STATE OF NEW YORK

8097

2025-2026 Regular Sessions

IN ASSEMBLY

April 30, 2025

Introduced by M. of A. LASHER, ZINERMAN, MAGNARELLI, LEE, TAPIA, SEAWRIGHT -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to establishing the "reciprocal enforcement of claims on unpaid or reduced state entitlements act"

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

Section 1. Short title. This act shall be known and may be cited as the "reciprocal enforcement of claims on unpaid or reduced state entitlements act" or the "RECOURSE act".

§ 2. The state finance law is amended by adding a new section 6 to read as follows:

§ 6. Federal funds; withholding and appropriation thereof. 1. The state comptroller shall issue a report not more than sixty days after the effective date of this section including (a) any federal funds owed to the state, where the federal government's nonpayment is in contravention of a court decision; and (b) any funds the comptroller projects will be due to be paid by the state to the federal government during the succeeding twelve months, including, but not limited to, federal taxes owed by the state as an employer, federal employment taxes withheld by the state on behalf of the federal government, offsets for federal debts, backup withholding of federal taxes, and federal grant repayments. The comptroller shall update this report monthly.

2. Following issuance of such report, if it is indicated there are federal funds owed to the state in contravention of a court decision, the governor, the comptroller, and the director of the division of the budget, acting jointly and unanimously, may direct the commissioner of taxation and finance to withhold payments to the federal government; provided, however, the total amount withheld shall not exceed the amount of federal funds owed to the state in contravention of a court decision as described in the comptroller's report.

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

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3. Such funds held pursuant to subdivision two of this section shall be made available for appropriation as state funds; provided, however, such appropriations shall not exceed the amount of federal funds owed to the state in contravention of a court decision as described in the comptroller's report.

§ 3. This act shall take effect immediately.