



MEMORANDUM

TO: EPA CPRG Review Team
FROM: Carla Castillo, Executive Director, Hudson Valley Regional Council, Inc.
DATE: March 29, 2024
SUBJECT: HVRC as a Public Body Created by or Pursuant to State Law and Accountable to Municipal Units of Government

This memo is in response to the following section of the CPRG NOFO, "A municipal entity that is not a city, town, borough, county, parish, or district must provide documentation that the state or territory in which it is located considers the entity to be a public body created by or pursuant to state law and that it is accountable to municipal or state units of government. Examples of acceptable forms of proof include legal opinions from the state Attorney General or equivalent or from the entity's Chief Legal Officer." (pg. 19)

Attached to this memo are:

- 1) a legal opinion from HVRC's legal officer from 2014 documenting that the Hudson Valley Regional Council is a public body created by or pursuant to state law, and
- 2) a copy of New York State Article 5-G, which HVRC was established under, to show we are accountable to municipal units of government.

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May 23, 2014

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RE: Hudson Valley Regional Council, Inc.
Our File No.: 11672-1

Dear Pat,

This letter addresses your questions:

- What exactly is the Hudson Valley Regional Council, Inc. ("HVRC")?
- What are its registration and reporting obligations as a tax-exempt entity?
- Is there anything HVRC should do in order to come into compliance with applicable federal and state laws and adopt best practices?

The short answers are:

- HVRC is a New York not-for-profit corporation.
- HVRC is exempt from the usual federal and state registration and reporting obligations
- HVRC should amend the dissolution provision in its Certificate of Incorporation and modernize its Bylaws.

Following is a more detailed explanation. The following documents, attached as Exhibits, were reviewed in preparing this Memo.

Exhibit A	New York State Department of State website database entry for HVRC
Exhibit B	Certificate of Incorporation of HVRC, along with a retyped version that is easier to read ¹

¹ The only available copy of the Certificate of Incorporation is very faint to the point that about 20 words cannot be read at all. The Department of State does not have a better copy (we are using their copy). For the retyped version, some words were copied from the Bylaws, which in part is identical to the Certificate of Incorporation. Elsewhere your author simply made best guesses.

Exhibit C	Bylaws of HVRC
Exhibit D	Articles of Agreement Creating HVRC dated December 15, 1977, and updated March 25, 1982
Exhibit E	Letter dated October 29, 2013, from the IRS stating that its records do not specify the federal tax status of HVRC
Exhibit F	Exempt Organizations Continuing Professional Education Text for 1990, Section E. "Instrumentalities"
Exhibit G	Revenue Procedure 95-48
Exhibit H	Revenue Procedure 03-12
Exhibit I	Revenue Ruling 77-261
Exhibit J	Charities Bureau website database entry for HVRC
Exhibit K	Letter dated November 24, 2008, from the New York State Department of Taxation and Finance

I. What exactly is HVRC?

HVRC is a New York not-for-profit corporation. Its Certificate of Incorporation was filed with the New York State Department of State on August 3, 1978. See New York State Department of State website printout at **Exhibit A**. The Certificate of Incorporation is attached as **Exhibit B**.

HVRC commonly describes itself as a "council of governments." That is true as a functional description of HVRC. However, "council of governments" is not a kind of legal entity. Examples of legal entities are partnerships, corporations, limited liability companies, trusts and estates. In New York there are several kinds of corporations such as banking, insurance, educational, municipal and not-for-profit. HVRC is a not-for-profit corporation. "Council of governments" answers the question, What kind of non-profit are you? in the same way as answers like hunting club, fishing club, hospital, baseball team or chamber of commerce. That is its function.

Membership

In New York, non-profits can be membership or non-membership organizations. HVRC is a membership organization with several classes of members. The members have the right and power to elect the Board of Directors of HVRC. The initial members of HVRC were the counties of Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester. There are now multiple classes of members designated Public Members and Private Sector Members. The respective rights and obligations of the classes are set forth in the Bylaws Article V (**Exhibit C**).

