

2009-2010 Regular Sessions

I N S E N A T E

January 15, 2009

Introduced by Sen. ALESI -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, the executive law and the public officers law, in relation to clarifying the application of the accountability standards, open meetings law and freedom of information requirements to local development corporations

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph (a) of subdivision 2 of section 2800 of the
2 public authorities law, as added by chapter 766 of the laws of 2005, is
3 amended to read as follows:
4 (a) Every local authority, [continued or created by this chapter or
5 any other chapter of the laws of the state of New York] PURSUANT TO
6 SECTION TWO OF THIS CHAPTER shall submit to the chief executive officer,
7 the chief fiscal officer, the chairperson of the legislative body of the
8 local government or local governments and the entity established pursu-
9 ant to section twenty-seven of [the] chapter SEVEN HUNDRED SIXTY-SIX of
10 the laws of two thousand five [which added this subdivision], within
11 ninety days after the end of its fiscal year, a complete and detailed
12 report or reports setting forth: (1) its operations and accomplishments;
13 (2) its receipts and disbursements, or revenues and expenses, during
14 such fiscal year in accordance with the categories or classifications
15 established by such authority for its own operating and capital outlay
16 purposes; (3) its assets and liabilities at the end of its fiscal year
17 including the status of reserve, depreciation, special or other funds
18 and including the receipts and payments of these funds; (4) a schedule
19 of its bonds and notes outstanding at the end of its fiscal year,
20 together with a statement of the amounts redeemed and incurred during
21 such fiscal year as part of a schedule of debt issuance that includes
22 the date of issuance, term, amount, interest rate and means of repay-

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

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1 ment. Additionally, the debt schedule shall also include all refi-
2 nancements, calls, refundings, defeasements and interest rate exchange or
3 other such agreements, and for any debt issued during the reporting
4 year, the schedule shall also include a detailed list of costs of issu-
5 ance for such debt; (5) a compensation schedule that shall include, by
6 position, title and name of the person holding such position or title,
7 the salary, compensation, allowance and/or benefits provided to any
8 officer, director or employee in a decision making or managerial posi-
9 tion of such authority whose salary is in excess of one hundred thousand
10 dollars; (6) the projects undertaken by such authority during the past
11 year; (7) a listing of (i) all real property of such authority having an
12 estimated fair market value in excess of fifteen thousand dollars that
13 the authority intends to dispose of; (ii) all such property held by the
14 authority at the end of the period covered by the report; and (iii) all
15 such property disposed of during such period. The report shall contain
16 an estimate of fair market value for all such property held by the
17 authority at the end of the period and the price received by the author-
18 ity and the name of the purchaser for all such property sold by the
19 authority during such period; (8) such authority's code of ethics; and
20 (9) an assessment of the effectiveness of its internal control structure
21 and procedures.

22 S 2. Subdivision 2 of section 2801 of the public authorities law, as
23 added by chapter 766 of the laws of 2005, is amended to read as follows:

24 2. Local authorities. For the local authority fiscal year ending on or
25 after December thirty-first, two thousand seven and annually thereafter,
26 every local authority [heretofore or hereafter continued or created by
27 this chapter or any other chapter of the laws of the state of New York]
28 PURSUANT TO SECTION TWO OF THIS CHAPTER shall submit to the chief execu-
29 tive officer, the chief fiscal officer, the chairperson of the legisla-
30 tive body of the local government or governments and the entity estab-
31 lished pursuant to section twenty-seven of [the] chapter SEVEN HUNDRED
32 SIXTY-SIX of the laws of two thousand five [which added this subdivi-
33 sion], for their information, annually not less than sixty days before
34 the commencement of its fiscal year, in the form submitted to its
35 members or trustees, budget information on operations and capital
36 construction setting forth the estimated receipts and expenditures for
37 the next fiscal year and the current fiscal year, and the actual
38 receipts and expenditures for the last completed fiscal year.

39 S 3. Subdivision 1 of section 2895 of the public authorities law, as
40 added by chapter 766 of the laws of 2005, is amended to read as follows:

41 1. "Contracting officer" shall mean the officer or employee of a
42 public authority OR LOCAL AUTHORITY PURSUANT TO SECTION TWO OF THIS
43 CHAPTER who shall be appointed by resolution of the board of the public
44 OR LOCAL authority to be responsible for the disposition of property.

