

# STATE OF NEW YORK

3738

2021-2022 Regular Sessions

## IN ASSEMBLY

January 28, 2021

Introduced by M. of A. SOLAGES -- read once and referred to the Committee on Governmental Operations

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 1 of section 73 of the public officers law is  
2 amended by adding two new paragraphs (n) and (o) to read as follows:

3 (n) the term "corporation" shall have the same meaning as such term is  
4 defined in section one hundred two of the business corporation law.

5 (o) the term "limited liability company" shall have the same meaning  
6 as such term is defined in section one hundred two of the limited  
7 liability company law.

8 § 2. Subdivision 18 of section 73 of the public officers law, as  
9 amended by section 5 of part CC of chapter 56 of the laws of 2015, is  
10 amended to read as follows:

11 18. No statewide elected official, state officer or employee, member  
12 of the legislature, legislative employee or political party chairman as  
13 defined in this section and section seventy-three-a of this article who:

14 (i) owns or controls directly or indirectly ten per centum or more of  
15 stock in a corporation or limited liability company; or (ii) owns or  
16 controls ten per centum or more of the capital, profits, or beneficial  
17 interest in a partnership or firm, shall receive compensation for legal  
18 fees, consulting, or any other contractual expenditure for services,  
19 whether actually performed or not, from a state or local authority as  
20 defined in section two of the public authorities law.

21 19. In addition to any penalty contained in any other provision of  
22 law, any person who knowingly and intentionally violates the provisions

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

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1 of subdivisions two through five, seven, seven-a, eight, twelve or four-  
2 teen through [~~seventeen~~ eighteen] of this section shall be subject to a  
3 civil penalty in an amount not to exceed forty thousand dollars and the  
4 value of any gift, compensation or benefit received in connection with  
5 such violation. Assessment of a civil penalty hereunder shall be made by  
6 the state oversight body with jurisdiction over such person. A state  
7 oversight body acting pursuant to its jurisdiction, may, in lieu of a  
8 civil penalty, with respect to a violation of subdivisions two through  
9 five, seven or eight of this section, refer a violation of any such  
10 subdivision to the appropriate prosecutor and upon such conviction such  
11 violation shall be punishable as a class A misdemeanor.

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

15 1. No public officer or employee shall be ineligible for appointment  
16 as a trustee or member of the governing body of a state or local author-  
17 ity, as defined in section two of this chapter, and any public officer  
18 or employee may accept such appointment and serve as such trustee or  
19 member without forfeiture of any other public office or position of  
20 public employment by reason thereof. Provided, additionally no state-  
21 wide elected official, state officer or employee, member of the legisla-  
22 ture, legislative employee or political party chairman as defined in  
23 sections seventy-three and seventy-three-a of the public officers law  
24 who: (i) owns or controls directly or indirectly ten per centum or more  
25 of stock in a corporation or limited liability company; or (ii) owns or  
26 controls ten per centum or more of the capital, profits, or beneficial  
27 interest in a partnership or firm, shall receive compensation for legal  
28 fees, consulting, or any other contractual expenditure for services,  
29 whether actually performed or not, from a state or local authority. For  
30 the purpose of this subdivision, the term "corporation" shall have the  
31 same meaning as such term is defined in section one hundred two of the  
32 business corporation law and the term "limited liability company" shall  
33 have the same meaning as such term is defined in section one hundred two  
34 of the limited liability company law.

35 § 4. Section 800 of the general municipal law is amended by adding two  
36 new subdivisions 7 and 8 to read as follows:

37 7. "Corporation" has the same meaning as such term is defined in  
38 section one hundred two of the business corporation law.

39 8. "Limited liability company" has the same meaning as such term is  
40 defined in section one hundred two of the limited liability company law.

41 § 5. Section 801 of the general municipal law, as amended by chapter  
42 1043 of the laws of 1965, is amended to read as follows:

43 § 801. Conflicts of interest prohibited. Except as provided in section  
44 eight hundred two of this chapter, (1) no municipal officer or employee  
45 shall have an interest in any contract with the municipality of which he  
46 is an officer or employee, when such officer or employee, individually  
47 or as a member of a board, has the power or duty to (a) negotiate,  
48 prepare, authorize or approve the contract or authorize or approve  
49 payment thereunder (b) audit bills or claims under the contract, or (c)  
50 appoint an officer or employee who has any of the powers or duties set  
51 forth above [~~and~~], (2) no chief fiscal officer, treasurer, or his deputy  
52 or employee, shall have an interest in a bank or trust company desig-  
53 nated as a depository, paying agent, registration agent or for invest-  
54 ment of funds of the municipality of which he is an officer or employee,  
55 and (3) no municipal officer who (a) owns or controls directly or indi-  
56 rectly ten percent or more of stock in a corporation or limited liabil-

1 ity company, or (b) owns or controls ten percent or more of the capital,  
2 profits, or beneficial interest in a partnership or firm, shall receive  
3 compensation for legal fees, consulting, or any other contractual  
4 expenditure for services, whether actually performed or not, from a  
5 state or local authority as defined in section two of the public author-  
6 ities law. The provisions of this section shall in no event be  
7 construed to preclude the payment of lawful compensation and necessary  
8 expenses of any municipal officer or employee in one or more positions  
9 of public employment, the holding of which is not prohibited by law.  
10 § 6. This act shall take effect immediately.