

# STATE OF NEW YORK

4249

2025-2026 Regular Sessions

## IN ASSEMBLY

January 31, 2025

Introduced by M. of A. SOLAGES, SHRESTHA, EACHUS, EPSTEIN, MAMDANI --  
read once and referred to the Committee on Corporations, Authorities  
and Commissions

AN ACT to amend the public service law, in relation to prohibiting  
public utilities from using funds or being reimbursed by funds raised  
from ratepayers for certain activities

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

1 Section 1. The public service law is amended by adding a new article  
2 12 to read as follows:

### ARTICLE 12

#### GENERAL PROVISIONS

#### Section 240. Definitions.

##### 241. Limitations on rates.

7 § 240. Definitions. As used in this article, unless the context other-  
8 wise indicates, the following terms have the following meanings:

9 1. "Affiliated interest" means any person who owns directly, indirect-  
10 ly or through a chain of successive ownership, ten percent or more of  
11 the voting securities of a public utility.

12 2. "Consumer-owned transmission and distribution utility" means any  
13 transmission and distribution utility wholly owned by its consumers,  
14 including its consumers served in the state. "Consumer-owned trans-  
15 mission and distribution utility" includes but is not limited to:

16 (a) the transmission and distribution portion of a rural electrifica-  
17 tion cooperative;

18 (b) the transmission and distribution portion of an electrification  
19 cooperative organized on a cooperative plan under the laws of the state;

20 (c) a municipal or quasi-municipal transmission and distribution util-  
21 ity located in the state;

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

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1 (d) the transmission and distribution portion of a municipal or  
2 quasi-municipal entity located in the state providing generation and  
3 other services; and

4 (e) a transmission and distribution utility wholly owned by a munici-  
5 pality located in the state.

6 3. "Consumer-owned water utility" means any water utility which is  
7 wholly owned by its consumers, including its consumers served in the  
8 state. "Consumer-owned water utility" includes but is not limited to:

9 (a) any municipal or quasi-municipal water district or corporation  
10 located in the state;

11 (b) any municipal water department located in the state; or

12 (c) the water portion of any utility wholly owned by a municipality or  
13 district located in the state.

14 4. (a) "Grassroots lobbying" means communication with members of the  
15 general public to solicit them to communicate directly with any covered  
16 official for the purpose of influencing legislative action, other than  
17 legislation that is before the legislature as a result of a direct  
18 initiative by a member of the legislature, when that solicitation is  
19 made by:

20 (i) a broadcast, cable or satellite transmission;

21 (ii) a communication delivered by print media;

22 (iii) a letter or other written communication delivered by mail or by  
23 comparable delivery service;

24 (iv) a communication delivered by e-mail, a website or any other  
25 digital format;

26 (v) telephone; or

27 (vi) a method of communication similar to those listed in subpara-  
28 graphs (i) through (v) of this paragraph.

29 (b) "Grassroots lobbying" does not include a person communicating with  
30 the person's stockholders, employees, board members, officers or dues-  
31 paying members.

32 5. "Lobbying" means to communicate directly with any official in the  
33 legislative branch or any official in the executive branch or with a  
34 constitutional officer for the purpose of influencing any legislative  
35 action or with the governor or the governor's cabinet and staff for the  
36 purpose of influencing the approval or veto of a legislative action when  
37 reimbursement for expenditures or compensation is made for those activ-  
38 ities. "Lobbying" includes the time spent to prepare and submit to the  
39 governor, an official in the legislative branch, an official in the  
40 executive branch, a constitutional officer or a legislative committee  
41 oral and written proposals for, or testimony or analyses concerning, a  
42 legislative action. "Lobbying" does not include time spent by any person  
43 providing information to or participating in a subcommittee, stakeholder  
44 group, task force or other work group regarding a legislative action by  
45 the appointment or at the request of the governor, a legislator or  
46 legislative committee, a constitutional officer, a state agency commis-  
47 sioner or the chair of a state board or commission.

48 6. "Public charity" means an entity formed primarily for charitable  
49 purposes, including but not limited to:

50 (a) a corporation formed under the business corporation law, the  
51 limited liability company law or the not-for-profit corporation law  
52 primarily for charitable purposes; and

53 (b) a charitable trust.

