

**GENERAL MUNICIPAL LAW ARTICLE 18
(SECTIONS 800-813)
CONFLICTS OF INTEREST**

**SESSION LAWS AND
LEGISLATIVE HISTORY
1990-2007**

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When interpreting Article 18 of the General Municipal Law, the state conflicts of interest law applicable to all municipalities in the state outside New York City, municipal counsel may have need to consult the legislative history of the amendments to that law. But tracking that material down can be laborious. Following are the session laws and available legislative memoranda for all amendments to Article 18 since 1990.

Mark Davies

1993 NY LAWS Ch. 356

Additions are indicated by <<+ Text +>>; Deletions by <<- Text ->>
Changes in tables are made but not highlighted.

CHAPTER 356

S. 5705-C

FINANCIAL DISCLOSURE BY IDAs (GEN. MUN. LAW § 810)

Approved July 21, 1993, effective as provided in section 38

AN ACT to amend the general municipal law and the public authorities law, in relation to industrial development agencies and industrial development authorities, and to amend chapter 905 of the laws of 1986, amending the general municipal law relating to authorizing financing assistance for civic facilities by industrial development agencies, in relation to making the provisions of such chapter permanent and to amend the real property tax law, in relation to industrial development agencies

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

§ 1. Paragraph a of subdivision 1 of section 10 of the general municipal law, as amended by chapter 708 of the laws of 1992, is amended to read as follows:

a. "Local government" shall mean any municipal corporation, school district, board of cooperative educational services, district corporation, special improvement district governed by a separate board of commissioners<<+, industrial development agency or authority+>> or a public library.

§ 1-a. Subdivision 6 of section 30 of the general municipal law, as added by chapter 692 of the laws of 1989, is amended to read as follows:

6. Annually, each industrial development agency<<+, the Troy industrial development authority established pursuant to title eleven of article eight of the public authorities law, [FN1] and the Auburn industrial development authority established pursuant to title fifteen of article eight of the public authorities law,+>> [FN2] shall file a financial report pursuant to section eight hundred fifty-nine of this chapter.

[FN1] Pub. Auth. Law § 1950 et seq.

[FN2] Pub. Auth. Law § 2300 et seq.

§ 2. Subdivision 3 of section 810 of the general municipal law, as added by chapter 813 of the laws of 1987, is amended to read as follows:

3. The term "local officer or employee" shall mean the heads (other than local elected officials) of any agency, department, division, council, board, commission, or bureau of a political subdivision and their deputies and assistants, and the officers and employees of such agencies, departments, divisions, boards, bureaus, commissions or councils who hold policy-making positions, as annually determined by the appointing authority and set forth in a written instrument which shall be filed with the appropriate body during the month of February; except that the term "local officer or employee" shall not mean a judge, justice, officer or employee of the unified court system. <<+ Members, officers and employees of each industrial development agency and authority shall be deemed officers or employees of the county, city, village or town for whose benefit such agency or authority is established.+>>

[Sections 3-37 are deleted]

§ 38. This act shall take effect on the sixtieth day after it shall have become a law provided, however, that sections twenty-one and twenty-nine of this act shall take effect one year after the date on which this act shall have become a law; provided, further, that subdivision 13 of section 854 of the general municipal law, as amended by section three of this act and subdivision 10 of section 1951 of the public authorities law, as amended by section nineteen of this act, shall take effect immediately and provided further that subdivision 15 of section 858 of the general municipal law, as added by section seven of this act, subdivision 14 of section 1953 of the public authorities law as added by section twenty-three of this act and subdivision 14 of section 2306 of the public authorities law as added by section thirty-one of this act shall take effect on January 1, 1994; provided further however that the provisions of section fifteen of this act shall remain in full force and effect until July 1, 1996, and provided further that sections twenty-two and thirty of this act shall remain in full force and effect until July 1, 1996 when upon such date the provisions of the opening paragraph of sections 1953 and 2306 of the public authorities law shall revert to and be read as set out in law on the date immediately preceding the effective date of this act; provided further, however, that this act shall not apply to projects for which an agency, through the issuance of its bonds, execution of leases, or the passage of an inducement resolution or bond resolution, has authorized any assistance prior to the date on which this act shall have become a law whether or not such projects are thereafter modified; provided further, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration or repeal of any provision of law amended by any section of this act and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law.

1996 NY LAWS Ch. 364

Additions are indicated by <<+ Text +>>; Deletions by <<- Text ->>
Changes in tables are made but not highlighted.

CHAPTER 364
S. 3377-A
EXCEPTIONS FOR SMALL PURCHASES (GEN. MUN. LAW § 802)

Approved July 30, 1996

Effective Oct. 28, 1996

AN ACT to amend the general municipal law, in relation to conflict of interest relating to the purchase of goods or services

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

§ 1. Subdivision 1 of section 802 of the general municipal law is amended by adding a new paragraph j to read as follows:

<<+j. Purchases or public work by a municipality, other than a county, located wholly or partly within a county with a population of two hundred thousand or less pursuant to a contract in which a member of the governing body or board has a prohibited interest, where:+>>

<<+(1) the member of the governing body or board is elected and serves without salary;+>>

<<+(2) the purchases, in the aggregate, are less than five thousand dollars in one fiscal year and the governing body or board has followed its procurement policies and procedures adopted in accordance with the provisions of section one hundred four-b of this chapter and the procurement process indicates that the contract is with the lowest dollar offer;+>>

<<+(3) the contract for the purchases or public work is approved by resolution of the body or board by the affirmative vote of each member of the body or board except the interested member who shall abstain.+>>

§ 2. Paragraph e of subdivision 2 of section 802 of the general municipal law, as amended by chapter 1043 of the laws of 1965 and as relettered by chapter 28 of the laws of 1977, is amended to read as follows:

e. A contract in which a municipal officer or employee has an interest if the total consideration payable thereunder, when added to the aggregate amount of all consideration payable under contracts in which such person had an interest during the fiscal year, does not exceed the sum of <<-one->> <<+ seven+>> hundred <<+fifty+>> dollars.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law.

