

STATE OF NEW YORK

4249--A

2025-2026 Regular Sessions

IN ASSEMBLY

January 31, 2025

Introduced by M. of A. SOLAGES, SHRESTHA, EACHUS, EPSTEIN, MAMDANI, BURDICK, DINOWITZ -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, in relation to prohibiting public utilities from using funds or being reimbursed by funds raised from ratepayers for certain activities

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public service law is amended by adding a new article 12 to read as follows:

ARTICLE 12

UTILITY LOBBYING ACT

Section 240. Definitions.

241. Limitations on rates.

§ 240. Definitions. As used in this article, unless the context otherwise indicates, the following terms have the following meanings:

1. "Affiliated interest" means any person who owns directly, indirectly or through a chain of successive ownership, ten percent or more of the voting securities of a public utility.

2. "Consumer-owned transmission and distribution utility" means any transmission and distribution utility wholly owned by its consumers, including its consumers served in the state. "Consumer-owned transmission and distribution utility" includes but is not limited to:

(a) the transmission and distribution portion of a rural electrification cooperative;

(b) the transmission and distribution portion of an electrification cooperative organized on a cooperative plan under the laws of the state;

(c) a municipal or quasi-municipal transmission and distribution utility located in the state;

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

LBD02206-03-5

1 (d) the transmission and distribution portion of a municipal or
2 quasi-municipal entity located in the state providing generation and
3 other services; and

4 (e) a transmission and distribution utility wholly owned by a munici-
5 pality located in the state.

6 3. "Consumer-owned water utility" means any water utility which is
7 wholly owned by its consumers, including its consumers served in the
8 state. "Consumer-owned water utility" includes but is not limited to:

9 (a) any municipal or quasi-municipal water district or corporation
10 located in the state;

11 (b) any municipal water department located in the state; or

12 (c) the water portion of any utility wholly owned by a municipality or
13 district located in the state.

14 4. "Public official" shall have the same meaning as defined in section
15 one-c of the legislative law.

16 5. "Lobbying" shall have the same meaning as defined in section one-c
17 of the legislative law.

18 6. "Charity" means an entity formed primarily for charitable purposes,
19 including but not limited to:

20 (a) a corporation formed under the business corporation law, the
21 limited liability company law or the not-for-profit corporation law
22 primarily for charitable purposes;

23 (b) a charitable trust as defined by article eight of estates, powers
24 and trusts law; and

25 (c) any charitable foundation registered within the state that submits
26 financial disclosures to the attorney general.

27 7. "Public utility" means a public utility company or a public utility
28 corporation subject to the provisions of this chapter.

29 8. "Trade association" means a business or industry trade association,
30 group or related entity incorporated under Section 501 of the Internal
31 Revenue Code of 1986.

32 § 241. Limitations on rates. 1. The following expenses, whether paid
33 directly or indirectly, through reimbursement or otherwise, incurred by
34 a public utility or an affiliated interest may not be included or incor-
35 porated in operating expenses to be recovered in rates:

36 (a) contributions or gifts to political candidates, political parties,
37 political or legislative committees or any committee or organization
38 working to influence referendum petitions or elections;

39 (b) contributions to a trade association, chamber of commerce or
40 public charity, including, but not limited to, a charity managed by the
41 public utility or affiliated interest; provided, however, that this
42 paragraph does not apply to a consumer-owned water utility;

43 (c) any direct or indirect cost associated with (i) travel, lodging or
44 food and beverage expenses for the public utility's board of directors
45 and officers or the board of directors and officers of such public util-
46 ity's parent company; (ii) entertainment or gifts; (iii) any owned,
47 leased or chartered aircraft for such public utility's board of direc-
48 tors and officers or the board of directors and officers of such public
49 utility's parent company; or (iv) investor relations;

50 (d) expenditures for lobbying;

51 (e) expenditures for public relations campaigns and advertising,
52 unless approved by the commission as serving a public interest. Public
53 relations campaigns and advertising include expenditures relating to
54 information delivered to the public or to the public utility's customers
55 by radio, television, the Internet, print and other media or through
56 sponsorships, paid endorsements that bear the name of the utility corpo-

1 ration or an organization that receives funds from a utility corporation
2 to promote an interest of the utility corporation or are intended to
3 solicit goodwill towards the utility corporation. This paragraph does
4 not apply to a consumer-owned transmission and distribution utility or a
5 consumer-owned water utility, and does not include communications with
6 the person's stockholders, employees, board members, or officers; or
7 (f) any expenses associated with the preparation of the reports
8 described in subdivisions two and three of this section.

9 2. On or before January fifteenth, two thousand twenty-seven, and
10 annually thereafter, each public utility with more than seventy-five
11 thousand customers shall submit to the commission a report, in a form
12 prescribed by the commission, containing a written, itemized description
13 of any expenses that may not be included or incorporated in the public
14 utility's operating expenses under subdivision one of this section. The
15 report must also include a written, itemized description of the expenses
16 that may not be included or incorporated in the public utility's operat-
17 ing expenses under subdivision one of this section that are relevant to
18 the business interests of the public utility paid by a membership organ-
19 ization of which the public utility is a member. For each expense, the
20 report must include the date, the payee, the amount and a description of
21 the purpose of the expense and any other information deemed relevant by
22 the commission.

23 3. In addition to the report required under subdivision two of this
24 section, if a public utility or an affiliated interest engages in major
25 political activities, as defined by the commission by rule, the public
26 utility shall file a quarterly report containing a written description
27 of those major political activities and the expenditures associated with
28 those activities. For each expenditure, the report must include the
29 date, the payee, the amount and a description of the purpose of the
30 expenditure.

31 4. The public utility shall make available for public inspection all
32 materials filed with the commission in accordance with subdivisions two
33 and three of this section. The commission shall make available the annu-
34 al reports filed by public utilities in accordance with this section on
35 its publicly accessible website with notice of the availability of the
36 reports prominently displayed on the website.

37 § 2. Section 5 of the public service law is amended by adding a new
38 subdivision 7 to read as follows:

39 7. The commission shall adopt and implement rules and regulations
40 necessary to implement the provisions of section two hundred forty-one
41 of this chapter, including, but not limited to, rules concerning promo-
42 tional advertising; promotional allowances, including, but not limited
43 to, the granting of promotional rebates or credits; advertising to
44 promote corporate image or goodwill; contributions to charities; public
45 relations campaigns and any other advertising covered by article twelve
46 of this chapter; or political activities, including major political
47 activities, by a public utility or an affiliated interest as defined in
48 section two hundred forty of this chapter.

49 § 3. This act shall take effect on the ninetieth day after it shall
50 have become a law. Effective immediately, the addition, amendment and/or
51 repeal of any rule or regulation necessary for the implementation of
52 this act on its effective date are authorized to be made and completed
53 on or before such effective date.