

STATE OF NEW YORK

11644

IN ASSEMBLY

July 29, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Steck) --
read once and referred to the Committee on Alcoholism and Drug Abuse

AN ACT to amend the mental hygiene law, in relation to requiring
contractors with the office of alcoholism and substance abuse services
maintain an operating reserve

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

1 Section 1. Paragraph 2 of subdivision (a) of section 25.01 of the
2 mental hygiene law, as amended by section 3 of part G of chapter 56 of
3 the laws of 2013, is amended to read as follows:

4 2. "Operating expenses" shall mean expenditures approved by the office
5 and incurred for the maintenance and operation of substance use disorder
6 and/or compulsive gambling programs, including but not limited to
7 expenditures for treatment, administration, personnel, and contractual
8 services, and the maintenance of an operating reserve to be used to
9 address financial issues that occur during a contract year. Operating
10 expenses do not include capital costs and debt service unless such
11 expenses are related to the rent, financing or refinancing of the
12 design, construction, acquisition, reconstruction, rehabilitation or
13 improvement of a substance use disorder and/or compulsive gambling
14 program facility pursuant to the mental hygiene facilities finance
15 program through the dormitory authority of the state of New York (DASNY;
16 successor to the Facilities Development Corporation), or otherwise
17 approved by the office.

18 § 2. This act shall take effect immediately.

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

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