Purposes

HVRC was created in order to implement the purposes of that certain Articles of Agreement Creating HVRC dated December 15, 1977, and updated March 25, 1982 (**Exhibit D**). The Articles of Agreement were entered into under authority of General Municipal Law Article 5-G which authorizes municipal corporations or districts to perform their functions, powers or duties on a cooperative, joint or contract basis.

Charity or Civic Organization?

The Certificate of Incorporation (**Exhibit B**) provides at Section 6 that HVRC is a "Type A" non-profit². It is not specified, but presumably the purposes of HVRC are deemed to be "civic." For classification and tax-exemption purposes, the Internal Revenue Service ("IRS") classifies civic organizations as Internal Revenue Code ("IRC") §501(c)(4) "social welfare" organizations, not §501(c)(3) charities.³

For reasons set forth below, characterization as a civic organization is beneficial to HVRC. HVRC has also historically and uniformly characterized and conducted itself as a civic organization or, closely related, government agency or affiliate. It is important that HVRC continue to be characterized as a civic organization rather than a charity.

However, contrary to the Type A/civic organization designation, the Certificate of Incorporation of HVRC at section 3(I) provides that HVRC is formed for charitable purposes as specified in §501(c)(3). In addition, Section 9 provides that on dissolution of HVRC, its assets are to be distributed to §501(c)(3) organizations. These anomalies create confusion and may disqualify HVRC from important benefits. They ought to be remedied.

II. What are the registration and reporting obligations of HVRC as a tax-exempt entity?

A. Federal. HVRC has never filed an application with the IRS for recognition as tax-exempt, either as a §501(c)(3) charity using IRS Form 1023, or as a §501(c)(4) civic organization using IRS Form 1024. HVRC has never filed an IRS form 990, the annual tax return for tax-exempt organizations.

In response to an inquiry, HVRC obtained from the IRS a letter dated October 29, 2013, copy attached as **Exhibit E**, stating that its records do not specify the federal tax status of HVRC. That letter identified three (3) categories of tax-exempt organizations: government units, entities meeting the requirements of IRC §115(1), and charitable organizations.

HVRC is clearly not a governmental unit. HVRC is not a department or agency of a State, county, town or village. HVRC cannot exercise any of the sovereign powers of the State, such as the power to tax. Instead it is a not-for-profit corporation whose members include municipal corporations.

HVRC could be charitable organization. As discussed above there are several references to charity in the Certificate of Incorporation. On the other hand, HVRC never applied for recognition as a charity with either the IRS or New York State. In all its operations HVRC has uniformly conducted itself as an affiliate of government rather than a charity.

² "Type A" organizations are those having purposes that are civic, patriotic, political, social, fraternal, athletic, agricultural, horticultural, animal husbandry, and for a professional, commercial, industrial, trade or service association. The Non-Profit Revitalization Act of 2013, substantially amending the Not-For-Profit Corporation Law, effective July 1, 2014, does away with Types. Instead there will only be charitable and non-charitable non-profits. Type As will automatically be deemed non-charitable.

³ One consequence of this designation is that contributions to HVRC will not be tax-deductible to the donors. Similarly, foundations and other grantors that are restricted to donating to §501(c)(3) organizations cannot donate to HVRC.

The remaining option is entities meeting the requirements of IRC §115(1). That section is very short and copied below.⁴ HVRC will meet the requirements of §115(1) if (i) its income derives from the exercise of any essential governmental function, and (ii) accrues to a State or any political subdivision thereof.

Essential Governmental Function. In determining whether an entity is performing an essential governmental, factors considered include whether the activity is one traditionally considered "governmental" (as opposed to private or proprietary), whether it involves the exercise of governmental (sovereign) powers, the extent of government control over the activity, and the extent of government financial interest in the activity. See Exempt Organizations Continuing Professional Education Text for 1990, Section E. Instrumentalities (**Exhibit F**) at section 3.a. Based upon its genesis in General Municipal Law Article 5-G, its Certificate of Incorporation, its Bylaws, and its actual activities, it is clear that HVRC is performing essential governmental functions.

