

# STATE OF NEW YORK

622

2025-2026 Regular Sessions

## IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. LIU -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, the executive law and the public officers law, in relation to clarifying the application of the accountability standards, open meetings law and freedom of information requirements to local development corporations

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

1 Section 1. Paragraph (a) of subdivision 2 of section 2800 of the  
2 public authorities law, as amended by chapter 506 of the laws of 2009,  
3 is amended to read as follows:  
4 (a) Every local authority, [~~continued or created by this chapter or~~  
5 ~~any other chapter of the laws of the state of New York~~] pursuant to  
6 section two of this chapter shall submit to the chief executive officer,  
7 the chief fiscal officer, the chairperson of the legislative body of the  
8 local government or local governments and the authorities budget office,  
9 within ninety days after the end of its fiscal year, a complete and  
10 detailed report or reports setting forth: (1) its operations and accom-  
11 plishments; (2) its financial reports, including (i) audited financials  
12 in accordance with all applicable regulations and following generally  
13 accepted accounting principles as defined in subdivision ten of section  
14 two of the state finance law, (ii) grants and subsidy programs, (iii)  
15 operating and financial risks, (iv) current ratings if any, of its bonds  
16 issued by recognized municipal bond rating agencies and notice of chang-  
17 es in such ratings, and (v) long-term liabilities, including leases and  
18 employee benefit plans; (3) its mission statement and measurements  
19 including its most recent measurement report; (4) a schedule of its  
20 bonds and notes outstanding at the end of its fiscal year, together with  
21 a statement of the amounts redeemed and incurred during such fiscal year

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

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1 as part of a schedule of debt issuance that includes the date of issuance,  
2 term, amount, interest rate and means of repayment. Additionally,  
3 the debt schedule shall also include all refinancings, calls,  
4 refundings, defeasements and interest rate exchange or other such agreements,  
5 and for any debt issued during the reporting year, the schedule shall also include  
6 a detailed list of costs of issuance for such debt;  
7 (5) a compensation schedule in addition to the report described in section  
8 twenty-eight hundred six of this title that shall include, by position, title  
9 and name of the person holding such position or title, the salary, compensation,  
10 allowance and/or benefits provided to any officer, director or employee in a  
11 decision making or managerial position of such authority whose salary is in  
12 excess of one hundred thousand dollars; (5-a) biographical information, not  
13 including confidential personal information, for all directors and officers and  
14 employees for whom salary reporting is required under subparagraph five of  
15 this paragraph; (6) the projects undertaken by such authority during the past  
16 year; (7) a listing and description, in addition to the report required by  
17 paragraph a of subdivision three of section twenty-eight hundred ninety-six  
18 of this article of all real property of such authority having an estimated  
19 fair market value in excess of fifteen thousand dollars that the authority  
20 acquires or disposes of during such period. The report shall contain the  
21 price received or paid by the authority and the name of the purchaser or  
22 seller for all such property sold or bought by the authority during such  
23 period; (8) such authority's code of ethics; (9) an assessment of the  
24 effectiveness of its internal control structure and procedures; (10) a copy  
25 of the legislation that forms the statutory basis of the authority; (11) a  
26 description of the authority and its board structure, including (i) names  
27 of committees and committee members, (ii) lists of board meetings and  
28 attendance, (iii) descriptions of major authority units, subsidiaries, (iv)  
29 number of employees, and (v) organizational chart; (12) its charter, if  
30 any, and by-laws; (13) a listing of material changes in operations and  
31 programs during the reporting year; (14) at a minimum a four-year financial  
32 plan, including (i) a current and projected capital budget, and (ii) an  
33 operating budget report, including an actual versus estimated budget, with  
34 an analysis and measurement of financial and operating performance; (15) its  
35 board performance evaluations provided, however, that such evaluations shall  
36 not be subject to disclosure under article six of the public officers law;  
37 (16) a description of the total amounts of assets, services or both assets  
38 and services bought or sold without competitive bidding, including (i) the  
39 nature of those assets and services, (ii) the names of the counterparties,  
40 and (iii) where the contract price for assets purchased exceeds fair market  
41 value, or where the contract price for assets sold is less than fair market  
42 value, a detailed explanation of the justification for making the purchase  
43 or sale without competitive bidding, and a certification by the chief  
44 executive officer and chief financial officer of the public authority that  
45 they have reviewed the terms of such purchase or sale and determined that  
46 it complies with applicable law and procurement guidelines; and (17) a  
47 description of any material pending litigation in which the authority is  
48 involved as a party during the reporting year, except that no provider of  
49 medical services need disclose information about pending malpractice claims  
50 beyond the existence of such claims.

