

STATE OF NEW YORK

9229

2025-2026 Regular Sessions

IN ASSEMBLY

November 3, 2025

Introduced by M. of A. CUNNINGHAM -- read once and referred to the
Committee on Governmental Operations

AN ACT to amend the executive law, in relation to providing emergency financial assistance and consumer protections to federal employees and contractors residing in New York state who experience loss of income due to a lapse in federal appropriations, and directing certain state agencies to coordinate relief efforts during federal government shutdowns

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "shutdown impact mitigation act".

3 § 2. Legislative findings and intent. The legislature finds that laps-
4 es in federal appropriations cause immediate and significant hardship
5 for thousands of federal employees and contractors residing in New York
6 state. When paychecks are delayed through no fault of their own, these
7 individuals face challenges in meeting basic obligations such as rent,
8 mortgage, childcare, and utilities.

9 It is the intent of the legislature to establish a coordinated state
10 response--leveraging existing agencies--to provide temporary financial
11 assistance, protect against penalties and late fees, and ensure affected
12 residents can maintain stability until federal operations resume.

13 § 3. The executive law is amended by adding a new section 170-k to
14 read as follows:

15 § 170-k. Shutdown impact mitigation. 1. Definitions. For the purposes
16 of this section, the following terms shall have the following meanings:

17 (a) "Federal shutdown" means any lapse in federal appropriations
18 resulting in the temporary furlough or nonpayment of federal employees
19 or federal contractors.

20 (b) "Affected worker" means any individual who is (i) employed by the
21 federal government and resides in New York state, or (ii) a resident

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

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1 federal contractor whose payment or employment is suspended as a direct
2 result of a federal shutdown.

3 (c) "Administering agency" means the department of labor or office of
4 temporary and disability assistance, as designated by the governor.

5 2. Emergency relief program. (a) Upon declaration of a federal shut-
6 down, the administering agency shall activate an emergency relief
7 program to provide short-term, zero-interest loans or grants to affected
8 workers residing in New York state.

9 (b) Funds shall be drawn from existing appropriations available to the
10 administering agency, and may be supplemented by private or philanthrop-
11 ic contributions deposited into a designated account.

12 (c) Assistance shall be capped at an amount equal to two weeks of the
13 affected worker's average net pay and may be repaid or forgiven once
14 federal back pay is issued.

15 (d) The administering agency shall establish an online and in-person
16 application process, and may coordinate with federal employee unions,
17 credit unions, and community organizations to verify eligibility of
18 applicants.

19 3. Temporary consumer and housing protections. (a) During any declared
20 federal shutdown, all state-regulated banks, credit unions, mortgage
21 servicers, landlords, and utility providers are authorized to offer
22 forbearance, deferment, or waiver of late fees to affected workers who
23 provide proof of federal employment or contract status.

24 (b) The department of financial services shall issue guidance and may
25 adopt emergency regulations to encourage compliance and publicize these
26 protections.

27 (c) No adverse credit reporting shall be made against an affected
28 worker for nonpayment of obligations during the shutdown period and for
29 thirty days thereafter.

30 (d) State and municipal agencies shall suspend enforcement actions for
31 unpaid fees, fines, or tickets for affected workers during the same
32 period.

33 4. Coordination and public information. (a) The department of labor
34 shall maintain a public shutdown impact portal, providing up-to-date
35 information on relief eligibility, participating financial institutions,
36 and available state and local resources.

37 (b) The administering agency shall submit an annual report to the
38 governor and the legislature within ninety days of the end of each
39 federal shutdown, detailing the number of applicants served, total
40 relief disbursed, list of participating institutions, and recommenda-
41 tions for future program improvement.

42 § 4. This act shall take effect immediately and shall apply to any
43 federal shutdown declared on or after such effective date.