45 S 4. Section 2896 of the public authorities law, as added by chapter
46 766 of the laws of 2005, is amended to read as follows:

47 S 2896. Duties of public AND LOCAL authorities with respect to the
48 disposal of property. 1. Every PUBLIC AND LOCAL authority, as defined in
49 section two of this chapter, shall adopt by resolution comprehensive
50 guidelines which shall (a) detail the public OR LOCAL authority's opera-
51 tive policy and instructions regarding the use, awarding, monitoring and
52 reporting of contracts for the disposal of property, and (b) designate a
53 contracting officer who shall be responsible for the public OR LOCAL
54 authority's compliance with, and enforcement of, such guidelines. Such
55 guidelines shall be consistent with, and shall require the public OR
56 LOCAL authority's contracting activities to comply with this section,

1 the [authorities] AUTHORITY'S enabling legislation and any other appli-
2 cable law for the disposal of property, except that such guidelines may
3 be stricter than the provisions of this section, the authorities enab-
4 ling legislation and any other applicable law for the disposal of proper-
5 ty if the public OR LOCAL authority determines that additional safe-
6 guards are necessary to assure the integrity of its disposition
7 activities. Guidelines approved by the public OR LOCAL authority shall
8 be annually reviewed and approved by the governing body of the public OR
9 LOCAL authority. On or before the thirty-first day of March in each
10 year, the public OR LOCAL authority shall file with the comptroller a
11 copy of the guidelines most recently reviewed and approved by the public
12 OR LOCAL authority, including the name of the public OR LOCAL authori-
13 ty's designated contracting officer. At the time of filing such guide-
14 lines with the comptroller, every public OR LOCAL authority shall also
15 post such guidelines on the public OR LOCAL authority's internet
16 website. IF THE LOCAL AUTHORITY DOES NOT MAINTAIN ITS OWN WEBSITE, THEN
17 THE GUIDELINES SHALL BE POSTED ON THE WEBSITE OF THE LOCALITY WHICH
18 CREATED SUCH AUTHORITY. Guidelines posted on the public OR LOCAL author-
19 ity's internet website shall be maintained on such website at least
20 until the procurement guidelines for the following year are posted on
21 such website.

22 2. Each public OR LOCAL authority shall:

23 a. maintain adequate inventory controls and accountability systems for
24 all property under its control;

25 b. periodically inventory such property to determine which property
26 shall be disposed of;

27 c. produce a written report of such property in accordance with subdi-
28 vision three of this section;

29 d. transfer or dispose of such property as promptly as possible in
30 accordance with section twenty-eight hundred ninety-seven of this title.

31 3. a. Each public OR LOCAL authority shall publish, not less frequent-
32 ly than annually, a report listing all real property of the public OR
33 LOCAL authority. Such report shall consist of a list and full
34 description of all real and personal property disposed of during such
35 period. The report shall contain the price received by the public OR
36 LOCAL authority and the name of the purchaser for all such property sold
37 by [the] SUCH public OR LOCAL authority during such period.

38 b. The public authority shall deliver copies of such report to the
39 comptroller, the director of the budget, the commissioner of general
40 services, and the legislature.

41 C. THE LOCAL AUTHORITY SHALL DELIVER COPIES OF SUCH REPORT TO THE
42 COMPTROLLER, THE CHIEF EXECUTIVE OFFICER OF THE LOCALITY, AND THE CHAIR-
43 PERSON OF THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT.

44 S 5. Section 2897 of the public authorities law, as added by chapter
45 766 of the laws of 2005, is amended to read as follows:

46 S 2897. Disposal of public OR LOCAL authority property. 1. Supervision
47 and direction. Except as otherwise provided in this section, the
48 contracting officer designated by each public OR LOCAL authority shall
49 have supervision and direction over the disposition of property of such
50 public OR LOCAL authority.