Income Accruing to a State or Subdivision. It is not clear that the income of HVRC "accrues" to a State or any political subdivision thereof. Guidance on the meaning of this phrase is found at Revenue Procedure 95-48 (**Exhibit G**) Revenue Procedure 03-12 (**Exhibit H**), Revenue Ruling 77-261 (**Exhibit I**), and Exempt Organizations Continuing Professional Education Text for 1990, Section E. "Instrumentalities" (**Exhibit F**).

In brief, revenue "accrues" where the State or subdivision has an unrestricted right to a proportionate share of the organization's income. Of course, HVRC never distributes income to members. Members pay dues and provide other financial support to HVRC. Any income is retained to fund further work. Under these circumstances, "accrual" would be determined by the provisions for disposition of assets on dissolution of HVRC found in either or both of the Certificate of Incorporation and the Bylaws. See Rev. Proc. 03-12 Section 2.02 (**Exhibit H**).

The Certificate of Incorporation of HVRC provides that upon dissolution, its assets are to be distributed to 501(c)(3) organizations. This does not satisfy the accrual test. In order to satisfy the accrual test, the Certificate of Incorporation should be amended by deleting the current text of Section 9 and replacing that language with the following:

Upon dissolution, any assets remaining after the payment of debts and the satisfaction of liabilities are to be distributed either (1) to a State or political subdivision thereof for a public purpose, or (2) for one or more exempt purposes to an organization described in § 501(c)(3) and whose income is also excludable from gross income under § 115(1).

As an option in subsection (1), HVRC could replace the words "to a State or political subdivision thereof" with "the Public Members of the corporation."

As another option, HVRC could delete subsection (2) entirely.

⁴ Gross income does not include—

(1) income derived from any public utility or the exercise of any essential governmental function and accruing to a State or any political subdivision thereof, or the District of Columbia; or

(2) income accruing to the government of any possession of the United States, or any political subdivision thereof. IRC §115(1)

Another legal authority, Revenue Procedure 95-48 (**Exhibit G**), sets forth the elements necessary for an organization to be deemed an affiliate of government and therefore exempt from the registration and reporting requirements ordinarily applicable to tax-exempt organizations. The elements relevant to HVRC are:

Element	Present or Not Present
(i) It is either "operated, supervised, or controlled by" governmental units, or by organizations that are affiliates of governmental units;	This element is present because the Board of Directors is comprised primarily of elected government officials
(ii) It possesses two or more of the following affiliation factors:	n/a
(a) The organization was created by one or more governmental units, organizations that are affiliates of governmental units, or public officials acting in their official capacity.	This element is present because HVRC was created by the elected county executives of several counties
(b) The organization's support is received principally from taxes, tolls, fines, government appropriations, or fees collected pursuant to statutory authority. Amounts received as government grants or other contract payments are not qualifying support under this paragraph.	This element is present because the operating funds of HVRC come from government appropriations of counties and other municipalities
(c) The organization is financially accountable to one or more governmental units. This factor is present if the organization is (i) required to report to governmental unit(s), at least annually, information comparable to that required by Form 990; and (ii) is subject to financial audit by the governmental unit(s) to which it reports. A report submitted voluntarily by the organization does not satisfy clause (i). Also, reports and audits pursuant to government grants or other contracts do not alone satisfy this paragraph (c).	This element is present because of Bylaws Article IX.A (Exhibit C).
(d) One or more governmental units, or organizations that are affiliates of governmental units, exercise control over, or oversee, some or all of the organization's expenditures (although it is not financially accountable to governmental units as described in paragraph (c) of this section).	This element is present because the Board of Directors is comprised primarily of elected government officials
(e) If the organization is dissolved, its assets will (by reason of a provision in its articles of organization or by operation of law) be distributed to one or more governmental units, or organizations that are affiliates of governmental units.	This element is not present. The Certificate of Incorporation should be amended to adopt a compliant provision.

In order to maintain its exemption from federal tax registration and reporting requirements, it is recommended that HVRC amend the dissolution provision of its Certificate of Incorporation as described above, and replace existing "charity" language with "civic organization" language.

