STATE OF NEW YORK

10021

IN SENATE

April 22, 2026

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law, in relation to contributions made to certain municipally chartered organizations

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

Section 1. The general municipal law is amended by adding a new article 19-D to read as follows:

ARTICLE 19-D
CONTRIBUTIONS FOR CERTAIN MUNICIPALLY CHARTERED ORGANIZATIONS

Section 996. Definitions.
996-a. Disclosure of contributions.
996-b. Annual financial report.
996-c. Access by governing legislative body.
996-d. Enforcement; civil penalties.

§ 996. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Covered entity" means any corporation formed pursuant to the not-for-profit corporation law that meets one or more of the following criteria: (a) the corporation was formed at the initiative of, or whose certificate of incorporation was approved or consented to by, a county, city, town, or village, or by an officer or body thereof acting in an official capacity; (b) the corporation holds, manages, or has received assets that were transferred to it, directly or indirectly, from a municipal corporation or a public benefit corporation as defined in section sixty-six of the general construction law; and/or (c) the corporation has received, in any period of twelve consecutive months, aggregate public funds, payments under municipal contracts, or in-kind municipal support with a combined fair market value of fifty thousand dollars or more.

2. "Contribution" means any transfer of cash, real or personal property, securities, or services having monetary value made to a covered entity, including donations, gifts, grants, bequests, naming rights

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

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agreements, sponsorship agreements, or any other transfer of value, whether or not a condition or restriction is attached.

3. "Municipal officer" means any elected or appointed officer or employee of a county, city, town, or village, including any officer or employee of a public benefit corporation whose board is appointed in whole or in part by officers of such municipality.

4. "Governing legislative body" means the county legislature, city council, town board, village board of trustees, or other legislative body of the municipality with which a covered entity is affiliated within the meaning of subdivision one of this section.

§ 996-a. Disclosure of contributions. 1. Every covered entity shall publicly disclose each contribution it receives as provided in this subdivision. For any contribution in an amount or having a fair market value of two thousand dollars or more in a single transaction, or five thousand dollars or more in the aggregate from the same contributor in any calendar year, the covered entity shall file a disclosure statement with the county clerk of the county in which its principal office is located within thirty days of receipt of such contribution.

2. Each disclosure statement required under this section shall include: (a) the full legal name and address of the contributor; (b) the amount of the contribution or, for non-cash contributions, a description of the property or services transferred and their fair market value as reasonably determined by the covered entity; (c) the date of receipt; (d) a description of any restriction, condition, or statement of intended use communicated by the contributor in connection with the contribution; and (e) the name of any municipal officer who solicited, facilitated, or served as an intermediary for the contribution.

3. Disclosure statements filed pursuant to this section shall constitute public records. The county clerk shall make all such statements available for public inspection and copying and shall publish each statement on the county's official website within five business days of receipt.

4. Notwithstanding any other provision of law, including without limitation section ninety-three-a of the executive law, the donor privacy protections applicable to charitable organizations shall not apply to disclosure statements filed pursuant to this article.

§ 996-b. Annual financial report. 1. Every covered entity shall file an annual financial report with the county clerk of the county in which its principal office is located and with the office of the state comptroller no later than ninety days following the close of each fiscal year. Such report shall include:

(a) a complete accounting of all receipts and expenditures for the fiscal year, prepared in accordance with generally accepted accounting principles;

(b) the total compensation, including salary, benefits, and any deferred compensation, of all officers, directors, and employees whose annual compensation from the covered entity exceeds fifty thousand dollars;

(c) a description of all financial transactions, including but not limited to contracts, grants, asset transfers, loans, and revenue-sharing arrangements, between the covered entity and any municipal corporation, public benefit corporation, or officer or employee thereof, during the fiscal year; and

(d) a certification by the covered entity's chief executive officer and treasurer that all contributions required to be disclosed under

section nine hundred ninety-six-a of this article during the fiscal year were timely and accurately reported.

2. Annual financial reports filed pursuant to this section shall constitute public records. The county clerk shall publish each report on the county's official website within five business days of receipt.

§ 996-c. Access by governing legislative body. 1. The governing legislative body of any municipality with which a covered entity is affiliated may, by resolution, demand production of any books, records, contracts, correspondence, or other documents of the covered entity relating to its finances or operations. Such demand shall be served on the covered entity's chief executive officer and its registered agent.

2. A covered entity that receives a demand pursuant to subdivision one of this section shall produce the requested records within thirty days of service. Failure to produce records within such period shall constitute a violation of this article.

3. Where a covered entity fails to comply with a demand made pursuant to this section, the governing legislative body may commence a special proceeding in supreme court pursuant to article seventy-eight of the civil practice law and rules to compel production. In any proceeding in which the petitioning legislative body substantially prevails, the court shall award reasonable attorneys' fees and costs.

§ 996-d. Enforcement; civil penalties. 1. The state comptroller and the attorney general shall each have concurrent authority to investigate any violation of this article and to bring a civil action in supreme court to compel compliance or to recover civil penalties as provided in this section.

2. Any covered entity that fails to file a disclosure statement required by section nine hundred ninety-six-a of this article, or that files a disclosure statement that is materially false or incomplete, shall be liable for a civil penalty not to exceed ten thousand dollars per violation per day from the date such disclosure was required until the date of full compliance.

3. Any municipal officer who solicited or facilitated a contribution to a covered entity and who willfully failed to ensure that such contribution was disclosed in accordance with the requirements of this article shall be jointly and severally liable with the covered entity for any civil penalty assessed under subdivision two of this section with respect to that contribution.

4. Civil penalty actions under this section shall be brought in supreme court. Venue shall lie in the county in which the covered entity's principal office is located or in the county of Albany at the election of the plaintiff.

§ 2. This act shall take effect immediately.