1996 NY LAWS Ch. 364 – LEGISLATIVE MEMORANDUM

Memorandum in Support, New York State Senate

SUMMARY: This bill will amend paragraph e of subdivision 2 of section 802 of the GML, raising the amount for which it is legal to purchase goods or services from \$100 to \$750, where the purchase is one in which a municipal officer has an interest.

In addition, the bill amends subdivision 1 of section 802 of the General Municipal Law (GML) by adding a new paragraph j. This new paragraph allows municipalities located within a county with a population of two hundred thousand or less to purchase goods or services, according to several guidelines, from a supplier in which a member of the governing body has a prohibited interest. Specifically: the member of the governing body who is interested in providing the good or service must be elected and serve without pay; purchases must be between \$750 and \$5000 in one fiscal year; the governing body must follow the procedures in 104-b of the GML; the price submitted by the member in question must have been determined to be the lowest; the contract must be approved by resolution of the body and will be carried out only if the resolution is unanimous, with the interested member abstaining.

JUSTIFICATION: The case which inspired this bill involved a fire district. When the district needed to update their communications equipment, they attempted to obtain price quotations from several suppliers in the area. Given that they were limited in their choice of suppliers in that the county had standardized the communications equipment to one brand, they were further limited by their location in a rural setting. It happened that the cheapest quotation for the equipment came from an individual who was a fire commissioner. The purchase was made based on this and the fire district was later cited during an examination by the State Comptroller's Office for a conflict of interest violation.

Many municipalities, particularly fire districts, in rural areas must purchase goods and services available from a limited number of sources. Knowing that this is the case, it often happens that a member of the governing board of a municipality may be the sole supplier of the goods or service in the area. According to the conflict of interest clause in the General Municipal Laws, a member of the governing board may not supply goods or services to a municipality where the price of the good or service exceeds \$100. This amount has been in place since 1964 and has never been raised: this bill would raise the amount to \$750. This, then exempts from the conflict of interest clause any purchase up to \$750.

In addition, knowing that a member of the board may be the sole or cheapest supplier in the surrounding area, and in the interest of efficiency and cost effectiveness, the bill also creates a new set of guidelines for municipalities to follow regarding purchases of \$750 to \$5000 within one fiscal year. In this case, the municipality must have followed procedures contained in 104-b of the GML. This section outlines procurement procedures for goods and services which are not required by law to be obtained through competitive bidding. The municipality must have determined that the price submitted by the member of the governing board is indeed the lowest. Finally, the contract for the purchase must also be approved by unanimous resolution of the governing body, with the interested member abstaining from voting.

This legislation is aimed at areas who, due to their rural nature, are limited in resources. It seems an irresponsible waste of both resources and talent to force someone who may supply a

needed good or service at the lowest price to be only one thing to a community: a member of a governing board or a supplier of a good or service. In an age where we need to fully utilize scarce resources, we as a legislature must ensure that rural areas, within a defined set of reasonable guidelines, have access to those resources.

FISCAL IMPLICATIONS: None.

PRIOR LEGISLATION: New bill 1995.

EFFECTIVE DATE: This act shall take effect on the ninetieth day after it becomes law.

2003 NY LAWS Ch. 548

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 548
A. 3803-A
FINANCIAL DISCLOSURE FOR TAX ASSESSORS
[MODIFIED BY 2004 NY LAWS Ch. 85]

Approved September 17, 2003

Effective January 1, 2004

AN ACT to amend the real property tax law, in relation to the filing of a statement of financial disclosure by assessors

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

§ 1. Section 334 of the real property tax law is amended by adding a new subdivision 3 to read as follows:

3. Notwithstanding the provisions of subdivision one of this section, the provisions of section three hundred thirty-six of this title shall apply to every assessing unit and consolidated assessing unit in this state.

§ 2. The real property tax law is amended by adding a new section 336 to read as follows:

§ 336. Statement of financial disclosure for assessors

1. Definitions. When used in this section and unless otherwise expressly stated or unless the context otherwise requires:

a. The term "appropriate body" or "appropriate bodies" shall mean:

(i) in the case of any municipality which has created or hereafter creates a board of ethics or conflicts of interests board which is in existence at the time an annual statement of financial disclosure is due, and which has been designated by local law, ordinance, or resolution to be the repository for such completed statements, such board of ethics or conflicts of interests board;

(ii) in the case of any municipality which has created or hereafter creates a board of ethics or conflicts of interests board which is in existence at the time an annual statement of financial disclosure is due, and which has not been designated by local law, ordinance, or resolution to be the repository for such completed statements, such board of ethics or conflicts of interests board;

(iii) in the case of any municipality for which no board of ethics or conflicts of interests board is in existence at the time an annual statement of financial disclosure is due, the clerk

of such municipality; and

(iv) in the case of a consolidated assessing unit, the board of directors thereof.

b. "Assessor" has the meaning defined therefor in subdivision three of section one hundred two of this chapter and includes any other municipal officer or employee engaged in the assessment of real property for purposes of taxation and also includes a municipal officer or employee assigned professional appraisal duties which relate to the assessment of real property for purposes of taxation.

2. Posting of statute. The chief executive officer of each municipality shall cause a copy of this section to be kept posted in each public building under the jurisdiction of his or her municipality in which assessors work in a place conspicuous to such assessors. Failure to post any such copy shall have no effect on the duty of compliance with this section, nor with the enforcement of the provisions thereof.

3. Filing of statement of financial disclosure by assessors. Notwithstanding the provisions of any general, special, or local law to the contrary, each assessor shall file an annual statement of financial disclosure with the appropriate body, as defined in this section, as provided for in article eighteen of the general municipal law, whether or not such assessor is required to file such a statement pursuant to such article eighteen or any local law, ordinance, or resolution adopted pursuant thereto.

4. Other laws. No local law, ordinance, or resolution shall be adopted which is inconsistent with the provisions of this section.

§ 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.

