. A state authority with \$1 million or less in annual revenue or outstanding bonds would be allowed to waive this webcasting requirement. This bill would also require state authorities to comply with the State's Open Meetings Law.

A.5254 (Peoples-Stokes)

Passed the Assembly

This bill would allow Erie County Medical Center Corporation, a public authority, to collaborate with private health care entities, notwithstanding such collaborations may displace competition in the health care market. This bill aims to provide the parties with immunity from federal and state antitrust laws, known as "state action immunity." Additionally, the bill requires that supervision and oversight of the collaboration is maintained by the State of New York and the corporation. These collaborations are designed to promote the cost effective delivery of healthcare services.

A.5415 (Brennan)

Passed the Assembly

This bill would make changes to the Public Authority Reform Act. The bill would by-in-large make changes to clarify many existing provisions such as changing references of "public authority" to "state and local authority" and technical changes such as including the Comptroller or the Authorities Budget Office (ABO) to many reporting requirements. It also changes many reporting deadlines to make them more conducive to the different fiscal years that authorities may have.

A.7413 (Brennan)

Passed the Assembly

This bill would constitute a chapter 40-A of the consolidated laws as Port Authority of New York and New Jersey. It would repeal various chapters relating to Port Authority and then enact them as chapter 40-A of the consolidated laws related to Port Authority of New York and New Jersey.

A.7770 (Simon)

Passed the Assembly

This bill would authorize the Dormitory Authority to provide financing, acquisition, construction, development, improvement, expansion and/or equipping of a facility or facilities and necessary ancillary and related facilities for the not-for-profit known as Dancewave of Brooklyn, New York.

A.7774-B (Goodell)

Passed the Assembly

This bill would require commissioners of the Chautauqua Utility District to be electors of the Town of Chautauqua in order to qualify to be on the Board of Commissioners.

A.7974-B (Seawright)

Passed the Assembly

This bill would authorize the Roosevelt Island Operating Corporation to provide financial assistance in the form of grants to not-for-profit corporations that provide direct services or benefits to the residents of Roosevelt Island. After the end of each fiscal year, the corporation would be required to publish on its website the identity of each recipient of a grant, the amount provided, and a general description of the public benefit of each grant.

B. Mass Transit Operations and Finance

The following bills were signed into law:

A.7335 (Brennan)

Chapter 30

This chapter extends the expiration date of provisions authorizing certain procurements by the Metropolitan Transportation Authority (MTA) and New York City Transit Authority (NYCTA). It extends the MTA's current procurement authorization for four additional years.

A.7683-A (Rozić)

Chapter 460

This chapter authorizes the MTA's Transit Adjudication Bureau to have jurisdiction over violations occurring at any subsidiary of the MTA.

The following bills passed the Assembly:

A.1963 (Brennan)

Passed the Assembly

This bill would require the MTA to create and maintain a Safety Committee that would report on safety initiatives, concerns, improvements, or failures. The Safety Committee would meet at least annually and consist of the chairpersons of the New York City Transit Authority, Long Island Rail Road, and Metro North Commuter Railroad along with other members.

C. Corporations Law

The following bills were signed into law:

A.7641 (Brennan)

Chapter 388

This chapter changes the effective date of a provision from the Not-For-Profit Revitalization Act of 2013. This chapter changes the effective date of paragraph (f) of section 713 of not-for-profit law from January 1, 2016 to January 1, 2017. This provision prohibits employees of a not-for-profit corporation from serving as chairperson of the board of directors of the corporation.

A.8117 (Brennan)

Chapter 358

This chapter makes technical corrections to certain sections of the not-for-profit corporation law such as making certain terms in the law gender neutral, correcting inconsistent terms, and makes other amendments that conform the Non-Profit Revitalization Act of 2013 to Not-For-Profit Corporation Law.

