



## MEMO OF SUPPORT

### [S4039 \(Skoufis\) / A5090 \(Solages\)](#)

*Prohibits public officials from collecting compensation from IDAs*

March 7, 2025

#### **TITLE OF BILL**

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.

#### **STATEMENT OF SUPPORT**

Reinvent Albany strongly supports this bill because it will reduce corruption in the racket that is local “economic development.”

This bill arose out of [a 2017 scandal](#) in which Hempstead Town Board member Edward Ambrosino didn’t report \$1.5 million in consulting fees that he received as general counsel for the Nassau County IDA. Legislation like this helps prevent further abuse of taxpayer dollars, but this is only the tip of the iceberg: As we noted in our joint report with Good Jobs First, [“Perverse Incentive,”](#) IDAs are a ouroboros of corporate giveaways and self-dealing that do little to boost local economies.

We urge the Legislature to pass the bill, and the Governor to sign it.

#### **SUMMARY OF PROVISIONS**

Section 1 amends Public Officers Law §73(7)(a) and (b) to prohibit statewide elected officials, officers, and employees, state legislators and legislative employees, and local elected officials from directly receiving compensation from a public authority, or indirectly when a corporation, firm, or association that the official owns at least 10% of is paid by the authority.

Sections 2 and 3 respectively amend Public Authorities Law §2825(1) and General Municipal Law §801 to make the same prohibitions.

Section 4 states that the bill takes effect immediately and applies to contracts entered into on or after the effective date.