51 § 2. Subdivision 2 of section 2801 of the public authorities law, as  
52 amended by chapter 506 of the laws of 2009, is amended to read as  
53 follows:  
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1 2. Local authorities. For the local authority fiscal year ending on or  
2 after December thirty-first, two thousand seven and annually thereafter,  
3 every local authority [~~heretofore or hereafter continued or created by~~  
4 ~~this chapter or any other chapter of the laws of the state of New York~~],  
5 pursuant to section two of this chapter, shall submit to the chief execu-  
6 tive officer, the chief fiscal officer, the chairperson of the legisla-  
7 tive body of the local government or governments and the authorities  
8 budget office for their information, annually not more than ninety days  
9 and not less than sixty days before the commencement of its fiscal year,  
10 in the form submitted to its members or trustees, budget information on  
11 operations and capital construction setting forth the estimated receipts  
12 and expenditures for the next fiscal year and the current fiscal year,  
13 and the actual receipts and expenditures for the last completed fiscal  
14 year.

15 § 3. Subdivision 1 of section 2895 of the public authorities law, as  
16 added by chapter 766 of the laws of 2005, is amended to read as follows:

17 1. "Contracting officer" shall mean the officer or employee of a  
18 public authority or local authority pursuant to section two of this  
19 chapter who shall be appointed by resolution of the board of the public  
20 or local authority to be responsible for the disposition of property.

21 § 4. Section 2896 of the public authorities law, as added by chapter  
22 766 of the laws of 2005 and subdivision 3 as amended by chapter 506 of  
23 the laws of 2009, is amended to read as follows:

24 § 2896. Duties of public and local authorities with respect to the  
25 disposal of property. 1. Every public and local authority, as defined in  
26 section two of this chapter, shall adopt by resolution comprehensive  
27 guidelines which shall (a) detail the public or local authority's opera-  
28 tive policy and instructions regarding the use, awarding, monitoring and  
29 reporting of contracts for the disposal of property, and (b) designate a  
30 contracting officer who shall be responsible for the public or local  
31 authority's compliance with, and enforcement of, such guidelines. Such  
32 guidelines shall be consistent with, and shall require the public or  
33 local authority's contracting activities to comply with this section,  
34 the [~~authorities~~] authority's enabling legislation and any other appli-  
35 cable law for the disposal of property, except that such guidelines may  
36 be stricter than the provisions of this section, the authorities enabl-  
37 ing legislation and any other applicable law for the disposal of proper-  
38 ty if the public or local authority determines that additional safe-  
39 guards are necessary to assure the integrity of its disposition  
40 activities. Guidelines approved by the public or local authority shall  
41 be annually reviewed and approved by the governing body of the public or  
42 local authority. On or before the thirty-first day of March in each  
43 year, the public or local authority shall file with the comptroller a  
44 copy of the guidelines most recently reviewed and approved by the public  
45 or local authority, including the name of the public or local authori-  
46 ty's designated contracting officer. At the time of filing such guide-  
47 lines with the comptroller, every public or local authority shall also  
48 post such guidelines on the public or local authority's internet  
49 website. If the local authority does not maintain its own website, then  
50 the guidelines shall be posted on the website of the locality which  
51 created such authority. Guidelines posted on the public or local author-  
52 ity's internet website shall be maintained on such website at least  
53 until the procurement guidelines for the following year are posted on  
54 such website.