A.8122 (Brennan)

Chapter 468

This bill would create new articles within Religious Corporation Law which explicitly provide for the incorporation of Hindu, Sikh and Islamic religious corporations. It would also add to the definition of “clergyman” and “minister” to include a “pandit, swami, guru, granthi, imam, moulvi, maulana.” It would create article 22 for Hindu corporations, article 23 for Sikh corporations, and article 24 for Islamic corporations.

A.737 (Steck)

Chapter 421

This bill would amend Business Corporation Law to make the ten largest shareholders of a foreign corporation liable for any wages due to laborers, servants or employees for services that were not paid for but performed in the State.

The following bills passed the Assembly:**A.1248-A (Fahy)**

Passed the Assembly

This bill would authorize a cemetery owned and managed by a religious corporation, upon application and approval of state Supreme Court, to reacquire an abandoned burial plot. The bill would allow a religious corporation to reacquire a burial plot upon the approval by a Supreme Court under limited circumstances. Such circumstances include when a burial lot was purchased more than 75 years ago, its owner cannot be found after an exhaustive search, and no remains exist in the burial plot.

A.3095 (Brennan)

Passed the Assembly

This bill would change oversight of not-for-profit cemeteries by allowing cemeteries to receive approval for certain transactions from the State Cemetery Board or the State Supreme Court, instead of just the state Supreme Court. The bill would also eliminate the prior approval requirement by the State Cemetery Board before the re-sale of a burial plot and instead would only require notification before re-sale. The owner of the burial plot would be required to give the cemetery corporation an opportunity to re-purchase the plot at the original sales price, plus interest, before any other sale can occur.

A.3122 (Morelle)

Passed the Assembly

This bill would prohibit a religious corporation that owns, manages, or controls a cemetery from selling or displaying monuments for sale. Religious corporations would also be restricted from

authorizing or permitting any employee or trustee from advertising his or her connection with a cemetery if they sell monuments in a separate business.

A.8118-B (Brennan)

Passed the Assembly

This bill would make technical and clarifying amendments to certain sections of the not-for-profit corporation law, commonly known as the Not-For-Profit Revitalization Act of 2013. This bill adds clarifying amendments to certain sections of the not-for-profit corporation law that would expand the definition of independent director, add “domestic partner” to the definition of “relative,” clarify the definition of “related party,” clarify that a director or person with a conflict of interest may attend committee meetings for the purpose of presenting information or answering questions, and allow not-for-profit corporations to post their conflict of interest policy on their websites.

D. Telecommunications and Utilities

The following bills were signed into law:

A.6912-C (Fahy)

Chapter 495

This chapter authorizes a municipality to submit an application to the Public Service Commission to commence a proceeding that would facilitate a transfer of ownership of the utility owned streetlights to the municipality. It requires a municipality to submit to the Commission a statement on the financial impact of the ownership change and how the municipality will upgrade its streetlights. The transfer would be subject to a proceeding at the Public Service Commission where a utility would be required to create a new energy efficient tariff. Lastly, it authorizes the Public Service Commission to collaborate with NYSERDA to identify appropriate energy efficiency streetlight upgrades and possible funding sources that could assist municipalities with purchasing and upgrading streetlights.

The following bills passed the Assembly:

A.2458-A (Bronson)

Passed the Assembly

This bill would require an applicant who proposes to construct a gas transmission line to send a notification directly to landowners that would be impacted. This notification requirement would apply to any proposed gas transmission line that is under ten miles. A statement on how to become a party to the Public Service Commission proceeding would be required on the notice in addition to the currently required statutorily background information on the proposal. When a proposed gas transmission project impacts agricultural land, this bill would require the Public Service Commission to consider specific agriculture related factors such as the project’s impact on an agricultural resource.

A.2777 (Brennan)

Passed the Assembly

This bill would require gas corporations to file an annual gas safety report with the

Department of Public Service. The Department would review to ensure each gas corporation is complying with Public Service Law, the Commission's rules, regulations, and orders, and any practice the Department has deemed necessary for providing safe and reliable service. The bill also would require the Department to notify the Commission of any deficiencies in a gas corporation's prioritization of projects or administration of its pipeline infrastructure. The Commission would then be able to order any reasonable improvements under existing law to protect public safety. Lastly, the bill authorizes the Commission to examine a utility's use of its own employees and contractors to complete pipeline related projects.

