

# STATE OF NEW YORK

4670--A

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 -- recommitted to the Committee on Governmental Operations in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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. Paragraphs (a) and (b) of subdivision 7 of section 73 of  
2 the public officers law, as amended by section 3 of part K of chapter  
3 286 of the laws of 2016, are amended to read as follows:  
4 (a) No statewide elected official, or state officer or employee, other  
5 than in the proper discharge of official state or local governmental  
6 duties, or member of the legislature or legislative employee, or political  
7 party chairman shall receive, directly or indirectly, or enter  
8 into any agreement express or implied for, any compensation, in whatever  
9 form, for the appearance or rendition of services by [~~himself, herself~~  
10 themselves] or another in relation to any case, proceeding, application or  
11 other matter before a state agency where such appearance or rendition of  
12 services is in connection with:  
13 (i) the purchase, sale, rental or lease of real property, goods or  
14 services, or a contract therefor, from, to or with any such agency;  
15 (ii) any proceeding relating to rate making;  
16 (iii) the adoption or repeal of any rule or regulation having the  
17 force and effect of law;  
18 (iv) the obtaining of grants of money or loans;  
19 (v) licensing; [~~ex~~]

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

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1 (vi) any proceeding relating to a franchise provided for in the public  
2 service law~~[-]~~; or

3 (vii) legal services, consulting, or any other contractual expenditure  
4 for services, whether actually performed or not from a state or local  
5 authority if such statewide elected official, state officer or employ-  
6 ee, member of the legislature, legislative employee or political  
7 party chairman: (A) is directly contracted by a state or local authority  
8 for the related services; (B) owns or controls directly or indirectly  
9 ten per centum or more of stock in a corporation that is contracted  
10 by a state or local authority for the related services; or (C) owns  
11 or controls ten per centum or more of the capital, profits, or bene-  
12 ficial interest in a firm or association that is contracted by a state  
13 or local authority for the related services.

14 (b) No political party chairman in a county wholly included in a city  
15 having a population of one million or more shall receive, directly or  
16 indirectly, or enter into any agreement express or implied for, any  
17 compensation, in whatever form, for the appearance or rendition of  
18 services by [~~himself, herself~~] themselves or another in relation to any  
19 case, proceeding, application or other matter before any city agency  
20 where such appearance or rendition of services is in connection with:

21 (i) the purchase, sale, rental or lease of real property, goods or  
22 services, or a contract therefor, from, to or with any such agency;

23 (ii) any proceeding relating to ratemaking;

24 (iii) the adoption or repeal of any rule or regulation having the  
25 force and effect of law;

26 (iv) the obtaining of grants of money or loans;

27 (v) licensing. For purposes of this paragraph, the term "licensing"  
28 shall mean any city agency activity respecting the grant, denial,  
29 renewal, revocation, enforcement, suspension, annulment, withdrawal,  
30 recall, cancellation or amendment of a license, permit or other form of  
31 permission conferring the right or privilege to engage in (i) a profes-  
32 sion, trade, or occupation or (ii) any business or activity regulated by  
33 a regulatory agency of a city agency which in the absence of such  
34 license, permit or other form of permission would be prohibited; [~~and~~]

35 (vi) any proceeding relating to a franchise~~[-]~~; and

36 (vii) legal services, consulting, or any other contractual expenditure  
37 for services, whether actually performed or not from a state or local  
38 authority if such political party chairman: (A) is directly  
39 contracted by a state or local authority for the related services; (B)  
40 owns or controls directly or indirectly ten per centum or more of stock  
41 in a corporation that is contracted by a state or local authori-  
42 ty for the related services; or (C) owns or controls ten per centum or  
43 more of the capital, profits, or beneficial interest in a firm or  
44 association that is contracted by a state or local authority for the  
45 related services.

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

49 1. No public officer or employee shall be ineligible for appointment  
50 as a trustee or member of the governing body of a state or local author-  
51 ity, as defined in section two of this chapter, and any public officer  
52 or employee may accept such appointment and serve as such trustee or  
53 member without forfeiture of any other public office or position of  
54 public employment by reason thereof. Provided, no statewide elected  
55 official, state officer or employee, member of the legislature, legisla-  
56 tive employee or political party chairman as defined in sections seven-

1 ty-three and seventy-three-a of the public officers law shall receive  
2 compensation for legal fees, consulting, or any other contractual  
3 expenditure for services, whether actually performed or not, from a  
4 state or local authority if such statewide elected official, state  
5 officer or employee, member of the legislature, legislative employee or  
6 political party chairman: (i) is directly contracted by a state or local  
7 authority for the related services; (ii) owns or controls directly or  
8 indirectly ten per centum or more of stock in a corporation or that is  
9 contracted by a state or local authority for the related services; or  
10 (iii) owns or controls ten per centum or more of the capital, profits,  
11 or beneficial interest in a firm or association that is contracted by a  
12 state or local authority for the related services.

13 § 3. Section 801 of the general municipal law, as amended by chapter  
14 1043 of the laws of 1965, is amended to read as follows:

15 § 801. Conflicts of interest prohibited. Except as provided in section  
16 eight hundred two of this chapter, (1) no municipal officer or employee  
17 shall have an interest in any contract with the municipality of which  
18 [~~he is~~] they are an officer or employee, when such officer or employee,  
19 individually or as a member of a board, has the power or duty to (a)  
20 negotiate, prepare, authorize or approve the contract or authorize or  
21 approve payment thereunder (b) audit bills or claims under the contract,  
22 or (c) appoint an officer or employee who has any of the powers or  
23 duties set forth above [~~and~~], (2) no chief fiscal officer, treasurer, or  
24 [~~his~~] their deputy or employee, shall have an interest in a bank or  
25 trust company designated as a depository, paying agent, registration  
26 agent or for investment of funds of the municipality of which [~~he is~~]  
27 they are an officer or employee, and (3) no municipal officer shall  
28 receive compensation for legal fees, consulting, or any other contractu-  
29 al expenditure for services, whether actually performed or not, from a  
30 state or local authority if such municipal officer: (a) is directly  
31 contracted by a state or local authority for the related services, (b)  
32 owns or controls directly or indirectly ten percent or more of stock in  
33 a corporation that is contracted by a state or local authority for the  
34 related services, or (c) owns or controls ten percent or more of the  
35 capital, profits, or beneficial interest in a firm or association that  
36 is contracted by a state or local authority for the related services.

37 The provisions of this section shall in no event be construed to  
38 preclude the payment of lawful compensation and necessary expenses of  
39 any municipal officer or employee in one or more positions of public  
40 employment, the holding of which is not prohibited by law.

41 § 4. This act shall take effect immediately, and apply to contracts  
42 entered into on or after such effective date.