# STATE OF NEW YORK

4039--A

2025-2026 Regular Sessions

# IN SENATE

January 31, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Ethics and Internal Governance -- 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 and relating to consultant disclosure requirements

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

Section 1. Paragraphs (a) and (b) of subdivision 7 of section 73 of the public officers law, as amended by section 3 of part K of chapter 286 of the laws of 2016, are amended and two new paragraphs (a-1) and (b-1) are added to read as follows:

(a) No statewide elected official, or state officer or employee, other than in the proper discharge of official state or local governmental duties, or member of the legislature or legislative employee, or political party [~~chairman~~] **chair** shall receive, directly or indirectly, or enter into any agreement express or implied for, any compensation, in whatever form, for the appearance or rendition of services by [~~himself, herself~~] **themself** or another in relation to any case, proceeding, application or other matter before a state agency where such appearance or rendition of services is in connection with:

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

(ii) any proceeding relating to rate making;

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

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

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

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(v) licensing; or

(vi) any proceeding relating to a franchise provided for in the public service law.

**(a-1) No statewide elected official, or state officer or employee, other than in the proper discharge of official state or local governmental duties, or member of the legislature or legislative employee, or political party chair shall receive, directly or indirectly, or enter into any agreement express or implied for any compensation, in whatever form, for legal services, consulting, or any other contractual expenditure for services, whether actually performed or not from a state or local authority if such statewide elected official, state officer or employee, member of the legislature, legislative employee or political party chair: (i) is directly contracted by a state or local authority for the related services; (ii) owns or controls directly or indirectly ten per centum or more of stock in a corporation that is contracted by a state or local authority for the related services; or (iii) owns or controls ten per centum or more of the capital, profits, or beneficial interest in a firm or association that is contracted by a state or local authority for the related services.**

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

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

(ii) any proceeding relating to ratemaking;

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

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

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

(vi) any proceeding relating to a franchise.

**(b-1) No political party chair in a county wholly included in a city having a population of one million or more shall receive, directly or indirectly, or enter into any agreement express or implied for, any compensation, in whatever form, for legal service, consulting, or any other contractual expenditure for services, whether actually performed or not from a state or local authority if such political party chair: (i) is directly contracted by a state or local authority for the related services; (ii) owns or controls directly or indirectly ten per centum or more of stock in a corporation that is contracted by a state or local authority for the related services; or (iii) owns or controls ten per centum or more of the capital, profits, or beneficial interest in a firm or association that is contracted by a state or local authority for the related services.**

§ 2. Section 2825 of the public authorities law is amended by adding a new subdivision 1-a to read as follows:

**1-a. No public officer or employee shall receive compensation for legal fees, consulting, or any other contractual expenditure for services, whether actually performed or not, from a state or local authority if such public officer or employee: (a) is directly contracted by a state or local authority for the related services; (b) owns or controls directly or indirectly ten per centum or more of stock in a corporation or that is contracted by a state or local authority for the related services; or (c) owns or controls ten per centum or more of the capital, profits, or beneficial interest in a firm or association that is contracted by a state or local authority for the related services.**

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

§ 801. Conflicts of interest prohibited. Except as provided in section eight hundred two of this chapter, (1) no municipal officer or employee shall have an interest in any contract with the municipality of which [~~he is~~] **they are** an officer or employee, when such officer or employee, individually or as a member of a board, has the power or duty to (a) negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder (b) audit bills or claims under the contract, or (c) appoint an officer or employee who has any of the powers or duties set forth above [~~and~~]**,** (2) no chief fiscal officer, treasurer, or [~~his~~] **their** deputy or employee, shall have an interest in a bank or trust company designated as a depository, paying agent, registration agent or for investment of funds of the municipality of which [~~he is~~] **they are** an officer or employee**, and (3) no municipal officer or employee shall receive compensation for legal fees, consulting, or any other contractual expenditure for services, whether actually performed or not, from a state or local authority if such municipal officer or employee: (a) is directly contracted by a state or local authority for the related services, (b) owns or controls directly or indirectly ten percent or more of stock in a corporation that is contracted by a state or local authority for the related services, or (c) owns or controls ten percent or more of the capital, profits, or beneficial interest in a firm or association that is contracted by a state or local authority for the related services**. The provisions of this section shall in no event be construed to preclude the payment of lawful compensation and necessary expenses of any municipal officer or employee in one or more positions of public employment, the holding of which is not prohibited by law.

§ 4. The general municipal law is amended by adding a new section 858-c to read as follows:

**§ 858-c. Disclosure requirement. 1. Any individual, firm, company, developer, or other entity that provides consulting services, included but not limited to legal, lobbying, financial advisory, marketing, strategic, or other professional services to an applicant or beneficiary of financial assistance from an agency in connection with a proposed or approved project, shall be required to submit a disclosure statement to the agency and to the authorities budget office.**

**2. Each disclosure statement shall include the following information: the name of the individual, firm, company, developer, or other entity providing the consulting services; a description of the nature and scope of the services provided; the dates or period of engagement; the total amount of compensation paid or payable for such services; and whether**

such services were provided pursuant to a contract, retainer, or other arrangement, and a copy of such agreement, if available.

3. Disclosure statements shall be submitted to the agency and the authorities budget office no later than thirty days following the execution of the service agreement or the commencement of services, whichever is earlier. Updates shall be filed annually by January thirty-first of each year for ongoing engagements.

4. All disclosure statements shall be made publicly available on the websites of the agency and the authorities budget office.

5. Failure to file the required disclosure pursuant to this section shall result in referral to the authorities budget office for further investigation. In addition to the powers provided for in this chapter, the authorities budget office shall have the power to disqualify the consultant from participation in future agency projects for a period of up to two years.

6. Within sixty days of the effective date of this subdivision, the authorities budget office shall promulgate such rules and regulations as may be necessary to implement the provisions of this section, including a uniform disclosure form.

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