B. New York State. The online database of the Charities Bureau of the New York State Attorney General's office indicates that HVRC registered with the Charities Bureau on July 25, 1984 (**Exhibit J**). The database also indicates HVRC is exempt from registration and annual filing requirements. There is no indication as to the basis for exemption. There are 13 categories of exempt organizations, see list at **Exhibit J**. The one most likely is No. 3, that the organization is a government agency or is controlled by a government agency, as provided in New York Estates Powers and Trusts Law §8-1.4(b)(1). I have requested from the Attorney General's office a copy of the registration document and any other filed documents, but they have been unable to send anything. My contact there says record keeping has not always been ideal and they do not even have a folder for HVRC.

Since HVRC is exempt from filing requirements, it need not file with the Charities Bureau its Bylaws, annual form CHAR 500 or annual financial statements.

Additionally, HVRC has a letter dated November 24, 2008, copy attached as **Exhibit K**, from the New York State Department of Taxation and Finance authorizing HVRC to make purchases without paying sales and use taxes. This exemption from sales and use taxes is made available to governmental entities and tax-exempt non-profits. The letter states that HVRC is a governmental entity.

Based on the foregoing it seems clear that New York State deems HVRC to be a governmental entity exempt from sales and use taxes, and from the registration and annual filings ordinarily required of tax-exempt organizations including CHAR 500.

III. Is there anything HVRC should do in order to come into compliance with applicable federal and state laws and adopt best practices?

In the Certificate of Incorporation (**Exhibit B**), the dissolution provision at section 9 should be amended to provide that upon dissolution, after satisfaction of obligations, remaining assets accrue to the State or some of its subdivisions. This amendment is essential for HVRC to meet the requirements of IRC §115(1).

Also in the Certificate of Incorporation, the charitable purposes provision at section 3(I) could be replaced with language more suitable for a civic organization. The charitable purposes provision is contrary to the status of HVRC as a civic organization rather than a §501(c)(3) charity. The charitable purposes provision is confusing and contradictory. In fairness, its presence probably does no real harm apart from causing confusion. Its presence will not disqualify HVRC from its beneficial tax status. I suspect the charitable purposes provision was included in order to satisfy the New York State Department of State when the entity was initially formed.

The Bylaws of HVRC (**Exhibit C**) were last adopted on July 7, 1992. The bylaws are 22 years old should be improved in a number of ways, first because acceptable and best practices have changed substantially in the intervening years, and second because the Non-Profit

Revitalization Act of 2013, taking effect July 1, 2014, is imposing many changes to non-profit practices. Subjects to be considered in amending the Bylaws include

- Changes to committee classification and powers
- New definition of "entire board"
- Requirements as to auditing
- Electronic notices, attendance at meetings and voting
- Conflict of interest
- Related party transactions
- Amendments
- Updating population figures in light of growth over 22 years

IV. Conclusion

Based on the foregoing:

1. HVRC is a New York not-for-profit corporation, a membership organization, and a non-charitable/"Type A" organization.
2. HVRC is exempt from federal income tax by reason of qualifying under IRC §115(a)
3. HVRC is exempt from IRS tax-exemption application (i.e., IRS form 1023/1024) and reporting requirements (i.e., IRS Form 990) by reason of being a "government affiliate"
4. HVRC is exempt from New York State income tax by reason of being a "governmental entity"
5. HVRC is exempt from New York State sale and use taxes by reason of being a "governmental entity"
6. HVRC is exempt from the New York State registration and reporting requirements (i.e., annual CHAR 500) ordinarily applicable to tax-exempt organizations by reason of being a "governmental entity"

Recommendations

1. Amend the Certificate of Incorporation to (a) provide that upon dissolution, after satisfaction of obligations, remaining assets accrue to the State or some of its subdivisions, and (b) replace "charity" language with "civic organization" language.
2. Amend the Bylaws to modernize and comply with the Non-Profit Revitalization Act of 2013.

Very truly yours,


Gary M. Schluster

Encl.



Hudson Valley Regional Council New York State General Municipal Law Article 5-G Municipal Cooperation

Background:

Presented below verbatim is text from NYS GML Chapter 24 [Article 5-G](#).

