

STATE OF NEW YORK

7555

IN SENATE

January 24, 2020

Introduced by Sen. KAMINSKY -- read twice and ordered printed, and when printed to be committed to the Committee on Ethics and Internal Governance

AN ACT to amend the public officers law, the public authorities law and the general municipal law, in relation to prohibiting certain persons from receiving compensation for legal fees, consulting, or other work performed for an industrial development agency, an economic assistance corporation, or from a state or local authority

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

1 Section 1. Subdivision 18 of section 73 of the public officers law, as
2 amended by section 5 of part CC of chapter 56 of the laws of 2015, is
3 amended to read as follows:

4 18. No statewide elected official, state officer or employee, member
5 of the legislature, legislative employee or political party chairman as
6 defined in this section and section seventy-three-a of this article who:
7 (i) owns or controls directly or indirectly ten per centum or more of
8 stock in a corporation or limited liability company; or (ii) owns or
9 controls ten per centum or more of the capital, profits, or beneficial
10 interest in a partnership or firm, shall receive compensation for legal
11 fees, consulting, or any other contractual expenditure for services,
12 whether actually performed or not, from a state or local authority as
13 defined in section two of the public authorities law.

14 19. In addition to any penalty contained in any other provision of
15 law, any person who knowingly and intentionally violates the provisions
16 of subdivisions two through five, seven, seven-a, eight, twelve or four-
17 teen through [~~seventeen~~] eighteen of this section shall be subject to a
18 civil penalty in an amount not to exceed forty thousand dollars and the
19 value of any gift, compensation or benefit received in connection with
20 such violation. Assessment of a civil penalty hereunder shall be made by
21 the state oversight body with jurisdiction over such person. A state
22 oversight body acting pursuant to its jurisdiction, may, in lieu of a
23 civil penalty, with respect to a violation of subdivisions two through
24 five, seven or eight of this section, refer a violation of any such

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

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1 subdivision to the appropriate prosecutor and upon such conviction such
2 violation shall be punishable as a class A misdemeanor.

3 § 2. Subdivision 1 of section 2825 of the public authorities law, as
4 amended by chapter 766 of the laws of 2005, is amended to read as
5 follows:

6 1. No public officer or employee shall be ineligible for appointment
7 as a trustee or member of the governing body of a state or local author-
8 ity, as defined in section two of this chapter, and any public officer
9 or employee may accept such appointment and serve as such trustee or
10 member without forfeiture of any other public office or position of
11 public employment by reason thereof. Provided, additionally no state-
12 wide elected official, state officer or employee, member of the legisla-
13 ture, legislative employee or political party chairman as defined in
14 sections seventy-three and seventy-three-a of the public officers law
15 who: (i) owns or controls directly or indirectly ten per centum or more
16 of stock in a corporation or limited liability company; or (ii) owns or
17 controls ten per centum or more of the capital, profits, or beneficial
18 interest in a partnership or firm, shall receive compensation for legal
19 fees, consulting, or any other contractual expenditure for services,
20 whether actually performed or not, from a state or local authority.

21 § 3. Section 801 of the general municipal law, as amended by chapter
22 1043 of the laws of 1965, is amended to read as follows:

23 § 801. Conflicts of interest prohibited. Except as provided in section
24 eight hundred two of this chapter, (1) no municipal officer or employee
25 shall have an interest in any contract with the municipality of which he
26 is an officer or employee, when such officer or employee, individually
27 or as a member of a board, has the power or duty to (a) negotiate,
28 prepare, authorize or approve the contract or authorize or approve
29 payment thereunder (b) audit bills or claims under the contract, or (c)
30 appoint an officer or employee who has any of the powers or duties set
31 forth above ~~and~~, (2) no chief fiscal officer, treasurer, or his deputy
32 or employee, shall have an interest in a bank or trust company design-
33 ated as a depository, paying agent, registration agent or for invest-
34 ment of funds of the municipality of which he is an officer or employee,
35 and (3) no municipal officer who (a) owns or controls directly or indi-
36 rectly ten percent or more of stock in a corporation or limited liabil-
37 ity company, or (b) owns or controls ten percent or more of the capital,
38 profits, or beneficial interest in a partnership or firm, shall receive
39 compensation for legal fees, consulting, or any other contractual
40 expenditure for services, whether actually performed or not, from a
41 state or local authority as defined in section two of the public author-
42 ities law. The provisions of this section shall in no event be
43 construed to preclude the payment of lawful compensation and necessary
44 expenses of any municipal officer or employee in one or more positions
45 of public employment, the holding of which is not prohibited by law.

46 § 4. This act shall take effect immediately.