2003 NY LAWS Ch. 548 – LEGISLATIVE MEMORANDUM

Memorandum in Support, New York State Assembly

BILL NUMBER: A3803A

TITLE OF BILL: An act to amend the real property tax law, in relation to the filing of a statement of financial disclosure by assessors

PURPOSE OR GENERAL IDEA OF BILL:

To subject assessors to financial disclosure ethics laws.

SUMMARY OF SPECIFIC PROVISIONS:

This bill would add a new § 336 to the Real Property Tax Law and amend § 334(3) thereof to require every New York State assessors and personnel assigned to assessing duties to file an annual statement of financial disclosure. Such statement would be filed in the locality where the assessor is appointed under Article 18 of the General Municipal Law. A notice of this statute would be posted in each municipality informing the public of such requirement.

JUSTIFICATION:

Assessors are public officials who have the power to affect the amount of real property taxes which property owners are required to pay. While most assessors are honest and hard working, they should be subject to current ethics laws which require public disclosure of their finances. However, the recent federal indictments of 18 former and current assessors in New York City for bribery and the suicide under suspicious circumstances of an assessor in upstate New York demonstrate that assessors can abuse their positions of trust. By requiring public disclosure of their financial condition, assessors would know that they are subject to public scrutiny and are held accountable for their actions.

PRIOR LEGISLATIVE HISTORY: 2002 Session: A.11407 - Passed Assembly; Senate Rules Comm.

FISCAL IMPLICATIONS: None to the State; minimal to local governments.

EFFECTIVE DATE: January first following enactment.

2004 NY LAWS Ch. 85

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 85

A. 10844

FINANCIAL DISCLOSURE FOR TAX ASSESSORS

Approved May 18, 2004, effective as provided in section 4

AN ACT to amend the general municipal law, in relation to financial disclosure for certain elected officials; and to amend the real property tax law, in relation to requiring assessors to file a statement of disclosure; and to amend chapter 548 of the laws of 2003 amending the real property tax law relating to the filing of a statement of financial disclosure by assessors, in relation to the effectiveness thereof

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

§ 1. The opening paragraph of paragraph (a) of subdivision one of section **812** of the **general municipal law**, as added by chapter **813** of the laws of 1987, is amended to read as follows:

Any political subdivision or other county, city, town or village to which all of the provisions of this section are made applicable, whether as the result of the provisions contained in subdivision two of section eight hundred eleven of this article or as a result of an election to be subject to the provisions of this section as permitted by subdivision two of this section, shall require (i) each of its local elected officials and local officers and employees, (ii) each local political party official and (iii) each candidate for local elected official with respect to such political subdivision, to file an annual statement of financial disclosure containing the information and in the form set forth in subdivision five ~~hereof~~ **of this section except that disclosure requirements for assessors who are not covered by this article shall be governed by the requirements of section three hundred thirty-six of the real property tax law**. Such statement shall be filed on or before the fifteenth day of May with respect to the preceding calendar year, except that:

§ 2. Section 336 of the real property tax law, as added by chapter 548 of the laws of 2003, is amended to read as follows:

§ 336. Statement of ~~financial~~ disclosure for assessors

1. Definitions. When used in this section and unless otherwise expressly stated or unless the context otherwise requires:

a. The term "appropriate body" or "appropriate bodies" shall mean:

(i) in the case of any ~~municipality~~ **municipal corporation** which has created or hereafter creates a board of ethics or conflicts of interests board which is in existence at the time an annual

statement of ~~financial~~ disclosure is due, and which has been designated by local law, ordinance, or resolution to be the repository for ~~such~~ completed statements **of financial disclosure**, such board of ethics or conflicts of interests board;

(ii) in the case of any ~~municipality~~ **municipal corporation** which has created or hereafter creates a board of ethics or conflicts of interests board which is in existence at the time an annual statement of ~~financial~~ disclosure is due, and which has not been designated by local law, ordinance, or resolution to be the repository for ~~such~~ completed statements **of financial disclosure**, such board of ethics or conflicts of interests board;

(iii) in the case of any ~~municipality~~ **municipal corporation** for which no board of ethics or conflicts of interests board is in existence at the time an annual statement of ~~financial~~ disclosure is due, the clerk of **the county in which such ~~municipality~~ municipal corporation is located**;

and

(iv) in the case of a consolidated assessing unit, the board of directors thereof.

b. "Assessor" has the meaning defined therefor in subdivision three of section one hundred two of this chapter and includes any other municipal officer or employee engaged in the assessment of real property for purposes of taxation and also includes a municipal officer or employee assigned professional appraisal duties which relate to the assessment of real property for purposes of taxation.

c. **"Statement of disclosure" shall mean a statement disclosing (i) the description of any real property owned by the assessor in the assessing unit or in any contiguous municipal corporation. For purposes of this subparagraph of disclosure, "property owned by" means any property in which the assessor has a financial interest in excess of one thousand dollars, whether such property is owned by the assessor directly or through a corporation in which the assessor is an officer or in which the assessor owns more than five percent of the shares. It shall be sufficient to meet the requirements for this item of disclosure if the assessor shall state the acreage of the property, the square footage of any structure on the property, the use whether residential or commercial to which the structure is put, the municipal corporation in which it is located, and the general section of the municipal corporation (north, south, east, west, center); (ii) the name of any employer and the position held; (iii) the name of any corporation of which the assessor is (A) an officer, director or employee, or (B) in which the assessor owns more than five percent of the shares and the position of the assessor; (iv) a description of any self-employment (if it provided more than two thousand dollars of gross income in the previous calendar year); (v) if the assessor is licensed to practice any profession by the state of New York, and the assessor practices such profession, the nature of the practice and the types of business in which the clients engage. For the purposes of this subparagraph of disclosure, it shall be sufficient to describe the types of business in which the clients engage as a broad category encompassing the majority of the assessor's clients; (vi) types of gifts, except gifts from relatives, of more than fifty dollars in value; (vii) persons or firms to whom money in the amount of more than one thousand dollars is owed not including credit cards or bank loans; and (viii) persons or firms, except relatives, who owe the assessor an amount in excess of one thousand dollars. With respect to any such subparagraph of disclosure, the assessor shall also provide information with respect to the members of the assessor's immediate family, unless, after a reasonable effort by the assessor, the spouse or other immediate family member refused to disclose such information, in which case, the statement shall so state such refusal. Such statement shall not require the disclosure of any**

values of property or amounts of compensation.