Article 5-G Municipal Cooperation:

§ 119-m. Legislative intent. The provisions of this article are designed to effectuate in part (1) section two-a of article eight of the constitution and (2) section one of article eight of the constitution as amended January first, nineteen hundred sixty, and shall be in addition to and not in substitution for or in limitation of any other authorization for performance by municipal corporations or districts of their functions, powers or duties on a cooperative, joint or contract basis.

§ 119-n. Definitions. As used herein:

- a. The term "municipal corporation" means a county outside the city of New York, a city, a town, a village, a board of cooperative educational services, fire district or a school district.
- b. The term "district" means a county or town improvement district for which the county or town or towns in which such district is located is or are required to pledge its or their faith and credit for the payment of the principal of and interest on all indebtedness to be contracted for the purposes of such district. The term "district" shall also mean, for the purposes of joining a municipal cooperative health benefit plan authorized under article forty-seven of the insurance law, a soil and water conservation district established under the soil and water conservation districts law.
- c. The term "joint service" means joint provision of any municipal facility, service, activity, project or undertaking or the joint performance or exercise of any function or power which each of the municipal corporations or districts has the power by any other general or special law to provide, perform or exercise, separately and, to effectuate the purposes of this article, shall include extension of appropriate territorial jurisdiction necessary therefor.
- d. The term "joint water, sewage or drainage project" means a joint project to provide for a common supply of water, the common conveyance, treatment and disposal of sewage or a common drainage system, as described in paragraphs B, D and F of section two-a of article eight of the constitution.
- e. The term "voting strength" means the aggregate number of votes which all the members of the local governing body of a municipal corporation or district are entitled to cast.



§ 119-o. Performance of municipal cooperative activities; alternative powers; alternative assignment of responsibilities. 1. In addition to any other general or special powers vested in municipal corporations and districts for the performance of their respective functions, powers or duties on an individual, cooperative, joint or contract basis, municipal corporations and districts shall have power to enter into, amend, cancel and terminate agreements for the performance among themselves or one for the other of their respective functions, powers and duties on a cooperative or contract basis or for the provision of a joint service or a joint water, sewage or drainage project. Notwithstanding the foregoing grant of authority, the temporary investment of moneys by more than one municipal corporation or district pursuant to a municipal cooperation agreement which meets the definition of "cooperative investment agreement" as set forth in article three-A of this chapter shall be in compliance with all of the requirements of that article. Any agreement entered into hereunder shall be approved by each participating municipal corporation or district by a majority vote of the voting strength of its governing body. Where the authority of any municipal corporation or district to perform by itself any function, power and duty or to provide by itself any facility, service, activity, project or undertaking or the financing thereof is, by any other general or special law, subject to a public hearing, a mandatory or permissive referendum, consents of governmental agencies, or other requirements applicable to the making of contracts, then its right to participate in an agreement hereunder shall be similarly conditioned. Municipal corporations and districts shall also have the power to enter into, amend, cancel and terminate agreements with a soil and water conservation district established under the soil and water conservation districts law for the performance among themselves or one for the other of their respective functions, powers and duties on a cooperative or contract basis or for the provision of a joint service or a joint project; provided, however, that the exercise of any powers and duties under this article by a soil and water conservation district shall be subject to the powers, duties and limitations in section nine of the soil and water conservation districts law.

2. An agreement may contain provisions relating to:

a. A method or formula for equitably providing for and allocating revenues and for equitably allocating and financing the capital and operating costs, including payments to reserve funds authorized by law and payments of principal and interest on obligations. Such method or formula shall be established by the participating corporations or districts on a ratio of full valuations of real property, or on the basis of the amount of services rendered or to be rendered, or benefits received or conferred or to be received or conferred, or on the increase in taxable assessed value attributable to the function, facility, service, activity or project which is the subject of an agreement, or on any other equitable basis, including the levying of taxes or assessments to pay such costs on the entire area of the corporation or district, or on a part thereof, which is benefited or which receives the service.

