

STATE OF NEW YORK

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IN ASSEMBLY

March 7, 2018

Introduced by M. of A. PAULIN, DINOWITZ, SEAWRIGHT, BUCHWALD -- Multi-Sponsored by -- M. of A. COOK, CROUCH -- read once and referred to the Committee on Corporations, Authorities and Commissions -- reported and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 Assembly, 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 submit any report required by section twenty-eight
10 hundred of this chapter within thirty-six months of its due date. The
11 authorities budget office is authorized to terminate such a suspension
12 if the board member or chief executive officer demonstrates that he or
13 she has remedied their non-compliance. For the purposes of this section,
14 the "suspension" of an individual shall mean the temporary removal of
15 the rights, responsibilities, powers and duties of a person who is an
16 appointed board member of a local authority or the individual who serves
17 as chief executive officer through appointment or contract. Should the
18 authorities budget office suspend the full board of directors or a
19 majority of current board members the term "suspension" shall mean the
20 board of directors is prohibited from taking actions, votes, or adopting
21 resolutions, that bind the board to future agreements, contracts, finan-
22 cial commitments, indebtedness, or other actions, other than actions

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

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1 necessary to resolve the noncompliance or satisfy existing legal or
2 administrative obligations.

3 2. (a) Pursuant to policies and procedures developed by the authori-
4 ties budget office and made available on its website, when the authori-
5 ties budget office has reason to believe that one or more board members
6 of a local authority has knowingly failed or neglected to submit any
7 report required by section twenty-eight hundred of this chapter within
8 thirty-six months of its due date, the authorities budget office shall
9 provide at least thirty days' notice of its intent to initiate suspen-
10 sion proceedings to the chairperson of the local authority, to the indi-
11 vidual or individuals responsible for appointing such board members, and
12 to each such board member. If the authorities budget office has reason
13 to believe that the chief executive officer of a local authority has
14 knowingly failed or neglected to submit any report required by section
15 twenty-eight hundred of this chapter within thirty-six months of its due
16 date, the authorities budget office shall provide at least thirty days'
17 notice of its intent to initiate suspension proceedings to the chair-
18 person of the local authority and to the chief executive officer. Such
19 notice shall include, but shall not be limited to (i) the date and a
20 brief description of the facts and nature of each non-compliance for
21 which such suspension is proposed; (ii) the number of days that the
22 authorities budget office proposes to suspend such board member or chief
23 executive officer; (iii) the option to submit a formal response to the
24 authorities budget office which demonstrates why such board member or
25 chief executive officer should not be suspended; and (iv) if applicable,
26 a period of time in which such local authority or board member or chief
27 executive officer may remedy the non-compliance.

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

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

55 (b) Whenever the authorities budget office has suspended the chief
56 executive officer of a local authority, the chairperson of such local

1 authority may initiate action to reinstate the suspended chief executive
2 officer. Any action to reinstate a suspended chief executive officer
3 shall occur in a public meeting of the board of directors and following
4 an opportunity for the public to comment. Such action shall be deemed
5 valid upon passage of a written resolution of reinstatement by a majori-
6 ty and recorded vote of the current board of directors. Such resolution
7 shall describe the facts and circumstances by which the board of direc-
8 tors reached this determination.

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

12 § 2. This act shall take effect on the ninetieth day after it shall
13 have become a law.