



Legislation Text

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Int. No. 930

By Council Member Pinkett (by request of the Mayor); also Council Member Leffler

A Local Law to amend the administrative code of the city of New York, in relation to banning campaign contributions by investment advisers who perform services in connection with the investment of city pension funds.

Be it enacted by the Council as follows:

Section 1. Section 3-702 of chapter 7 of title 3 of the administrative code of the city of New York is amended by adding new subdivisions 13 and 14 to read as follows:

13. The term "investment adviser or manager" shall mean any person or entity, whether or not registered as an investment adviser under section eighty-b-three of title fifteen of the United States code, who, for compensation: (1) engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities; but does not include (a) any lawyer, accountant, engineer, or teacher whose performance of such services is solely incidental to the practice of his profession; (b) the publisher of any bona fide newspaper, news magazine or business or financial publication of general and regular circulation; or (2) provides investment management or supervision services, as a part of a regular business, to any person or entity or to any fiduciary of such person or entity.

14. The term "associated person" shall mean any partner, officer, or director of any investment adviser or manager (or any person performing similar functions), or any person

directly or indirectly controlling or controlled by such investment adviser or manager, including an employee of such investment adviser or manager, except that associated persons whose functions are clerical or ministerial shall not be included in the meaning of such term.

§2. Subdivision 1 of section 3-703 of chapter 7 of title 3 of the administrative code of the city of New York is amended by adding a new paragraph (1) to read as follows:

(1) (i) not accept and his or her principal committee and any other political committee authorized by such candidate must not accept, either directly or by transfer, any contribution or contributions from any investment adviser or manager who has performed services in connection with the investment of city funds established under title thirteen of this code, including but not limited to the New York City employees retirement system, the police department pension funds, the fire department pension funds, the teachers' retirement system and the variable supplements funds, or the board of education retirement system of the city of New York, as established by section two thousand five hundred and seventy-five of the education law or an associated person of such investment advisor or manager, within four years prior to the date the contribution is made;

(ii) notwithstanding subparagraph (i) of this paragraph, a participating candidate's principal committee and any other political committee authorized by such candidate may accept either directly or by transfer, any contribution or contributions of not more than two hundred fifty dollars per covered election from any investment adviser or manager or associated person of such investment adviser or manager, if such investment adviser or manager or associated person was entitled to vote for the candidate; provided, however, that any contribution accepted under this paragraph shall not be considered a matchable contribution as defined by subdivision three of section 3-702 of this chapter; and

(iii) the prohibition set forth in subparagraph (i) of this paragraph shall only apply to investment advisers, managers and associated persons of such investment advisers and managers who have provided services on or after July first, nineteen hundred ninety-nine.

§3. Subdivision 8 of section 3-708 of chapter 7 of title 3 of the administrative code of the city of New York, as added by local law 69 of the year 1990, is amended to read as follows:

8. The board shall [have the authority to] promulgate such rules and regulations and provide such forms as [it deems] are necessary for the administration of this chapter. The board shall promulgate regulations concerning the form in which contributions and expenditures are to be reported, the periods during which such reports must be filed and the verification required. The board shall require the filing of reports of contributions and expenditures for purposes of determining compliance with paragraph (f) of subdivision one of section 3-703 and section 3-706 in accordance with the schedule specified by the state board of elections for the filing of campaign receipt and expenditure statements. The board shall also require the filing of reports of contributions for the purposes of determining compliance with paragraph (1) of subdivision one of section 3-703.

§4. This local law shall take effect thirty days after it shall have become a law, provided that: (1) the campaign finance board shall take any actions necessary to implement this local law on or before the effective date of this local law; (2) the provisions of this local law shall not apply to any contribution made before May ninth, two thousand one, except that any contribution made by an investment adviser or manager or associated person as defined in section one of this local law shall not be considered a matchable contribution as defined by subdivision of section 3-702 of chapter seven of title three of the administrative code; and (3) the provisions of this local law shall apply to any contribution made on or after May ninth, two thousand one and before the

effective date of this local law, unless such contribution is returned to the contributor on or before the effective date of this local law.