b. The manner of employing, engaging, compensating, transferring or discharging necessary personnel, subject, however, to the provisions of the civil service law where applicable; the making of employer's contributions for retirement, social security, health insurance, workmen's compensation and other similar benefits; the approval of attendances at conventions, conferences and schools for



public officials and the approval and payment of travel and other expenses incurred in the performance of official duties; the bonding of designated officers and employees; the filing of oaths of office and resignations consistent with general laws applicable thereto; provisions that for specific purposes designated officers or employees of the joint service or a joint water, sewage or drainage project shall be deemed those of a specified participating corporation or district; and provisions that personnel assigned to a joint service or a joint water, sewage or drainage project shall possess the same powers, duties, immunities and privileges they would ordinarily possess (1) if they performed their duties only in the corporation or district by which they are employed or (2) if they were employed by the corporation or district in which they are required to perform their duties.

c. Responsibility for the establishment, operation and maintenance of the joint service or joint water, sewage or drainage project and the officers responsible for the immediate supervision and control thereof; the fixing and collecting of charges, rates, rents or fees, where appropriate, and the making and promulgation of necessary rules and regulations and their enforcement by or with the assistance of the participating corporations and districts; the conduct of hearings and the determination of issues raised thereat; the making of necessary inspections; the keeping of records and the making of reports including those required by article three of the general municipal law; and limitations or restrictions on individual participating corporations and districts from providing or undertaking similar or competing facilities, services, activities, projects, or undertakings.

d. Purchasing and making of contracts subject to general laws applicable to municipal corporations and school districts.

e. Acquisition, ownership, custody, operation, maintenance, lease or sale of real or personal property.

f. Acceptance of gifts, grants or bequests.

g. Making of claims for federal or state aid payable to the individual or several participants on account of the joint service or a joint water, sewage or drainage project.

h. Custody by the fiscal officer of one participant of any or all moneys made available for expenditure for the joint service or a joint water, sewage or drainage project and authorization to such fiscal officer to make payments on audit of the auditing official or body of the participating corporation or district of which he is the fiscal officer.

i. Manner of responding for any liabilities that might be incurred in the operation of the joint service or a joint water, sewage or drainage project and insuring against any such liability.

j. Procedure for periodic review of the terms and conditions of the agreement, including those relating to its duration, extension or termination. The duration of an agreement hereinafter entered into, unless otherwise provided by law, may extend up to a maximum term of five years. With respect to agreements, the performance of which involves the issuance by the participants of indebtedness,



either joint or several, the term of the agreement may extend up to a maximum period of time equal to the period of probable usefulness established by section 11.00 of the local finance law in connection with the object or purpose for which the indebtedness was issued. Nothing herein contained shall prevent or prohibit either the renewal of agreements upon conclusion of the terms established, or amendments, modifications, clarifications, or cancellations of agreements prior to conclusion of the terms established.

k. Adjudication of disputes or disagreements, the effects of failure of participating corporations or districts to pay their shares of the costs and expenses and the rights of the other participants in such cases.

l. Other matters as are reasonably necessary and proper to effectuate and progress the joint service or a joint water, sewage or drainage project.

m. A municipality may contract with another municipality or with a municipal housing authority of another municipality, for the construction, maintenance, operation or management of a public housing project.

3. Municipal corporations are authorized as provided herein to adopt a mutual sharing plan in order to undertake or receive any joint service on behalf of or by another municipal corporation which has adopted a mutual sharing plan. Services provided pursuant to such mutual sharing plan shall be subject to the alternative assignment of responsibility for certain expenses and liabilities relating to such joint service as provided by this subdivision.

a. A governing body may adopt a mutual sharing plan by local law, resolution or bylaw to confer the benefits of this section upon the employees of such municipal corporation and to be held liable for the costs incurred in the event of participation in a joint service with another municipal corporation which has adopted a mutual sharing plan. Such plan shall describe the officers or employees authorized to undertake or authorize receipt of a joint service pursuant to the mutual sharing plan, any limitations upon joint services which may be rendered or received pursuant to it, and how and when notice of joint services rendered or received pursuant to it shall be provided to the governing body.