51 2. Custody and control. (A) The custody and control of the property of
52 a public authority, pending its disposition, and the disposal of such
53 property, shall be performed by the public authority in possession ther-
54 eof or by the commissioner of general services when so authorized under
55 this section.

1 (B) THE CUSTODY AND CONTROL OF THE PROPERTY OF A LOCAL AUTHORITY,
2 PENDING ITS DISPOSITION, AND THE DISPOSAL OF SUCH PROPERTY SHALL BE
3 PERFORMED BY THE LOCAL AUTHORITY IN POSSESSION THEREOF.

4 3. Method of disposition. Subject to section twenty-eight hundred
5 ninety-six of this title, any public OR LOCAL authority may dispose of
6 property for not less than the fair market value of such property by
7 sale, exchange, or transfer, for cash, credit, or other property, with
8 or without warranty, and upon such other terms and conditions as the
9 contracting officer deems proper, and it may execute such documents for
10 the transfer of title or other interest in property and take such other
11 action as it deems necessary or proper to dispose of such property under
12 the provisions of this section. Provided, however, that no disposition
13 of real property, any interest in real property, or any other property
14 which because of its unique nature is not subject to fair market pricing
15 shall be made unless an appraisal of the value of such property has been
16 made by an independent appraiser and included in the record of the tran-
17 saction.

18 4. Sales by the commissioner of general services. When it shall be
19 deemed advantageous to the state, any public authority may enter into an
20 agreement with the commissioner of general services where under such
21 commissioner may dispose of property of such public authority under
22 terms and conditions agreed to by the public authority and the commis-
23 sioner of general services. In disposing of any such property of a
24 public authority, the commissioner of general services shall be bound by
25 the terms of this title and references to the contracting officer shall
26 be deemed to refer to such commissioner.

27 5. Validity of deed, bill of sale, lease, or other instrument. A deed,
28 bill of sale, lease, or other instrument executed by or on behalf of any
29 public OR LOCAL authority, purporting to transfer title or any other
30 interest in property of a public OR LOCAL authority under this title
31 shall be conclusive evidence of compliance with the provisions of this
32 title insofar as concerns title or other interest of any bona fide gran-
33 tee or transferee who has given valuable consideration for such title or
34 other interest and has not received actual or constructive notice of
35 lack of such compliance prior to the closing.

36 6. Bids for disposal; advertising; procedure; disposal by negotiation;
37 explanatory statement. a. All disposals or contracts for disposal of
38 property of a public OR LOCAL authority made or authorized by the
39 contracting officer shall be made after publicly advertising for bids
40 except as provided in paragraph c of this subdivision.

41 b. Whenever public advertising for bids is required under paragraph a
42 of this subdivision:

43 (i) the advertisement for bids shall be made at such time prior to the
44 disposal or contract, through such methods, and on such terms and condi-
45 tions as shall permit full and free competition consistent with the
46 value and nature of the property;

47 (ii) all bids shall be publicly disclosed at the time and place stated
48 in the advertisement; and

49 (iii) the award shall be made with reasonable promptness by notice to
50 the responsible bidder whose bid, conforming to the invitation for bids,
51 will be most advantageous to the state OR THE LOCALITY, price and other
52 factors considered; provided, that all bids may be rejected when it is
53 in the public interest to do so.

54 c. Disposals and contracts for disposal of property may be negotiated
55 or made by public auction without regard to paragraphs a and b of this

1 subdivision but subject to obtaining such competition as is feasible
2 under the circumstances, if:

3 (i) the personal property involved is of a nature and quantity which,
4 if disposed of under paragraphs a and b of this subdivision, would
5 adversely affect the state or local market for such property, and the
6 estimated fair market value of such property and other satisfactory
7 terms of disposal can be obtained by negotiation;

8 (ii) the fair market value of the property does not exceed fifteen
9 thousand dollars;

10 (iii) bid prices after advertising therefor are not reasonable, either
11 as to all or some part of the property, or have not been independently
12 arrived at in open competition;

13 (iv) the disposal will be to the state or any political subdivision,
14 and the estimated fair market value of the property and other satisfac-
15 tory terms of disposal are obtained by negotiation;