2. Posting of statute. The chief executive officer of each ~~municipality~~ **municipal corporation** shall cause a copy of this section to be kept posted in ~~each a public building under the jurisdiction of his or her municipality in which assessors work in a place conspicuous to such assessors~~ **municipal corporation where public notices are generally posted in the municipal corporation.** Failure to post any such copy shall have no effect on the duty of compliance with this section, nor with the enforcement of the provisions thereof.

3. Filing of statement of ~~financial~~ disclosure by assessors. Notwithstanding the provisions of any general, special, or local law to the contrary, each assessor, **except an assessor who is compensated in an amount of less than twenty thousand dollars annually in the aggregate for serving as an assessor or who is required to file an annual statement of financial disclosure by an appropriate body as provided for in article eighteen of the general municipal law,** shall file an annual statement of ~~financial~~ disclosure with the appropriate body, as defined in this section, ~~as provided for in article eighteen of the general municipal law,~~ whether or not such assessor is required to file such a statement pursuant to such article eighteen or any local law, ordinance, or resolution adopted pursuant thereto **on the fifteenth day of May. Such statement of disclosure shall contain the information and shall be in the form set forth hereinbelow:**

1. Name

2. (a) Title of Position

(b) Department, Agency or other Governmental Entity

(c) Address of Present Office

(d) Office Telephone Number

3. (a) If married, please give spouse's full name including maiden name where applicable.

(b) List the names of all unemancipated children.

Answer each of the following questions completely, with respect to the calendar year ending the December 31st preceding the date of filing of this statement of disclosure unless another period or date is otherwise specified. If additional space is needed, attach additional pages. 1. Describe any real property in which you have a financial interest greater than \$1,000 (whether owned by you or owned through a corporation in which you are an officer or in which you own more than 5% of the shares) in the assessing unit or in any contiguous municipal corporation: a. Acreage of the property: b. Square footage of any structure or structures on the property: c. Municipal corporation in which located: d. General area of municipal corporation in which the property is located (north, south, east, west, central): e. Use of structure (residential, commercial, industrial): 2. Name any employer other than the municipal corporation in which you are employed as assessor and the position you hold: 3. Name any corporation in which a) you are an officer, director or employee, or b) in which you own more than five percent of the shares and give your position in it: 4. Describe any self-employment (if it provided more than two thousand dollars of gross income in the previous calendar year): 5. If you are licensed to practice any profession by the state of New York, and you practice that profession, give the nature of the practice and the general types of business in which your clients engage: a. Type of

profession (e.g., lawyer, real estate broker, pharmacist): b. General types of business in which a majority of your clients engage (e.g., real estate development, general practice, healthcare, general business): 6. Types of gifts, except gifts from immediate family or relatives with-in the third degree of consanguinity or affinity, of more than fifty dollars in value: 7. Persons or firms to whom money in the amount of more than one thousand dollars is owed not including credit cards or bank loans; and 8. Persons or firms, except relatives, who owe you an amount in excess of one thousand dollars.

4. Other laws. No local law, ordinance, or resolution shall be adopted which is inconsistent with the provisions of this section.

§ 3. Section 3 of chapter 548 of the laws of 2003, amending the real property tax law relating to the filing of a statement of financial disclosure by assessors, is amended to read as follows:

§ 3. This act shall take effect on the first of January ~~next succeeding the date on which it shall have become a law~~, **2005**.

§ 4. This act shall take effect immediately; provided, however, that the amendments made to section 336 of the real property tax law by section two of this act shall take effect on the same date as chapter 548 of the laws of 2003, takes effect, as amended, and provided further, that section three of this act shall be deemed to have been in full force and effect on and after January 1, 2004.

2004 NY LAWS Ch. 85 – LEGISLATIVE MEMORANDUM

Memorandum in Support, New York State Assembly

BILL NUMBER: A10844

TITLE OF BILL: An act to amend the general municipal law, in relation to financial disclosure for certain elected officials; and to amend the real property tax law, in relation to requiring assessors to file a statement of disclosure; and to amend chapter 548 of the laws of 2003 amending the real property tax law relating to the filing of a statement of financial disclosure by assessors, in relation to the effectiveness thereof

PURPOSE OR GENERAL IDEA OF BILL: To streamline the recently enacted reporting requirements for disclosure of financial interests by assessors and to allow additional time to prepare for such filing requirement.

SUMMARY OF SPECIFIC PROVISIONS: This bill would streamline the contents of the statement of disclosure for assessors who are not covered by financial disclosure requirements of Article 18 of the General Municipal Law and only require the reporting of certain items of financial interests. Assessors earning less than \$20,000 annually in the aggregate would be exempted from such reporting.

The following items of interest shall be reported: (i) real property in the assessing unit or in a contiguous municipality; (ii) the name of any employer and position held; (iii) any significant corporate interests; (iv) a description of any self-employment; (v) professions licensed by the State, nature of any practice and types of businesses of clients; (vi) types of gifts; (vii) persons or firms to whom money is owed; and, (viii) persons or firms from whom money is owed. Such information of members of the assessor's immediate family must be provided unless such family member refuses to provide it in which case such refusal must be stated.

The bill provides for a form of the report and clarifies that reports shall be made on May 15th of each year. The form shall be filed with a local board of ethics where one exists or with the county clerk. A copy of this disclosure requirement shall be posted in a public building where public notices are generally posted.

JUSTIFICATION: This bill is designed to streamline the assessor disclosure requirements enacted by Chapter 548 of the Laws of 2003. Many assessors believed the requirements of that chapter to be burdensome and unnecessary. This bill focuses on requiring the reporting of interests which most significantly reveal conflicts of interest in the assessors' exercise of their duties of assessing real property in their jurisdiction. Given this revision of the law, it is felt that the reporting requirements ought to be postponed for one year to adequately implement its provisions.