55 2. Each public or local authority shall:

1 a. maintain adequate inventory controls and accountability systems for  
2 all property under its control;

3 b. periodically inventory such property to determine which property  
4 shall be disposed of;

5 c. produce a written report of such property in accordance with subdivi-  
6 sion three of this section;

7 d. transfer or dispose of such property as promptly as possible in  
8 accordance with section twenty-eight hundred ninety-seven of this title.

9 3. a. Each public or local authority shall publish, not less frequent-  
10 ly than annually, a report listing all real property of the public or  
11 local authority. Such report shall include a list and full description  
12 of all real and personal property disposed of during such period. The  
13 report shall contain the price received by the public or local authority  
14 and the name of the purchaser for all such property sold by [~~the~~] such  
15 public or local authority during such period.

16 b. The public authority shall deliver copies of such report to the  
17 comptroller, the director of the budget, the commissioner of general  
18 services, the legislature and the authorities budget office.

19 c. The local authority shall deliver copies of such report to the  
20 comptroller, the chief executive officer of the locality, and the chair-  
21 person of the legislative body of the local government.

22 § 5. Section 2897 of the public authorities law, as added by chapter  
23 766 of the laws of 2005, subdivision 3 and paragraphs c and d of subdivi-  
24 sion 6 as amended and subdivision 7 as added by chapter 506 of the  
25 laws of 2009 and paragraph e of subdivision 6 as added by chapter 156 of  
26 the laws of 2012, paragraph a as amended and paragraph f of subdivision  
27 6 as added by section 1 of part F of chapter 58 of the laws of 2020, is  
28 amended to read as follows:

29 § 2897. Disposal of public or local authority property. 1. Supervision  
30 and direction. Except as otherwise provided in this section, the  
31 contracting officer designated by each public or local authority shall  
32 have supervision and direction over the disposition of property of such  
33 public or local authority.

34 2. Custody and control. a. The custody and control of the property of  
35 a public authority, pending its disposition, and the disposal of such  
36 property, shall be performed by the public authority in possession ther-  
37 eof or by the commissioner of general services when so authorized under  
38 this section.

39 b. The custody and control of the property of a local authority, pend-  
40 ing its disposition, and the disposal of such property shall be  
41 performed by the local authority in possession thereof.

42 3. Method of disposition. Subject to section twenty-eight hundred  
43 ninety-six of this title, any public or local authority may dispose of  
44 property for not less than the fair market value of such property by  
45 sale, exchange, or transfer, for cash, credit, or other property, with  
46 or without warranty, and upon such other terms and conditions as the  
47 contracting officer deems proper, and it may execute such documents for  
48 the transfer of title or other interest in property and take such other  
49 action as it deems necessary or proper to dispose of such property under  
50 the provisions of this section. Provided, however, that no disposition  
51 of real property, or any interest in real property, shall be made unless  
52 an appraisal of the value of such property has been made by an independ-  
53 ent appraiser and included in the record of the transaction, and,  
54 provided further, that no disposition of any other property, which  
55 because of its unique nature or the unique circumstances of the proposed

1 transaction is not readily valued by reference to an active market for  
2 similar property, shall be made without a similar appraisal.

3 4. Sales by the commissioner of general services. When it shall be  
4 deemed advantageous to the state, any public authority may enter into an  
5 agreement with the commissioner of general services where under such  
6 commissioner may dispose of property of such public authority under  
7 terms and conditions agreed to by the public authority and the commis-  
8 sioner of general services. In disposing of any such property of a  
9 public authority, the commissioner of general services shall be bound by  
10 the terms of this title and references to the contracting officer shall  
11 be deemed to refer to such commissioner.

12 5. Validity of deed, bill of sale, lease, or other instrument. A deed,  
13 bill of sale, lease, or other instrument executed by or on behalf of any  
14 public or local authority, purporting to transfer title or any other  
15 interest in property of a public or local authority under this title  
16 shall be conclusive evidence of compliance with the provisions of this  
17 title insofar as concerns title or other interest of any bona fide gran-  
18 tee or transferee who has given valuable consideration for such title or  
19 other interest and has not received actual or constructive notice of  
20 lack of such compliance prior to the closing.

