

# STATE OF NEW YORK

1543--A

Cal. No. 184

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 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

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,  
2 as 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  
7 shall receive compensation for legal fees, consulting, or any other  
8 contractual expenditure for services, whether actually performed or not,  
9 from a state or local authority if such statewide elected official,  
10 state officer or employee, member of the legislature, legislative  
11 employee or political party chairman: (i) is directly contracted by a  
12 state or local authority for the related services; (ii) owns or controls  
13 directly or indirectly ten per centum or more of stock in a corporation  
14 that is contracted by a state or local authority for the related  
15 services; or (iii) owns or controls ten per centum or more of the capi-  
16 tal, profits, or beneficial interest in a firm or association that is  
17 contracted by a state or local authority for the related services.

18 19. In addition to any penalty contained in any other provision of  
19 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 § 2. 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, no statewide elected  
21 official, state officer or employee, member of the legislature, legisla-  
22 tive employee or political party chairman as defined in sections seven-  
23 ty-three and seventy-three-a of the public officers law shall receive  
24 compensation for legal fees, consulting, or any other contractual  
25 expenditure for services, whether actually performed or not, from a  
26 state or local authority if such statewide elected official, state  
27 officer or employee, member of the legislature, legislative employee or  
28 political party chairman: (i) is directly contracted by a state or local  
29 authority for the related services; (ii) owns or controls directly or  
30 indirectly ten per centum or more of stock in a corporation or that is  
31 contracted by a state or local authority for the related services; or  
32 (iii) owns or controls ten per centum or more of the capital, profits,  
33 or beneficial interest in a firm or association that is contracted by a  
34 state or local authority for the related services.

35 § 3. Section 801 of the general municipal law, as amended by chapter  
36 1043 of the laws of 1965, is amended to read as follows:

37 § 801. Conflicts of interest prohibited. Except as provided in section  
38 eight hundred two of this chapter, (1) no municipal officer or employee  
39 shall have an interest in any contract with the municipality of which he  
40 is an officer or employee, when such officer or employee, individually  
41 or as a member of a board, has the power or duty to (a) negotiate,  
42 prepare, authorize or approve the contract or authorize or approve  
43 payment thereunder (b) audit bills or claims under the contract, or (c)  
44 appoint an officer or employee who has any of the powers or duties set  
45 forth above [~~and~~], (2) no chief fiscal officer, treasurer, or his deputy  
46 or employee, shall have an interest in a bank or trust company desig-  
47 nated as a depository, paying agent, registration agent or for invest-  
48 ment of funds of the municipality of which he is an officer or employee,  
49 and (3) no municipal officer shall receive compensation for legal fees,  
50 consulting, or any other contractual expenditure for services, whether  
51 actually performed or not, from a state or local authority if such  
52 municipal officer: (a) is directly contracted by a state or local  
53 authority for the related services, (b) owns or controls directly or  
54 indirectly ten percent or more of stock in a corporation that is  
55 contracted by a state or local authority for the related services, or  
56 (c) owns or controls ten percent or more of the capital, profits, or

1 beneficial interest in a firm or association that is contracted by a  
2 state or local authority for the related services. The provisions of  
3 this section shall in no event be construed to preclude the payment of  
4 lawful compensation and necessary expenses of any municipal officer or  
5 employee in one or more positions of public employment, the holding of  
6 which is not prohibited by law.  
7 § 4. This act shall take effect immediately.