



NEW YORK STATE SENATOR

Elijah Reichlin-Melnick

## Galef/Reichlin-Melnick Introduce New York Stock Act in their Respective Legislative Chambers

ELIJAH REICHLIN-MELNICK April 21, 2022

| ISSUE: **NEW YORK STOCK ACT**



**Ossining, NY**-- Assemblywoman Sandy Galef and State Senator Elijah Reichlin-Melnick held a press conference today to announce their introduction of A6123/S8742, the New York Stock Act, to prohibit public officers and employees from using nonpublic information derived from their official positions for personal benefit.

The New York Stock Act would strengthen ethical obligations within government and provide additional assurance to the public that the officials sworn to serve their interests are indeed doing so rather than seeking personal profit from their government access to information. This bill would prohibit people from having an unfair stock market advantage and avert financial gain based on insider trading.

The New York Stock Act would come after the adoption of the federal STOCK ACT, which made it widely known that federal officials, such as members of Congress, make trades of stocks that could be based on the knowledge they gain from being in federal office. The New York Stock Act is an effort to decrease the potential for this kind of insider trading among New York State Public Officials.

“I am proud that in New York we have championed many ethics reforms to bolster the public’s trust in our state government,” said Assemblywoman Sandy Galef. “The New York Stock Act is the next step in this process to ensure that there are safeguards against elected officials abusing their access to non-public information. Our job is to serve the best interests of the community that we represent, and that means being transparent about our actions.”

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*“New Yorkers need to know that their state officials are not taking advantage of their positions for personal financial gain,” commented Senator Elijah Reichlin-Melnick, “A thriving democracy demands public trust in government. The New York Stock Act is a crucial tool for preventing corruption and strengthening people’s trust in state government.”*

The legislation would prohibit insider trading on the grounds that each member or employee of the legislature owes a duty arising from a relationship of trust and confidence to the legislature, state, and citizen with respect to nonpublic information derived from their position.

The proposed legislation includes definitions of “member of the legislature,” “employee of the legislature,” “executive branch,” “judicial officer,” and “judicial employee.”

The legislation provides for the legislative ethics commission to issue interpretive guidance regarding the prohibition of nonpublic information for private profit to each chamber. The joint ethics commission would also be enlisted to issue relevant ethics rules applicable to executive and judicial officers and employees.

Legislative, executive, and judicial officials and employees would be prohibited from the purchase of securities that are the subject of an initial public offering other than is available to members of the public.

The proposed legislation includes language to prevent the impairment or limiting of antifraud provisions.

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#### RELATED LEGISLATION

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### **2021-S8742**

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- Introduced
  
- ◦ In Committee Assembly
  - In Committee Senate
  
- ◦ On Floor Calendar Assembly

- On Floor Calendar Senate

- ◦ Passed Assembly

- Passed Senate

- Delivered to Governor

- Signed By Governor

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Enacts the "New York Stock Act" prohibiting public officers and employees from using nonpublic information derived from their official positions for personal benefit

April 06, 2022

In Senate Committee [Rules](#)

Sponsored by [Elijah Reichlin-Melnick](#)

Do you support this bill?