PRIOR LEGISLATIVE HISTORY: This is a new bill.

FISCAL IMPLICATIONS: None to the State.

EFFECTIVE DATE: The bill would be effective on the same date as the original Chapter 548 of the Laws of 2003 which would be amended to be effective on January 1, 2005.

2005 NY LAWS Ch. 499

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 499
S. 2969-B
DISCLOSURE (GEN. MUN. LAW § 803)

Approved and effective August 16, 2005

AN ACT to amend the general municipal law, in relation to the disclosure of certain municipal officer's interests; and to amend the penal law, in relation to the amount of restitution to school districts

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

§ 1. Subdivision 1 of section 803 of the general municipal law, as amended by chapter 1043 of the laws of 1965, is amended to read as follows:

1. Any municipal officer or employee who has, will have, or later acquires an interest in **or whose spouse has, will have, or later acquires an interest in** any actual or proposed contract, **purchase agreement, lease agreement or other agreement, including oral agreements,** with the municipality of which he **or she** is an officer or employee, shall publicly disclose the nature and extent of such interest in writing to **his or her immediate supervisor and to** the governing body thereof as soon as he **or she** has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body. ~~Once disclosure has been made by an officer or employee with respect to an interest in a contract with a particular person, firm, corporation or association, no further disclosures need be made by such officer or employee with respect to additional contracts with the same party during the remainder of the fiscal year.~~

§ 2. Paragraph (a) of subdivision 5 of section 60.27 of the penal law, as amended by chapter 618 of the laws of 1992, is amended to read as follows:

(a) Except upon consent of the defendant or as provided in paragraph (b) of this subdivision, or as a condition of probation or conditional discharge as provided in paragraph (g) of subdivision two of section 65.10 of this chapter, the amount of restitution or reparation required by the court shall not exceed fifteen thousand dollars in the case of a conviction for a felony, or ten thousand dollars in the case of a conviction for any offense other than a felony. **Notwithstanding the provisions of this subdivision, if an officer of a school district is convicted of violating any section of article one hundred fifty-five of this chapter where the victim of such crime is such officer's school district, the court may require an amount of restitution up to the full amount of the fruits of the offense or reparation up to the full amount of the actual out-of-**

pocket loss suffered by the victim, provided further that in such case the provisions of paragraph (b) of this subdivision shall not apply.

§ 3. This act shall take effect immediately.

2005 NY LAWS Ch. 499 – LEGISLATIVE MEMORANDUM

Memorandum in Support, New York State Senate

BILL NUMBER: S2969B

TITLE OF BILL: An act to amend the general municipal law, in relation to the disclosure of certain municipal officer's interests; and to amend the penal law, in relation to the amount of restitution to school districts

PURPOSE: This bill authorizes a court to impose a civil penalty for restitution when a school district official is found guilty of larceny from the school district; and requires that officials of school districts disclose certain financial interests that they or their spouse may have, in order for the public to be aware of any potential conflicts of interest by school district officials responsible for financial transactions, lease agreements and purchasing contracts.

SUMMARY OF PROVISIONS:

Section 1 amends § 803 of the **General Municipal Law**, to require school district officers to disclose, in writing to their immediate supervisor and the school board, whether they or their spouse has or acquires an interest in any purchase agreement, lease agreement, or other financial agreement.

Section 2 amends subdivision 5 of section 60.27 of the penal law to allow the court to seek restitution for the full amount of the money stolen in a case of larceny from a school district by an officer of the school district.

Section 3 provides for an immediate effective date.

JUSTIFICATION:

Since 1970, total spending by public school districts in New York State has grown from \$4.5 billion to \$33 billion in 2001. During this time, school districts have increased the number and quality of numerous educational services to their students and to their communities.

School districts have also grown considerably in the size and complexity of their operations—from maintenance of their physical plant, maintaining the payroll, providing school lunches, to the contracting of many support services that are required to keep a modern school district functioning.

As public organizations-like school districts in New York State-grow in size and complexity, ongoing examinations of the district's finances are undertaken. This is necessitated by the need for checks and balances, to ensure that public funds are being spent in a responsible, diligent and prudent fashion. School districts contract with external auditors to check the validity of their financial statements, and also employ numerous internal controls designed to minimize the existence of lax expenditure controls or, in rare cases, deliberate attempts to defraud.

In some cases, however, a determined individual can circumvent these controls.

In May 2004, the news media reported that a school district had permitted their assistant superintendent for business and finance to resign when faced with allegations of her misappropriation of district funds. An agreement with the school board resulted in the repayment of \$250,000 to the district, which was originally the amount in question; however, additional investigations and an audit soon increased the estimate of allegedly misappropriated funds to over \$11 million.

In attempting to trace these funds, allegations surfaced that included large amounts of money paid to a firm linked to a senior school administrator for work that was not performed; large

overpayments to legitimate vendors that were allegedly disguised to pay personal credit card bills of another senior administrator; payments to Las Vegas hotels; payments for automobile leases for a senior administrator; payment of personal bills for senior administrators including dry cleaning expenses and gourmet food shopping; and mortgage payments for one of the senior administrator's oceanfront homes.

LEGISLATIVE HISTORY:

Senate:

S.7502, Referred to Rules

Assembly:

A.11576, Referred to Local Governments

FISCAL IMPLICATIONS: None

EFFECTIVE DATE: This act shall take effect immediately.

