



MEMO OF SUPPORT

[S6247 \(Myrie\) / A7179 \(McDonald\)](#)

*Establishes Doing-Business Restrictions
In NYS Elections*

May 15, 2023

TITLE OF BILL

An act to amend the election law, in relation to contributions from persons doing or seeking business dealings with the state.

SUMMARY OF PROVISIONS

Section 1 amends New York State Election Law to add a new section §14-131. Subsection 1 states the legislative purpose.

Subsection 2 of §14-131 provides definitions for “person,” “senior managerial capacity,” “business dealings with the state,” “intermediary,” “restricted contribution period,” and “business entity.” “Person” is defined as CEOs, COOs, CFOs, senior managers, and anyone who holds 10% or more of a business. The “business dealings with the state” definition provides thresholds for contracts that will subject applicants to doing-business limits.

Subsection 3 of §14-131 provides that persons, organizations, or business entities that have business dealings with the state shall be prohibited from making contributions or loans to candidates with authority over the business dealing, or from serving as an intermediary for such candidates. The governmental entity responsible for the business

dealing, and the procurement posting for solicitation, shall provide notice of the prohibition to persons, businesses, and organizations seeking business with the state.

Subsection 4 of §14-131 provides that the restricted contribution period begins when persons, organizations or businesses submit bids or proposals, with different periods for leases, franchises or concessions, grants, economic development agreements, and the investment of pension funds.

Subsection 5 of §14-131 provides that the restricted contribution period ends six months after the final contract expires for recipients, and upon the awarding of the contract for nonrecipients.

Subsection 6 of §14-131 provides that the restricted contribution period shall recommence if persons, organizations or businesses submit bids again.

Subsection 7 of §14-131 provides that the Office of the State Comptroller (OSC), with the assistance of the Authorities Budget Office, Division of the Budget, and Office of General Services, shall create and maintain a list of persons who have or submit bids or proposals for business dealings with the state.

Subsection 8 of §14-131 provides that persons in the database who are no longer subject to the restricted contribution period may petition OSC for removal from the database.

Section 2 of the bill adds a new subdivision 8 to section 14-126 of the election law providing that those who knowingly make a contribution in violation of the law shall be subject to a penalty not to exceed \$10,000 or 200% of the contribution, and that candidates shall be required to refund contributions in violation of the law.

Section 3 states that the bill is effective 180 days after being signed into law.

STATEMENT OF SUPPORT

Our groups strongly support this bill because we believe it will reduce the risk of corruption in New York State government.

This bill, modeled after New York City's nationally recognized pay-to-play law, will prohibit businesses from donating to candidates while bidding for contracts, greatly reducing the risk of corruption in Albany.

Despite the convictions and resignations of countless elected officials due to pay-to-play scandals, New York State still does not have a law prohibiting persons or businesses seeking business with the state from making political contributions. Currently, a person whose business is bidding on contracts from the State can still contribute \$18,000 to candidates for Governor. The state's extremely high contribution limits, lax contracting laws, and transactional political culture led, just last year, to [the resignation of former Lieutenant Governor Brian Benjamin](#), and [accusations of pay-to-play toward Governor Hochul](#) for awarding a \$637 million contract to Digital Gadgets after receiving \$300,000 from the family of the company CEO.

We strongly urge the Legislature to pass this bill.