54 7. "Public utility" means a public utility company or a public utility  
55 corporation subject to the provisions of this chapter.

1 8. "Trade association" means a business or industry trade association,  
2 group or related entity incorporated under Section 501 of the Internal  
3 Revenue Code of 1986.

4 § 241. Limitations on rates. 1. The following expenses, whether paid  
5 directly or indirectly, through reimbursement or otherwise, incurred by  
6 a public utility or an affiliated interest may not be included or incor-  
7 porated in operating expenses to be recovered in rates:

8 (a) contributions or gifts to political candidates, political parties,  
9 political or legislative committees or any committee or organization  
10 working to influence referendum petitions or elections;

11 (b) contributions to a trade association, chamber of commerce or  
12 public charity, including, but not limited to, a charity managed by the  
13 public utility or affiliated interest; provided, however, that this  
14 paragraph does not apply to a consumer-owned water utility;

15 (c) any direct or indirect cost associated with (i) travel, lodging or  
16 food and beverage expenses for the public utility's board of directors  
17 and officers or the board of directors and officers of such public util-  
18 ity's parent company; (ii) entertainment or gifts; (iii) any owned,  
19 leased or chartered aircraft for such public utility's board of direc-  
20 tors and officers or the board of directors and officers of such public  
21 utility's parent company; or (iv) investor relations;

22 (d) expenditures for lobbying or grassroots lobbying;

23 (e) educational expenditures, as defined by the commission by rule,  
24 unless approved by the commission as serving a public interest. Educa-  
25 tional expenditures include expenditures relating to information deliv-  
26 ered to the public or to public utility's customers by radio, tele-  
27 vision, the Internet, print and other media or through sponsorships,  
28 paid endorsements and public relations campaigns. This paragraph does  
29 not apply to a consumer-owned transmission and distribution utility or a  
30 consumer-owned water utility; or

31 (f) any expenses associated with the preparation of the reports  
32 described in subdivisions two and three of this section.

33 2. On or before January fifteenth, two thousand twenty-seven, and  
34 annually thereafter, each public utility with more than seventy-five  
35 thousand customers shall submit to the commission a report, in a form  
36 prescribed by the commission, containing a written, itemized description  
37 of any expenses that may not be included or incorporated in the public  
38 utility's operating expenses under subdivision one of this section. The  
39 report must also include a written, itemized description of the expenses  
40 that may not be included or incorporated in the public utility's operat-  
41 ing expenses under subdivision one of this section that are relevant to  
42 the business interests of the public utility paid by a membership organ-  
43 ization of which the public utility is a member. For each expense, the  
44 report must include the date, the payee, the amount and a description of  
45 the purpose of the expense and any other information deemed relevant by  
46 the commission.

47 3. In addition to the report required under subdivision two of this  
48 section, if a public utility or an affiliated interest engages in major  
49 political activities, as defined by the commission by rule, the public  
50 utility shall file a quarterly report containing a written description  
51 of those major political activities and the expenditures associated with  
52 those activities. For each expenditure, the report must include the  
53 date, the payee, the amount and a description of the purpose of the  
54 expenditure.

55 4. The public utility shall make available for public inspection all  
56 materials filed with the commission in accordance with subdivisions two

1 and three of this section. The commission shall make available the annu-  
2 al reports filed by public utilities in accordance with this section on  
3 its publicly accessible website with notice of the availability of the  
4 reports prominently displayed on the website.

5 § 2. Section 5 of the public service law is amended by adding a new  
6 subdivision 7 to read as follows:

7 7. The commission shall adopt and implement rules and regulations  
8 necessary to implement the provisions of section two hundred forty-one  
9 of this chapter, including, but not limited to, rules concerning promo-  
10 tional advertising; promotional allowances, including, but not limited  
11 to, the granting of promotional rebates or credits; advertising to  
12 promote corporate image or goodwill; contributions to public charities;  
13 educational expenditures; or political activities, including major poli-  
14 tical activities, by a public utility or an affiliated interest as  
15 defined in section two hundred forty of this chapter.

16 § 3. This act shall take effect on the ninetieth day after it shall  
17 have become a law. Effective immediately, the addition, amendment and/or  
18 repeal of any rule or regulation necessary for the implementation of  
19 this act on its effective date are authorized to be made and completed  
20 on or before such effective date.