2006 NY Laws Ch. 238

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 238

A. 10479

FIRE DISTRICTS' CODES OF ETHICS (GEN. MUN. LAW § 806)

Approved July 26, 2006, effective as provided in section 2

AN ACT to amend the general municipal law, in relation to codes of ethics for fire districts

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

§ 1. Subdivisions 1 and 2 of section 806 of the general municipal law, subdivision 1 as amended by chapter 813 of the laws of 1987 and subdivision 2 as amended by chapter 1019 of the laws of 1970, are amended to read as follows:

1. (a) The governing body of each county, city, town, village ~~and~~, school district **and fire district** shall and the governing body of any other municipality may by local law, ordinance or resolution adopt a code of ethics setting forth for the guidance of its officers and employees the standards of conduct reasonably expected of them. ~~Such code~~ **Notwithstanding any other provision of this article to the contrary, a fire district code of ethics shall also apply to the volunteer members of the fire district fire department. Codes of ethics** shall provide standards for officers and employees with respect to disclosure of interest in legislation before the local governing body, holding of investments in conflict with official duties, private employment in conflict with official duties, future employment and such other standards relating to the conduct of officers and employees as may be deemed advisable. Such codes may regulate or prescribe conduct which is not expressly prohibited by this article but may not authorize conduct otherwise prohibited. Such codes may provide for the prohibition of conduct or disclosure of information and the classification of employees or officers.

(b) Effective on and after January first, nineteen hundred ninety-one, such codes of political subdivisions, as defined in section eight hundred ten of this article, may contain provisions which require the filing of completed annual statements of financial disclosure with the appropriate body, as defined in section eight hundred ten of this article. Nothing herein shall be construed to restrict any political subdivision or any other municipality from requiring such a filing prior to January first, nineteen hundred ninety-one. Other than as required by subdivision two of section eight hundred eleven of this article, the governing body of any such political subdivision or other municipality may at any time subsequent to the effective date of this paragraph ~~(b)~~, adopt a local law, ordinance or resolution pursuant to subdivision one of section eight hundred eleven of this article and any such political subdivision or municipality, acting by its governing body, may take such other action as is authorized in such subdivision. Any political subdivision or other municipality to which all of the provisions of section eight hundred twelve of this article apply

may elect to remove itself from the ambit of all (but not some) provisions of such section in the manner authorized in subdivision three of such section eight hundred twelve. In such event any such political subdivision or municipality shall be subject to certain conditions and limitations set forth in paragraphs (a), (b) and (c) of such subdivision three which shall include, but not be limited to, the promulgation of a form of an annual statement of financial disclosure described in subdivision one of such section eight hundred eleven.

2. The chief executive officer of a municipality adopting a code of ethics shall cause a copy thereof to be distributed to every officer and employee of his municipality. **The fire district commissioners shall cause a copy of the fire district's code of ethics to be posted publicly and conspicuously in each building under such district's control.** Failure to distribute any such copy or failure of any officer or employee to receive such copy shall have no effect on the duty of compliance with such code, nor the enforcement of provisions thereof.

§ 2. This act shall take effect June 1, 2006; provided however, that fire districts shall have until June 1, 2007, to adopt a code of ethics. Prior to that date the office of the state comptroller shall create and make available a model code of ethics.

2006 NY LAWS Ch. 238 – LEGISLATIVE MEMORANDUM

Memorandum in Support, New York State Assembly

BILL NUMBER: A10479

TITLE OF BILL: An act to amend the general municipal law, in relation to codes of ethics for fire districts

PURPOSE OR GENERAL IDEA OF BILL: The purpose of this bill is to require fire districts to adopt codes of ethics.

SUMMARY OF SPECIFIC PROVISIONS: Section one amends the General Municipal Law to add fire districts to the list of political subdivisions that must adopt codes of ethics. This section also provides for the posting of such codes of ethics by fire districts.

Section two of the bill establishes the effective date and authorizes the State Comptroller to create and make available a model code of ethics.

JUSTIFICATION: Villages, towns, counties and school districts are all required to develop and follow a code of ethics. This legislation seeks to add fire districts to that list. With fire district budgets totaling in the hundreds of millions of dollars and buildings and equipment worth over a billion dollars, all funded with taxpayer money, it is essential that the public trust be maintained. The creation of a code of ethics will ensure that all members of fire districts are held to the same high standard of accountability.

PRIOR LEGISLATIVE HISTORY: This is a new bill.

FISCAL IMPLICATIONS: None to the State.

EFFECTIVE DATE: This act shall take effect June 1, 2006, provided however, that fire districts shall have until June 1, 2007 to adopt a code of ethics. Prior to the date the office of the state comptroller shall create and make available a model code of ethics.

2007 NY LAWS Ch. 536

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 536

S. 4116-A

FEES FOR SOLEMNIZATION OF MARRIAGE (GEN. MUN. LAW § 805-b)

Approved and effective August 15, 2007

AN ACT to amend the general municipal law, in relation to the fee or compensation authorized for solemnization of marriage by judges

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

§ 1. Section 805-b of the general municipal law, as amended by chapter 238 of the laws of 1990, is amended to read as follows:

§ 805-b. Solemnization of marriages

Notwithstanding any statute, law or rule to the contrary, no public officer listed in section eleven of the domestic relations law shall be prohibited from accepting any ~~gift fee or benefit~~ **compensation** having a value of ~~seventy-five~~ **one hundred** dollars or less, whether in the form of money, property, services or entertainment, for the solemnization of a marriage by such public officer at a time and place other than the public officer's normal public place of business, during normal hours of business. For the purpose of this section, a town or village judge's normal hours of business shall mean those hours only which are officially scheduled by the court for the performing of the judicial function.

§ 2. This act shall take effect immediately.

2007 NY LAWS Ch. 536
NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1

BILL NUMBER: S4116A

SPONSOR: DEFRANCISCO

TITLE OF BILL:

An act to amend the general municipal law, in relation to the fee or compensation authorized for solemnization of marriage by judges

PURPOSE:

This bill amends the General Municipal Law to increase the amount of fee or compensation a person authorized to solemnize a marriage may receive for performance of this service.

SUMMARY OF PROVISIONS:

Amends Section 805-b of the General Municipal Law to increase the fee or compensation a person authorized to solemnize a marriage may receive from seventy-five dollars to one hundred dollars.

EXISTING LAW:

Section 805-b of the General Municipal Law provides that no person listed in section 11 of the Domestic Relations Law authorized to solemnize a marriage shall be prohibited from accepting any gift or benefit having a value of seventy-five dollars or less for the solemnization of a marriage by such public officer at a time or place other than the public officer's normal place of business, during normal hours of business.

