

# STATE OF NEW YORK

7749

## IN SENATE

February 16, 2018

Introduced by Sen. RANZENHOFER -- 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, 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  
23 necessary to resolve the noncompliance or satisfy existing legal or  
24 administrative obligations.

25 2. (a) Pursuant to policies and procedures developed by the authori-  
26 ties budget office and made available on its website, when the authori-

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

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

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

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

51 (b) Whenever the authorities budget office has suspended the chief  
52 executive officer of a local authority, the chairperson of such local  
53 authority may initiate action to reinstate the suspended chief executive  
54 officer. Any action to reinstate a suspended chief executive officer  
55 shall occur in a public meeting of the board of directors and following  
56 an opportunity for the public to comment. Such action shall be deemed

1 valid upon passage of a written resolution of reinstatement by a majori-  
2 ty and recorded vote of the current board of directors. Such resolution  
3 shall describe the facts and circumstances by which the board of direc-  
4 tors reached this determination.

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

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