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:

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

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

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

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

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

19. In addition to any penalty contained in any other provision of 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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of subdivisions two through five, seven, seven-a, eight, twelve or fourteen through [~~seventeen~~] **eighteen** of this section shall be subject to a civil penalty in an amount not to exceed forty thousand dollars and the value of any gift, compensation or benefit received in connection with such violation. Assessment of a civil penalty hereunder shall be made by the state oversight body with jurisdiction over such person. A state oversight body acting pursuant to its jurisdiction, may, in lieu of a civil penalty, with respect to a violation of subdivisions two through five, seven or eight of this section, refer a violation of any such subdivision to the appropriate prosecutor and upon such conviction such violation shall be punishable as a class A misdemeanor.

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

1. No public officer or employee shall be ineligible for appointment as a trustee or member of the governing body of a state or local authority, as defined in section two of this chapter, and any public officer or employee may accept such appointment and serve as such trustee or member without forfeiture of any other public office or position of public employment by reason thereof. **Provided, additionally no statewide elected official, state officer or employee, member of the legislature, legislative employee or political party chairman as defined in sections seventy-three and seventy-three-a of the public officers law who: (i) owns or controls directly or indirectly ten per centum or more of stock in a corporation or limited liability company; or (ii) owns or controls ten per centum or more of the capital, profits, or beneficial interest in a partnership or firm, shall receive compensation for legal fees, consulting, or any other contractual expenditure for services, whether actually performed or not, from a state or local authority. For the purpose of this subdivision, the term "corporation" shall have the same meaning as such term is defined in section one hundred two of the business corporation law and the term "limited liability company" shall have the same meaning as such term is defined in section one hundred two of the limited liability company law.**

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

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

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

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

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

ity company, or (b) owns or controls ten percent or more of the capital, profits, or beneficial interest in a partnership or firm, shall receive compensation for legal fees, consulting, or any other contractual expenditure for services, whether actually performed or not, from a state or local authority as defined in section two of the public authorities law. The provisions of this section shall in no event be construed to preclude the payment of lawful compensation and necessary expenses of any municipal officer or employee in one or more positions of public employment, the holding of which is not prohibited by law.

§ 6. This act shall take effect immediately.