

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

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

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

11 § 996-a. Disclosure of contributions. 1. Every covered entity shall
12 publicly disclose each contribution it receives as provided in this
13 subdivision. For any contribution in an amount or having a fair market
14 value of two thousand dollars or more in a single transaction, or five
15 thousand dollars or more in the aggregate from the same contributor in
16 any calendar year, the covered entity shall file a disclosure statement
17 with the county clerk of the county in which its principal office is
18 located within thirty days of receipt of such contribution.

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

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

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

38 § 996-b. Annual financial report. 1. Every covered entity shall file
39 an annual financial report with the county clerk of the county in which
40 its principal office is located and with the office of the state comp-
41 troller no later than ninety days following the close of each fiscal
42 year. Such report shall include:

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

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

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

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

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

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

6 § 996-c. Access by governing legislative body. 1. The governing legis-
7 lative body of any municipality with which a covered entity is affil-
8 iated may, by resolution, demand production of any books, records,
9 contracts, correspondence, or other documents of the covered entity
10 relating to its finances or operations. Such demand shall be served on
11 the covered entity's chief executive officer and its registered agent.

12 2. A covered entity that receives a demand pursuant to subdivision one
13 of this section shall produce the requested records within thirty days
14 of service. Failure to produce records within such period shall consti-
15 tute a violation of this article.

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

22 § 996-d. Enforcement; civil penalties. 1. The state comptroller and
23 the attorney general shall each have concurrent authority to investigate
24 any violation of this article and to bring a civil action in supreme
25 court to compel compliance or to recover civil penalties as provided in
26 this section.

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

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

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

43 § 2. This act shall take effect immediately.