A.5083-C (Paulin)

Passed the Assembly

This bill would establish a natural gas pipeline leak classification system and procedures to ensure that natural gas leaks are identified and timely repaired. It would require the classification, and annual reporting to the Department of Public Service, of all reported leaks of natural gas by gas corporation. It would also require a municipality or the state to report to the relevant gas corporation any significant project exposing confirmed natural gas infrastructure to survey such site for gas leaks and require the Public Service Commission to commence a proceeding to investigate the need for additional winter surveillance of gas pipelines due to the extended frost season.

A.6325-A (Brennan)

Passed the Assembly

The bill would direct the New York City Transit Authority and the Metropolitan Transportation Authority to report to the Governor and the Legislature on all transportation service reductions and eliminations that have occurred since January 1, 2010. The report would include a detail actual revenue savings for each route, the cost to fully restore each such change, and a detailed plan for full restoration or a detailed plan for equitable restoration of subways, buses, and commuter rail that substantially restores impacted service to all neighborhoods and regions. The report would be due December 31, 2017.

A.7780 (Solages)

Passed the Assembly

This bill would require the Department of Public Service (DPS) to obtain information about fire hydrant maintenance, servicing, and replacement from each water authority and water-works corporation that serves fifty thousand or more water users in the state. It would require each water authority and water-works corporation to comply fully with any information requests from the Department. The Department would then be required to issue a report on fire hydrant maintenance, servicing, replacement, and if applicable, any fees that are charged to a municipality, fire district, or water user, and how these services could be delivered in a more cost effective manner.

E. Vetoes

A.7416 (Brennan)

Vetoed – Memo 214

This bill would extend the amount of time between notice of an Empire State Development project and a public hearing. It would extend the current public notice of ten days

to thirty days when Empire State Development (ESD) must hold a public hearing to effectuate a development project.

A.2607 (Dinowitz)

Vetoed – Memo 254

This bill would require the MTA to allow customers two free ride transfers between any subway and bus or between buses. The transfers would have to be used within two hours of the MTA redeeming a fare from a customer.

A.6205-A (Otis)

Vetoed – Memo 262

This bill would establish telemarketing practices for energy service companies (ESCOs) by requiring ESCOs and an ESCO marketing representatives to follow certain telemarketing standards and consumer protection practices. It also would authorize the Public Service Commission to assess a civil penalty which would not exceed one thousand dollars per violation against any ESCO that knowingly fails or neglects to comply with the provisions of this section. This section also requires the Public Service Commission to provide notice to an ESCO when the Commission believes an ESCO has violated a provision of this section.

A.5267 (Weprin)

Vetoed – Memo 229

This bill would create the MTA Riders' Council for People with Disabilities to study, investigate, monitor and make recommendations on accommodating the needs and convenience of riders with disabilities. The Council would consist of fifteen members who regularly use the transportation services of the MTA and have a disability as defined by any applicable state or federal law. The bill would also add an additional non-voting member to the MTA Board appointed by the Governor upon the recommendation of the Council.

III. PUBLIC HEARINGS OF 2015

Public Hearing 1: Evaluating Natural Gas Safety Efforts by Utilities

December 4, 2015

10:30 a.m.

New York City

On December 4, 2015, the Corporations, Authorities and Commissions and Energy Committee along with the Subcommittee on Infrastructure held a hearing to examine natural gas safety efforts made by the state's utilities. At this hearing, the committee received testimony from the NYS Department of Public Service, City of New York, and representatives from the major gas utilities operating across the state. The hearing served as a follow up to a hearing held by the Committees in 2014 and provided stakeholders an opportunity to discuss efforts to improve gas safety and reduce incidents. The Committees received updates on how utilities plan to improve gas safety awareness and plan to replace aging and leak-prone pipeline.