21 6. Bids for disposal; advertising; procedure; disposal by negotiation;  
22 explanatory statement. a. All disposals or contracts for disposal of  
23 property of a public or local authority made or authorized by the  
24 contracting officer shall be made after publicly advertising for bids  
25 except as provided in paragraphs c and f of this subdivision.

26 b. Whenever public advertising for bids is required under paragraph a  
27 of this subdivision:

28 (i) the advertisement for bids shall be made at such time prior to the  
29 disposal or contract, through such methods, and on such terms and condi-  
30 tions as shall permit full and free competition consistent with the  
31 value and nature of the property;

32 (ii) all bids shall be publicly disclosed at the time and place stated  
33 in the advertisement; and

34 (iii) the award shall be made with reasonable promptness by notice to  
35 the responsible bidder whose bid, conforming to the invitation for bids,  
36 will be most advantageous to the state or the locality, price and other  
37 factors considered; provided, that all bids may be rejected when it is  
38 in the public interest to do so.

39 c. Disposals and contracts for disposal of property may be negotiated  
40 or made by public auction without regard to paragraphs a and b of this  
41 subdivision but subject to obtaining such competition as is feasible  
42 under the circumstances, if:

43 (i) the personal property involved has qualities separate from the  
44 utilitarian purpose of such property, such as artistic quality, antiqui-  
45 ty, historical significance, rarity, or other quality of similar effect,  
46 that would tend to increase its value, or if the personal property is to  
47 be sold in such quantity that, if it were disposed of under paragraphs a  
48 and b of this subdivision, would adversely affect the state or local  
49 market for such property, and the estimated fair market value of such  
50 property and other satisfactory terms of disposal can be obtained by  
51 negotiation;

52 (ii) the fair market value of the property does not exceed fifteen  
53 thousand dollars;

54 (iii) bid prices after advertising therefor are not reasonable, either  
55 as to all or some part of the property, or have not been independently  
56 arrived at in open competition;

1 (iv) the disposal will be to the state or any political subdivision,  
2 and the estimated fair market value of the property and other satisfac-  
3 tory terms of disposal are obtained by negotiation; or

4 (v) under those circumstances permitted by subdivision seven of this  
5 section; or

6 (vi) such action is otherwise authorized by law.

7 d. (i) An explanatory statement shall be prepared of the circumstances  
8 of each disposal by negotiation of:

9 (A) any personal property which has an estimated fair market value in  
10 excess of fifteen thousand dollars;

11 (B) any real property that has an estimated fair market value in  
12 excess of one hundred thousand dollars, except that any real property  
13 disposed of by lease or exchange shall only be subject to clauses (C)  
14 and (D) of this subparagraph;

15 (C) any real property disposed of by lease, if the estimated annual  
16 rent over the term of the lease is in excess of fifteen thousand  
17 dollars;

18 (D) any real property or real and related personal property disposed  
19 of by exchange, regardless of value, or any property any part of the  
20 consideration for which is real property.

21 (ii) Each such statement shall be transmitted to the persons entitled  
22 to receive copies of the report required under section twenty-eight  
23 hundred ninety-six of this title not less than ninety days in advance of  
24 such disposal, and a copy thereof shall be preserved in the files of the  
25 public authority making such disposal.

26 e. Disposals and contracts for disposal of real property by the canal  
27 corporation may be made by negotiated sale rather than public auction  
28 provided that all of the following conditions have been satisfied:

29 (i) The canal corporation has determined that: such real property is  
30 no longer necessary or useful to the purposes of the canal corporation;  
31 disposal of such real property complies with all applicable provisions  
32 of the canal law; and disposal of such real property is in the best  
33 interest of the canal corporation;

34 (ii) An appraisal of the fair market value of such property has been  
35 made by an independent appraiser and included in the record of the tran-  
36 saction;

37 (iii) The fair market value of such real property is greater than  
38 fifteen thousand dollars but not greater than seventy-five thousand  
39 dollars;

40 (iv) Such real property was improved prior to April first, nineteen  
41 hundred ninety-two under a municipal permit or a permit issued pursuant  
42 to section one hundred of the canal law, thereby creating an encroach-  
43 ment on canal corporation real property;

44 (v) The purchaser of such real property is, or will be, the owner of  
45 the improvement that either fully or partially encroaches on canal  
46 corporation real property; and

47 (vi) The consideration paid for such real property will be not less  
48 than the fair market value of the real property exclusive of the value,  
49 fair market or otherwise, of the encroaching improvements.

