

STATE OF NEW YORK

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IN ASSEMBLY

March 7, 2018

Introduced by M. of A. PAULIN, DINOWITZ, SEAWRIGHT -- Multi-Sponsored by
-- M. of A. COOK, CROUCH -- read once and referred to the Committee
on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to authorizing
the authorities budget office to suspend local authority board members
and executive staff

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. The public authorities law is amended by adding a new
2 section 6-a to read as follows:

3 § 6-a. Power to suspend local authority board members and executive
4 staff. 1. The authorities budget office shall have the authority,
5 subject to subdivision two of this section, to suspend one or more
6 members of a local authority board of directors, or the chief executive
7 officer or equivalent position of a local authority for a period not to
8 exceed ninety days when such individual or individuals knowingly fails
9 or neglects to comply with any provision of this chapter. The authori-
10 ties budget office is authorized to terminate such a suspension if the
11 board member or chief executive officer demonstrates that he or she has
12 remedied their non-compliance. For the purposes of this section, the
13 "suspension" of an individual shall mean the temporary removal of the
14 rights, responsibilities, powers and duties of a person who is an
15 appointed board member of a local authority or the individual who serves
16 as chief executive officer through appointment or contract. Should the
17 authorities budget office suspend the full board of directors or a
18 majority of current board members the term "suspension" shall mean the
19 board of directors is prohibited from taking actions, votes, or adopting
20 resolutions, that bind the board to future agreements, contracts, finan-
21 cial commitments, indebtedness, or other actions, other than actions
22 necessary to resolve the noncompliance or satisfy existing legal or
23 administrative obligations.

24 2. (a) Pursuant to policies and procedures developed by the authori-
25 ties budget office and made available on its web site, when the authori-
26 ties budget office has reason to believe that one or more board members

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 of a local authority has knowingly failed or neglected to comply with
2 any provision of this chapter, the authorities budget office shall
3 provide at least thirty days' notice of its intent to initiate suspen-
4 sion proceedings to the chairperson of the local authority, to the indi-
5 vidual or individuals responsible for appointing such board members, and
6 to each such board member. If the authorities budget office has reason
7 to believe that the chief executive officer of a local authority has
8 knowingly failed or neglected to comply with any provision of this chap-
9 ter, the authorities budget office shall provide at least thirty days'
10 notice of its intent to initiate suspension proceedings to the chair-
11 person of the local authority and to the chief executive officer. Such
12 notice shall include, but shall not be limited to (i) the date and a
13 brief description of the facts and nature of each non-compliance for
14 which such suspension is proposed; (ii) the number of days that the
15 authorities budget office proposes to suspend such board member or chief
16 executive officer; (iii) the option to submit a formal response to the
17 authorities budget office which demonstrates why such board member or
18 chief executive officer should not be suspended; and (iv) if applicable,
19 a period of time in which such local authority or board member or chief
20 executive officer may remedy the non-compliance.

21 (b) If, after the expiration of the deadline set forth in the notice
22 of intent pursuant to subparagraph (iv) of paragraph (a) of this subdi-
23 vision, the board member or members or chief executive officer, whichev-
24 er is applicable, has not responded to the notice or has not remedied
25 the non-compliance to the satisfaction of the authorities budget office,
26 the authorities budget office shall issue to the non-compliant board
27 member or members or chief executive officer a notice of suspension
28 which shall include: (i) the number of days of suspension; and (ii) the
29 date that such suspension shall commence, which date shall be at least
30 one hundred eighty days from the date of the issuance of the notice of
31 suspension.

32 3.(a) Whenever the authorities budget office has suspended one or more
33 board members of a local authority, the individual or individuals who
34 appointed those board members may act to reinstate a suspended board
35 member. If the appointing authority is a legislative body or a member of
36 the legislative body, any action to reinstate a suspended board member
37 shall occur in a public meeting of such body and following an opportu-
38 nity for the public to comment. Such action shall be deemed valid upon
39 passage of a written resolution of reinstatement by a majority and
40 recorded vote of the legislative body. Such resolution shall describe
41 the facts and circumstances by how the legislative body has reached this
42 determination. If the appointing authority is the chief executive offi-
43 cial of the municipality for whose benefit the local authority was
44 created, any action to reinstate a suspended board member shall be
45 through an official act of the chief executive official. Such act shall
46 be recorded in writing and shall describe the facts and circumstances by
47 which the chief executive official reached this determination.

48 (b) Whenever the authorities budget office has suspended the chief
49 executive officer of a local authority, the chairperson of such local
50 authority may initiate action to reinstate the suspended chief executive
51 officer. Any action to reinstate a suspended chief executive officer
52 shall occur in a public meeting of the board of directors and following
53 an opportunity for the public to comment. Such action shall be deemed
54 valid upon passage of a written resolution of reinstatement by a majori-
55 ty and recorded vote of the current board of directors. Such resolution

1 shall describe the facts and circumstances by how the board of directors
2 reached this determination.

3 (c) For the purposes of this section, "reinstatement" shall mean the
4 restoration of the rights, responsibilities, powers and duties of a
5 board member or chief executive officer of a local authority.

6 § 2. This act shall take effect on the thirtieth day after it shall
7 have become a law.