

STATE OF NEW YORK

5227

2023-2024 Regular Sessions

IN SENATE

February 27, 2023

Introduced by Sen. KENNEDY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the executive law, in relation to design professional overhead audit recovery

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The executive law is amended by adding a new section 170-g
2 to read as follows:

3 § 170-g. Design professional overhead audit recovery. 1. As used in
4 this section, the following terms shall have the following meanings:

5 (a) "Design professional" means any corporation, limited liability
6 company, partnership or other business entity legally authorized to
7 practice any of the professions regulated by articles one hundred
8 forty-five, one hundred forty-seven and one hundred forty-eight of the
9 education law.

10 (b) "State agency" shall mean (i) any state department, (ii) any divi-
11 sion, board, commission or bureau of any state department, (iii) the
12 state university of New York and the city university of New York,
13 including all their constituent units, or (iv) a board, a majority of
14 whose members are appointed by the governor or who serve by virtue of
15 being state officers or employees as defined in subparagraph (i), (ii)
16 or (iii) of paragraph (i) of subdivision one of section seventy-three of
17 the public officers law.

18 (c) "State authority" means a public authority or public benefit
19 corporation created by or existing under the laws of the state, with one
20 or more of its members appointed by the governor or who serve as members
21 by virtue of holding a civil office of the state, other than an inter-
22 state or international authority or public benefit corporation, includ-
23 ing subsidiaries of such public authority or public benefit corporation.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (d) "Paycheck protection program loan" means any loan authorized or
2 issued pursuant to Public Law 116-136, the Coronavirus Aid, Relief, and
3 Economic Security Act.

4 2. No state agency or state authority shall demand any credit, recoup-
5 ment, rate adjustment or any other payment from a design professional on
6 the basis of such design professional having received forgiveness on a
7 paycheck protection act loan. Any state agency or state authority that
8 pursuant to the application of any audit rule or requirement including
9 but not limited to the federal acquisition regulation collects, recoups,
10 or claws back any money from a design professional on the basis of their
11 having received a paycheck protection program shall credit such design
12 professional in an amount no less than the amount recovered no later
13 than one hundred eighty days from any such collection, recoupment or
14 claw back. Notwithstanding any other provision of law, such credit shall
15 be deemed loan forgiveness and shall not be used in any tax, overhead or
16 indirect labor cost calculation by any state agency or authority.

17 § 2. This act shall take effect immediately.