16 (v) the disposal is for an amount less than the estimated fair market
17 value of the property, the terms of such disposal are obtained by public
18 auction or negotiation, the disposal of the property is intended to
19 further the public health, safety or welfare or an economic development
20 interest of the state or a political subdivision (to include but not
21 limited to, the prevention or remediation of a substantial threat to
22 public health or safety, the creation or retention of a substantial
23 number of job opportunities, or the creation or retention of a substan-
24 tial source of revenues, or where the authority's enabling legislation
25 permits), the purpose and the terms of such disposal are documented in
26 writing and approved by resolution of the board of the public authority;
27 or

28 (vi) such action is otherwise authorized by law.

29 d. (i) An explanatory statement shall be prepared of the circumstances
30 of each disposal by negotiation of:

31 (A) any personal property which has an estimated fair market value in
32 excess of fifteen thousand dollars;

33 (B) any real property that has an estimated fair market value in
34 excess of one hundred thousand dollars, except that any real property
35 disposed of by lease or exchange shall only be subject to clauses (C)
36 through (E) of this subparagraph;

37 (C) any real property disposed of by lease for a term of five years or
38 less, if the estimated fair annual rent is in excess of one hundred
39 thousand dollars for any of such years;

40 (D) any real property disposed of by lease for a term of more than
41 five years, if the total estimated rent over the term of the lease is in
42 excess of one hundred thousand dollars; or

43 (E) any real property or real and related personal property disposed
44 of by exchange, regardless of value, or any property any part of the
45 consideration for which is real property.

46 (ii) Each such statement shall be transmitted to the persons entitled
47 to receive copies of the report required under section twenty-eight
48 hundred ninety-six of this title not less than ninety days in advance of
49 such disposal, and a copy thereof shall be preserved in the files of the
50 public or local authority making such disposal.

51 S 6. Section 51 of the executive law, as added by chapter 766 of the
52 laws of 2005, is amended to read as follows:

53 S 51. Jurisdiction. This article shall, subject to the limitations
54 contained herein, confer upon the office of the state inspector general,
55 jurisdiction over all covered agencies. For the purposes of this article
56 "covered agency" shall include all executive branch agencies, depart-

1 ments, divisions, officers, boards and commissions, public AND LOCAL
2 authorities, AS DEFINED IN SECTION TWO OF THE PUBLIC AUTHORITIES LAW
3 (other than multi-state or multi-national authorities), and public bene-
4 fit corporations, the heads of which are appointed by the governor and
5 which do not have their own inspector general by statute. Wherever a
6 covered agency is a board, commission, a public authority or public
7 benefit corporation, the head of the agency is the chairperson thereof.

8 S 7. Subdivision 3 of section 86 of the public officers law, as added
9 by chapter 933 of the laws of 1977, is amended to read as follows:

10 3. "Agency" means any state or municipal department, board, bureau,
11 division, commission, committee, public OR LOCAL authority (AS DEFINED
12 IN SECTION TWO OF THE PUBLIC AUTHORITIES LAW), public corporation, coun-
13 cil, office or other governmental entity performing a governmental or
14 proprietary function for the state or any one or more municipalities
15 thereof, except the judiciary or the state legislature.

16 S 8. Subdivision 2 of section 102 of the public officers law, as
17 amended by chapter 704 of the laws of 1979 and such section as renum-
18 bered by chapter 652 of the laws of 1983, is amended to read as follows:

19 2. "Public body" means any entity, for which a quorum is required in
20 order to conduct public business and which consists of two or more
21 members, performing a governmental function for the state or for an
22 agency or department thereof, or for a public corporation as defined in
23 section sixty-six of the general construction law, OR A LOCAL AUTHORITY
24 AS DEFINED BY SECTION TWO OF THE PUBLIC AUTHORITIES LAW, or committee or
25 subcommittee or other similar body of such public body.

26 S 9. This act shall take effect on the one hundred twentieth day after
27 it shall have become a law; provided, however, that effective immediate-
28 ly, the addition, amendment and/or repeal of any rule or regulation
29 necessary for the implementation of this act on its effective date are
30 authorized and directed to be made and completed on or before such
31 effective date.