

# STATE OF NEW YORK

4670

2023-2024 Regular Sessions

## IN ASSEMBLY

February 22, 2023

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 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  
20 of subdivisions two through five, seven, seven-a, eight, twelve or four-  
21 teen through [~~seventeen~~] eighteen of this section shall be subject to a  
22 civil penalty in an amount not to exceed forty thousand dollars and the

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

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1 value of any gift, compensation or benefit received in connection with  
2 such violation. Assessment of a civil penalty hereunder shall be made by  
3 the state oversight body with jurisdiction over such person. A state  
4 oversight body acting pursuant to its jurisdiction, may, in lieu of a  
5 civil penalty, with respect to a violation of subdivisions two through  
6 five, seven or eight of this section, refer a violation of any such  
7 subdivision to the appropriate prosecutor and upon such conviction such  
8 violation shall be punishable as a class A misdemeanor.

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

12 1. No public officer or employee shall be ineligible for appointment  
13 as a trustee or member of the governing body of a state or local author-  
14 ity, as defined in section two of this chapter, and any public officer  
15 or employee may accept such appointment and serve as such trustee or  
16 member without forfeiture of any other public office or position of  
17 public employment by reason thereof. Provided, no statewide elected  
18 official, state officer or employee, member of the legislature, legisla-  
19 tive employee or political party chairman as defined in sections seven-  
20 ty-three and seventy-three-a of the public officers law shall receive  
21 compensation for legal fees, consulting, or any other contractual  
22 expenditure for services, whether actually performed or not, from a  
23 state or local authority if such statewide elected official, state  
24 officer or employee, member of the legislature, legislative employee or  
25 political party chairman: (i) is directly contracted by a state or local  
26 authority for the related services; (ii) owns or controls directly or  
27 indirectly ten per centum or more of stock in a corporation or that is  
28 contracted by a state or local authority for the related services; or  
29 (iii) owns or controls ten per centum or more of the capital, profits,  
30 or beneficial interest in a firm or association that is contracted by a  
31 state or local authority for the related services.

32 § 3. Section 801 of the general municipal law, as amended by chapter  
33 1043 of the laws of 1965, is amended to read as follows:

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

1 lawful compensation and necessary expenses of any municipal officer or  
2 employee in one or more positions of public employment, the holding of  
3 which is not prohibited by law.  
4 § 4. This act shall take effect immediately.