

STATE OF NEW YORK

1543

2021-2022 Regular Sessions

IN SENATE

January 13, 2021

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 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.

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

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

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

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

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

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

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

43 § 5. Section 801 of the general municipal law, as amended by chapter
44 1043 of the laws of 1965, is amended to read as follows:

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

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