50 f. Notwithstanding anything to the contrary in this section, disposals  
51 for use of the thruway authority's fiber optic system, or any part ther-  
52 eof, may be made through agreements based on set fees that shall not  
53 require public auction, provided that:

54 [~~i~~] (i) the thruway authority has determined the disposal of such  
55 property complies with all applicable provisions of this chapter;

1     ~~[(i)]~~ (ii) the thruway authority has determined that disposal of such  
2 property is in the best interest of the thruway authority;

3     ~~[(iii)]~~ (iii) the set fees established by the thruway authority for use  
4 of the fiber optic system, or part thereof, shall be based on an inde-  
5 pendent appraisal of the fair market value of the property; and

6     ~~[(iv)]~~ (iv) any public authority, state agency, municipality, not-for-  
7 profit hospital organized under section forty-three hundred one of the  
8 insurance law, public library, or institution of higher education  
9 located in New York state shall be required only to pay the actual cost  
10 of providing for use of the fiber optic system, but not exceeding the  
11 fair market value determined pursuant to subparagraph (iii) of this  
12 paragraph. For purposes of this paragraph, "public authority" shall  
13 refer to entities defined in section two of the public authorities law.  
14 For purposes of this paragraph, "institution of higher education" shall  
15 refer to entities as defined in subdivisions two and three of section  
16 six hundred one of the education law.

17     Disposals of the fiber optic system, or any part thereof, through  
18 agreements based on set fees shall not require the explanatory state-  
19 ments required by this section. Any disposal of property, contract for  
20 disposal of property or agreement made pursuant to this paragraph shall  
21 not be deemed valid and enforceable unless it shall first have been  
22 approved by both the comptroller and the attorney general.

23     7. Disposal of property for less than fair market value. a. No asset  
24 owned, leased or otherwise in the control of a public or local authority  
25 may be sold, leased, or otherwise alienated for less than its fair  
26 market value except if:

27     (i) the transferee is a government or other public entity, and the  
28 terms and conditions of the transfer require that the ownership and use  
29 of the asset will remain with the government or any other public entity;

30     (ii) the purpose of the transfer is within the purpose, mission or  
31 governing statute of the public or local authority; or

32     (iii) in the event a public or local authority seeks to transfer an  
33 asset for less than its fair market value to other than a governmental  
34 entity, which disposal would not be consistent with the authority's  
35 mission, purpose or governing statutes, such authority shall provide  
36 written notification thereof to the governor, the speaker of the assem-  
37 bly, and the temporary president of the senate, and such proposed trans-  
38 fer shall be subject to denial by the governor, the senate, or the  
39 assembly. Denial by the governor shall take the form of a signed  
40 certification by the governor. Denial by either house of the legislature  
41 shall take the form of a resolution by such house. The governor and each  
42 house of the legislature shall take any such action within sixty days of  
43 receiving notification of such proposed transfer during the months of  
44 January through June, provided that if the legislature receives notifi-  
45 cation of a proposed transfer during the months of July through Decem-  
46 ber, the legislature may take any such action within sixty days of Janu-  
47 ary first of the following year. If no such resolution or certification  
48 is performed within sixty days of such notification of the proposed  
49 transfer to the governor, senate, and assembly, the public authority may  
50 effectuate such transfer. Provided, however, that with respect to a  
51 below market transfer by a local authority that is not within the  
52 purpose, mission or governing statute of the local authority, if the  
53 governing statute provides for the approval of such transfer by the  
54 executive and legislative branches of the political subdivision in which  
55 such local authority resides, and the transfer is of property obtained

1 by the authority from that political subdivision, then such approval  
2 shall be sufficient to permit the transfer.