IV. OUTLOOK FOR 2016

In 2016, the Committee on Corporations, Authorities and Commissions plans to explore the state's providers of broadband, cable, and telephone service. The telecommunications industry is evolving with the advancement technology and adapting to new preferences by consumers. The Committee may advance reforms that improve the quality of these services and promote new, more affordable choices for consumers. The committee will also hold further hearings next year that may involve public authorities, the Public Service Commission, or explore other important subjects under the jurisdiction of the committee.

The committee will also continue to consider legislation aimed at increasing oversight of the spending and operations of public authorities. While significant progress was made with the enactment of major public authority reform laws in 2005 and 2009, the committee continues to report legislation which increases transparency and accountability of public authorities. The committee will continue to examine New York's corporation laws to ensure they are modernized and serve the public interest. In overseeing utilities and the telecommunications industry, the committee will continue to support legislation that modernizes Public Service Law and serves ratepayers.

APPENDIX A

2015 SUMMARY SHEET

SUMMARY OF ACTION ON ALL BILLS
REFERRED TO THE COMMITTEE ON
CORPORATIONS

<u>FINAL ACTION</u>	<u>ASSEMBLY BILLS</u>	<u>SENATE BILLS</u>	<u>TOTAL BILLS</u>
BILLS REPORTED WITH OR WITHOUT AMENDMENT			
TO FLOOR; NOT RETURNING TO COMMITTEE	6		6
TO FLOOR; RECOMMITTED AND DIED			
TO WAYS AND MEANS	22		22
TO CODES	22		22
TO RULES	7		7
TO JUDICIARY			
TOTAL	57		57
BILLS HAVING COMMITTEE REFERENCE CHANGED			
TO <u>CORRECTIONS</u> COMMITTEE	1		1
TO <u>SOCIAL SERVICES</u> COMMITTEE	1		1
TO _____ COMMITTEE			
TO _____ COMMITTEE			
TOTAL	2		2
SENATE BILLS SUBSTITUTED OR RECALLED			
SUBSTITUTED		5	5
RECALLED		1	1
TOTAL		6	6
BILLS DEFEATED IN COMMITTEE			
BILLS NEVER REPORTED, HELD IN COMMITTEE	250	39	289
BILLS NEVER REPORTED, DIED IN COMMITTEE			
BILLS HAVING ENACTING CLAUSES STRICKEN	5		5
MOTIONS TO DISCHARGE LOST			
TOTAL BILLS IN COMMITTEE	314	45	359
TOTAL NUMBER OF COMMITTEE MEETINGS HELD	7		

**APPENDIX B
BILLS THAT BECAME LAW**

<u>Bill #</u>	<u>Sponsor</u>	<u>Chapter #</u>	<u>Description</u>
A.737	Steck	421	Relates to the applicability of provisions relating to liability of shareholders for wages due to laborers, servants or employees for certain foreign corporations
A.2737	Paulin	12	Repeals provisions relating to the records of the port authority; relates to the port authority of New York and New Jersey
A.5651-A	Russell	435	Relates to the powers of the Ogdensburg bridge authority and the Ogdensburg port authority
A.6912-A	Fahy	495	Relates to municipal acquisition of street lights from electric utilities
A.7335	Brennan	30	Extends expiration of provisions authorizing certain procurements by the metropolitan transportation authority and the New York city transit authority
A.7364-A	Otis	489	Relates to the restriction and regulation of advertising devices
A.7641	Brennan	388	Relates to the effectiveness of provisions of law relating to prohibiting employees of a not-for-profit corporation from serving as chair of the board
A.7683-A	Rozic	460	Relates to jurisdiction over violations occurring on metropolitan transportation authority omnibuses by the transit adjudication bureau
A.7974-B	Seawright	517	Relates to the management of the Roosevelt Island operating corporation
A.8122	Brennan	468	Provides a means of incorporation for organized groups affiliated with the Hindu, Sikh and Islamic faiths