b. Upon adoption of a mutual sharing plan, a municipal corporation may undertake or receive a joint service with another municipal corporation which has adopted a mutual sharing plan. The municipal corporation requesting the assistance of another municipal corporation pursuant to a mutual sharing plan shall be liable and responsible to the assisting municipal corporation for any loss of or damage to equipment employed in provision of such joint service or use of supplies upon provision of such joint service. Each municipal corporation shall be liable for salaries and other compensation due to their own employees for the time the employees are undertaking the joint service pursuant to a mutual sharing plan, however the municipal corporation receiving the service shall reimburse the assisting municipal corporation for actual and necessary expenses upon written notice of such claim.



c. The authority to adopt a mutual sharing plan and to undertake joint services pursuant to it shall be in addition to any other power or authority conferred on municipal corporations pursuant to this article or any other general or special law. A joint service may not be rendered pursuant to a mutual sharing plan where another agreement has been entered into pursuant to this section for such service between the assisting and receiving municipal corporations.

4. Any school district or board of cooperative educational services may join a panel established pursuant to article twelve-I of this chapter, and may further participate in any of the activities of such panel, with any participating county, town, city, village, fire district, fire protection district, or special improvement district participating in such panels. For cooperative agreements which involve functions, services, or provisions permitted by this section, school districts and boards of cooperative educational services shall be permitted to create and execute such agreements, when a part of the activity of such panel, without opinion or approval of the state education department.

§ 119-00. Expenses. The board of supervisors of a county, the town board of a town, the common council of a city, and the board of trustees of a village, or the governing bodies of the participating municipalities comprising membership in a regional planning council or county planning board or agency are hereby authorized independently or in collaboration with other local governments, in their discretion, to appropriate and raise by taxation money for the expenses of such regional planning council or county planning board or agency; and such municipal corporations shall not be chargeable with any expense incurred by such regional planning council or county planning board or agency except pursuant to such an appropriation. In the case of any regional planning council whose membership consists only of counties, each such county is authorized to provide for the payment of the moneys so appropriated for the expenses of such council to an officer of the council designated by the council to receive such moneys, provided that before any such moneys shall be paid to such officer, such officer shall have executed an official undertaking conditioned for the faithful performance of his duties in the manner provided in section four hundred three of the county law and provided that such undertaking shall have been approved by the governing body of each county involved.

§ 119-000. Inclusion of Cornell University as a member of the governing body of an entity created by intermunicipal agreement to construct and operate water treatment plants and water distribution systems in or adjoining the county of Tompkins. 1. Notwithstanding any other provision of law to the contrary, the municipalities in or adjoining the county of Tompkins including, but not limited to, the towns of Ithaca, Dryden and Lansing, the villages of Cayuga Heights and Lansing, and the city of Ithaca, and Cornell University may jointly provide for water services in the municipalities in and adjoining the county of Tompkins and the water districts located within the municipalities in or adjoining the county of Tompkins.

2. In addition to the powers set forth in article five-B of this chapter and this article, the municipalities in or adjoining the county of Tompkins and water districts within such municipalities, shall have the power to, jointly with Cornell University:



- a. Contract, acquire, finance and sell common water supplies;
 - b. Construct, operate, maintain, lease, sell, and otherwise deal in and supervise water intakes, water treatment plants, water lines, pumps, storage facilities, distribution facilities and all other activities normally or reasonably related to the provision of such services which municipalities individually are authorized to undertake; and
 - c. Create, continue, maintain and modify by agreement a governing body to supervise and operate such facilities which governing body may be made up of representatives from the participating municipalities and representatives from Cornell University.
3. The inclusion of Cornell University as a party to any such agreement, and the inclusion of any representatives of Cornell University as members of any governing body, shall not be deemed to change the characterization of such body as a municipal body with all of the benefits, liabilities, immunities and responsibilities of a municipal body.
 4. The powers granted by this section shall be in addition to and not in substitution of any other powers granted to the municipalities in or adjoining the county of Tompkins and Cornell University to provide water services, including, without limitation, the power to jointly contract for obtaining and operating such services pursuant to article five-B of this chapter and this article.