3 b. In the event a below fair market value asset transfer is proposed,  
4 the following information must be provided to the authority board and  
5 the public:

6 (i) a full description of the asset;

7 (ii) an appraisal of the fair market value of the asset and any other  
8 information establishing the fair market value sought by the board;

9 (iii) a description of the purpose of the transfer, and a reasonable  
10 statement of the kind and amount of the benefit to the public resulting  
11 from the transfer, including but not limited to the kind, number,  
12 location, wages or salaries of jobs created or preserved as required by  
13 the transfer, the benefits, if any, to the communities in which the  
14 asset is situated as are required by the transfer;

15 (iv) a statement of the value to be received compared to the fair  
16 market value;

17 (v) the names of any private parties participating in the transfer,  
18 and if different than the statement required by subparagraph (iv) of  
19 this paragraph, a statement of the value to the private party; and

20 (vi) the names of other private parties who have made an offer for  
21 such asset, the value offered, and the purpose for which the asset was  
22 sought to be used.

23 c. Before approving the disposal of any property for less than fair  
24 market value, the board of an authority shall consider the information  
25 described in paragraph b of this subdivision and make a written determi-  
26 nation that there is no reasonable alternative to the proposed below-  
27 market transfer that would achieve the same purpose of such transfer.

28 § 6. Section 51 of the executive law, as added by chapter 766 of the  
29 laws of 2005, is amended to read as follows:

30 § 51. Jurisdiction. This article shall, subject to the limitations  
31 contained herein, confer upon the office of the state inspector general,  
32 jurisdiction over all covered agencies. For the purposes of this article  
33 "covered agency" shall include all executive branch agencies, depart-  
34 ments, divisions, officers, boards and commissions, public and local  
35 authorities, as defined in section two of the public authorities law  
36 (other than multi-state or multi-national authorities), and public bene-  
37 fit corporations, the heads of which are appointed by the governor and  
38 which do not have their own inspector general by statute. Wherever a  
39 covered agency is a board, commission, a public authority or public  
40 benefit corporation, the head of the agency is the chairperson thereof.

41 § 7. Subdivision 3 of section 86 of the public officers law, as added  
42 by chapter 933 of the laws of 1977, is amended to read as follows:

43 3. "Agency" means any state or municipal department, board, bureau,  
44 division, commission, committee, public or local authority (as defined  
45 in section two of the public authorities law), public corporation, coun-  
46 cil, office or other governmental entity performing a governmental or  
47 proprietary function for the state or any one or more municipalities  
48 thereof, except the judiciary or the state legislature.

49 § 8. Subdivision 2 of section 102 of the public officers law, as  
50 amended by chapter 115 of the laws of 2022, is amended to read as  
51 follows:

52 2. "Public body" means any entity, for which a quorum is required in  
53 order to conduct public business and which consists of two or more  
54 members, performing a governmental function for the state or for an  
55 agency or department thereof, or for a public corporation as defined in  
56 section sixty-six of the general construction law, or a local authority

1 as defined by section two of the public authorities law, or committee or  
2 subcommittee or other similar body consisting of members of such public  
3 body, or an entity created or appointed to perform a necessary function  
4 in the decision-making process for which a quorum is required in order  
5 to conduct public business and which consists of two or more members. A  
6 necessary function in the decision-making process shall not include the  
7 provision of recommendations or guidance which is purely advisory and  
8 which does not require further action by the state or agency or depart-  
9 ment thereof or public corporation as defined in section sixty-six of  
10 the general construction law.

11 § 9. This act shall take effect on the one hundred twentieth day after  
12 it shall have become a law. Effective immediately, the addition, amend-  
13 ment and/or repeal of any rule or regulation necessary for the implemen-  
14 tation of this act on its effective date are authorized to be made and  
15 completed on or before such effective date.