JUSTIFICATION:

A frequent request of town or village justices and other public officers listed in Section 11 of the Domestic Relations Law is to perform marriage ceremonies at some distance from their usual and customary place of business and at times that would not be considered within their normal working hours. These judges and others (e.g. mayors, county executives, retired judges, etc.) are often requested to travel on occasion great distances and at great personal inconvenience to themselves to perform these valuable services. The ceremonies which they perform are of great personal benefit to the public, however, under current law the public officer who performs the ceremony is only entitled to receive a gift or benefit of up to seventy-five dollars for their inconvenience and expense.

This bill for the first time in seventeen years would increase the compensation which the person performing the marriage solemnization would be entitled to receive from seventy-five dollars to one hundred dollars. This minimal increase would be of assistance to the officiant and would help insure that this valuable service would continue to be

offered to the public by the greatest number of people.

LEGISLATIVE HISTORY:

New bill

FISCAL IMPLICATIONS:

None.

LOCAL FISCAL IMPLICATIONS:

None

EFFECTIVE DATE:

Immediately.

2008 NY LAWS Ch. 41

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 41

S. 6331-A

ANNUAL STATEMENTS OF FINANCIAL DISCLOSURE (GEN. MUN. LAW § 811)

Approved and effective April 7, 2008

AN ACT to amend the general municipal law, in relation to annual statements of disclosure for any city with a population of one million or more

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

§ 1. Paragraph (a) of subdivision 1 of section 811 of the general municipal law, as added by chapter 813 of the laws of 1987, is amended to read as follows:

(a) The governing body of each political subdivision may, not later than January first, nineteen hundred ninety-one, and the governing body of any other municipality may at any time subsequent to the effective date of this section, adopt a local law, ordinance, or resolution: (i) wherein it promulgates a form of annual statement of financial disclosure which is designed to assure disclosure by municipal officers and employees, which for the purposes of this section, the definition for which shall be modified so as to also include a city with a population of one million or more, and (in the case of a political subdivision or any other county, city, town or village) which is designed to assure disclosure by local elected officials and/or by local political party officials of such financial information as is determined necessary by the governing body, or (ii) wherein it resolves to continue the use of an authorized form of annual statement of financial disclosure in use on the date such local law, ordinance or resolution is adopted. In either event, such local law, ordinance or resolution if and when adopted shall specify by name of office or by title or classification those municipal officers and employees and (in the case of a political subdivision or any other county, city, town or village) those local elected officials and/or those local political party officials which shall be required to complete and file such annual statement.

(a-1) In a city with a population of one million or more, such local law, ordinance or resolution shall be at least as stringent in scope and substance as the provisions of section eight hundred twelve of this article require, on two or more types of forms for annual statements of financial disclosure, disclosure of information that could reveal potential conflicts of interest as defined by chapter sixty-eight of the New York city charter.

(i) The disclosure required by such law, ordinance or resolution of such city shall, at a minimum, include information about any non-city employment or interests that may give rise to a conflict of interest, including, but not limited to, interests of the filer and his or her spouse or registered domestic partner, and unemancipated children, in: (A) real property

located in such city, and (B) positions or business dealings with, financial interests in, or gifts from, any persons or firms or entities engaged in business dealings with such city.

(ii) In any such city, local elected officials and compensated local officers and employees, as defined in subdivisions two and three, respectively, of section eight hundred ten of this article, shall, at a minimum, disclose in addition to the information required by subparagraph (i) of this paragraph: (A) interests in a firm where the value of the interest is ten thousand dollars or more; (B) where the official, officer, or employee holds a policy-making position with such city, membership in the national or state committee of a political party or service as assembly district leader of a political party or service as the chair or as an officer of the county committee or county executive committee of a political party; (C) the names and positions of any spouse or registered domestic partner, child, stepchild, brother, sister, parent or stepparent holding a position with any such city; (D) each volunteer office or position held by the filer or his or her spouse or registered domestic partner with any not-for-profit organization engaged in business dealings with such city, except where the person volunteers only in a non-policymaking, non-administrative capacity; and (E) agreements between the filer and any person or firm or entity engaged in business dealings with such city for future payment to or employment of the filer.

(iii) For purposes of this paragraph, the term “firm” shall have the same meaning as set forth in subdivision eleven of section twenty-six hundred one of the New York city charter.

§ 2. This act shall take effect immediately and shall apply to annual statements of financial disclosure required to be filed for the calendar year 2007.

2008 N.Y. LAWS Ch. 41
NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1

BILL NUMBER: S6331A

SPONSOR: MALTESE

TITLE OF BILL:

An act to amend the general municipal law, in relation to annual statements of disclosure for any city with a population of one million or more

SUMMARY OF PROVISIONS:

This bill would amend paragraph (a) of subdivision 1 of General Municipal Law § 811, to authorize the City of New York, through its local ethics board, the Conflicts of Interest Board ("COIB"), to modify the requirements of the City's financial disclosure that are submitted annually by its officers, employees, and, as a result of the Public Authorities Accountability Act of 2005, numerous additional people working for certain City-affiliated entities.

JUSTIFICATION:

General Municipal Law ("GML") §§810(1) and 811(1)(a) mandate that every county, city, town, and village with a population of 50,000 or more require the filing of annual financial disclosure statements by certain officers and employees. Of those municipalities, only New York City is required by the statute to have a financial disclosure form "at least as stringent in scope and substance" as the State form set forth in GML § 812. See Gen. Mun. Law § 811(1)(a). Furthermore, in mandating who must file financial disclosure reports, State law makes no distinction between paid and unpaid public servants.

New York City's Financial Disclosure Law, now set forth in Administrative Code § 12-110, has been in existence since 1975, long before the 1987 "Ethics in Government Act" which established the State legislative scheme concerning ethics and financial disclosure, and the City's law has historically been among the most far-reaching laws of this kind in the State. This local law has always exempted from filing unpaid members of boards and commissions, for it has been acknowledged that requiring such volunteers to file the State-mandated 32-page financial disclosure report would devastate efforts to recruit and retain them, and thus threaten the existence of these boards and commissions, many of which play a critical role in the life of the City.

