



NEW YORK STATE SENATOR

Daniel L. Squadron

## Sponsor's Memo for Ethics Reform Bill to Increase Disclosure Requirements

DANIEL L. SQUADRON

NEW YORK STATE SENATE

MEMORANDUM IN SUPPORT OF LEGISLATION

submitted in accordance with Senate Rule VI, Sec 1.

( x ) Memo on original draft bill

( ) Memo on amended bill

SENATE BILL #:

ASSEMBLY BILL #:

SENATE SPONSOR (S): Squadron

ASSEMBLY SPONSOR (S):

TITLE OF BILL: an act to amend the executive law, the public officers law, the civil service law, the legislative law and the election law, in relation to financial disclosure by public officers; and to repeal certain provisions of the public officers law relating thereto

PURPOSE OR GENERAL IDEA OF BILL:

The bill would strengthen disclosure requirements by requiring public officials (including legislators and legislative employees) to make detailed disclosures about business

relationships with lobbyists. The bill would create a new income disclosure category for a value of one million dollars or more (up from the existing category of \$250,000 or more), and would mandate random audits of these financial disclosure statements by the relevant ethics commission. The bill would also tighten the standard for when information on disclosure forms can be redacted. The bill would apply civil penalties on commissioners after a failure to conduct random audits.

#### SUMMARY OF PROVISIONS:

The bill requires that the Commission on Public Integrity and the Commission on Legislative Ethics randomly audit financial disclosure forms submitted by public officials (including legislators and legislative employees), and subjects the commissioners to civil penalties for failure to conduct these audits.

The bill expands new disclosure requirements for ethics filings by imposing an affirmative obligation on the part of any public official who has a business relationship with an individual or group with business before that public official to report that relationship, the name of their business clients and the amount of revenue generated from that relationship that exceeds \$500 per client, sets forth penalties to be imposed on public officials for failure to file financial disclosure statements. And the bill adds a new category of value to be reported: the highest category is now one million or more, replacing \$250,000 or more. The bill also tightens the standard under which portions of financial disclosure forms may be redacted.

#### JUSTIFICATION:

The ethics changes of 2007 included several important reforms. This bill takes those reforms a step further by expanding disclosure requirements for public officials and requiring that public officials disclose relationships with lobbyists and others doing business with the state. Requiring increased disclosure by public officials will avoid appearances of conflicts of interest or questions about outside business relationships. Random audits will increase confidence in overall compliance with ethics rules.

PRIOR LEGISLATIVE HISTORY:

None.

FISCAL IMPLICATIONS:

None anticipated.

EFFECTIVE DATE:

January 1, 2010.