This problem has been compounded by the enactment of the "Public Authorities Accountability Act of 2005" (Chapter 766 of the Laws of 2005). That law ("PAAA") requires board members, officers, and employees of certain municipal-affiliated entities (collectively called "local authorities") to file financial disclosure reports with the local ethics board, which, in the case of New York City, is the COIB. These entities include: (a) public authorities and public benefit corporations created by or existing under State law, unless the members hold a civil office

of the State or are appointed by the Governor not upon the recommendation of local government; (b) not-for-profit corporations affiliated with, sponsored by, or created by a county, city, town, or village government; (c) local industrial development agencies and authorities and other local public benefit corporations; and (d) affiliates of any of those entities. Thus, in New York City, the PAAA requires such persons to file the current 32-page financial disclosure report with the COIB. Moreover, it is apparent that the PAAA intends to require disclosure by volunteer board members of "local authorities." This new law would therefore, beginning in 2007, require that all of these volunteer members of City boards and commissions file a financial disclosure report. Requiring volunteer board members of City-affiliated not-for-profit entities, such as the Gracie Mansion Conservancy, to file a 32-page financial disclosure report will destroy many of those crucial institutions. Preservation of the City's affiliated not-for-profit institutions and its volunteer boards and commissions necessitates that the scope of the current financial disclosure form be modified. The COIB has indicated that it would not support any reduction in the scope of the financial disclosure form that addresses only volunteers because, as the COIB has repeatedly stated, the scope of the form must also be reduced for certain other City officials and must be tied directly to the City's own conflicts of interest law. See COIB 2005 Annual Report, pp. 22, 43-44, 49-54. Accordingly, GML § 811(1)(a) should be amended to authorize the COIB to change the scope of the financial disclosure form, not just for volunteers but for other public servants as well.

The proposal would provide that the COIB require, on two or more types of forms for annual statements of financial disclosure, disclosure of the type of information that could reveal potential conflicts of interest as defined by Chapter 68 of the New York City Charter. The disclosure required would include, but not be limited to, information about non-city employment or interests that may give rise to a conflict of interest, including but not limited to interests in real property located in such city, or positions with, financial interests in, gifts from, or business dealings with, persons or firms or entities engaged in business dealings with the City.

This does not mean that the City intends to dilute in any way its financial disclosure law. To the contrary, this authorization by the State Legislature would allow the City to craft a realistic scheme of reporting that is consistent with the ethical considerations embodied in its conflicts of interest law, as set forth in Chapter 68 of the New York City Charter. We note that this ethics code was first enacted as a legislative scheme in 1959, and since that time has been expanded several times, leading to the creation of one of the most comprehensive and well respected of such laws in the nation. In the City's experience, the exceedingly long form of questions mandated in 1987 has undercut the ability of the COIB to focus on those private interests that raise potential for significant conflicts of interest, as defined by Chapter 68 of the City Charter.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

None.

EFFECTIVE DATE:

Immediately. Applies to forms being filled out for calendar year 2007.

2008 NY LAWS Ch. 236

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted.

CHAPTER 236

S. 5368

POSTING COPIES OF PROVISIONS OF ARTICLE 18 (GEN. MUN. LAW § 807)

Approved and effective July 7, 2008

AN ACT to amend the general municipal law, in relation to posting copies of provisions of article 18 of such law in certain public buildings

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

Section 1. Section 807 of the general municipal law, as amended by chapter 1019 of the laws of 1970, is amended to read as follows:

§ 807. Posting of statute. The chief executive officer of each municipality shall cause a copy of **sections eight hundred through eight hundred nine of** this article to be kept posted in each public building under the jurisdiction of his **or her** municipality in a place conspicuous to its officers and employees. Failure to post any such copy shall have no effect on the duty of compliance with this article, nor with the enforcement of the provisions thereof.

§ 2. This act shall take effect immediately.

2008 N.Y. LAWS Ch. 236
NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI. Sec 1

BILL NUMBER: S5368

REVISED 04/30/07

SPONSOR: LITTLE

TITLE OF BILL:

An act to amend the general municipal law, in relation to posting copies of provisions of article 18 of such law in certain public buildings

PURPOSE:

To eliminate the requirement that municipalities post in each public building a copy of all of the provisions of article 18 of the General Municipal Law and instead require only that certain sections of article 18 be so posted.

SUMMARY OF PROVISIONS:

Section one - General Municipal Law §807 requires that the chief executive officer of each municipality to cause a copy of article 18 of the General Municipal Law (§800-813) to be posted in each public building under the jurisdiction of that municipality, in a place conspicuous to the officers and employees of the municipality. This bill would amend section 807 to require only that sections 800 through 809 of article 18 be posted.

Section two - contains the effective date.

JUSTIFICATION:

Article 18 of the General Municipal Law relates to conflicts of interest of municipal officers and employees. The posting requirement of General Municipal Law §807 was added to article 18 in 1970 (L 1970, ch 1019). This requirement replaced a previous provision that had required copies of article 18 to be distributed to each municipal officer and employee. At the time of the 1970 amendment, article 18 consisted only of sections 800 through 809, relating primarily to interests in contracts, certain other prohibited actions, local codes of ethics and local boards of ethics. In 1987, article 18 was amended to add voluminous new provisions relating to financial disclosure by certain local government officials. The new provisions included an extensive disclosure form, set forth verbatim, in section 813 of the General Municipal Law. The disclosure provisions apply only to local governments with populations of 50,000 or more, or those local government that chose to be covered. In addition to the limited applicability of these provisions, covered local governments are not required to use the form set forth in section 813, but can devise their own disclosure forms. In fact, most, if not all, have opted to use their own form. Because of the limited applicability and voluminous nature of sections 810 through 813 of article 18, any benefit derived from posting these additional sections would seem to be outweighed by the administrative burden. This bill would return section 807 to meet its original intent and eliminate an unnecessary mandate for local governments.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

None to the State.

EFFECTIVE DATE:

This act shall take effect immediately.