

8106--C

2013-2014 Regular Sessions

I N A S S E M B L Y

June 19, 2013

Introduced by M. of A. HEASTIE, MORELLE, MAGNARELLI, PEOPLES-STOKES, LUPARDO, ORTIZ, SANTABARBARA, CRESPO, FAHY -- Multi-Sponsored by -- M. of A. McDONALD -- read once and referred to the Committee on Labor -- recommitted to the Committee on Labor in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to increased penalties for violations of wage payment provisions and contractor accountability; to amend the limited liability company law, in relation to liability of members; and to amend the state finance law, in relation to establishing the wage theft prevention account

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph (a) of subdivision 1 of section 195 of the labor
2 law, as amended by chapter 564 of the laws of 2010, is amended to read
3 as follows:
4 (a) provide his or her employees, in writing in English and in the
5 language identified by each employee as the primary language of such
6 employee, at the time of hiring[, and on or before February first of
7 each subsequent year of the employee's employment with the employer], a
8 notice containing the following information: the rate or rates of pay
9 and basis thereof, whether paid by the hour, shift, day, week, salary,
10 piece, commission, or other; allowances, if any, claimed as part of the
11 minimum wage, including tip, meal, or lodging allowances; the regular
12 pay day designated by the employer in accordance with section one
13 hundred ninety-one of this article; the name of the employer; any "doing

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

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1 business as" names used by the employer; the physical address of the
2 employer's main office or principal place of business, and a mailing
3 address if different; the telephone number of the employer; plus such
4 other information as the commissioner deems material and necessary. Each
5 time the employer provides such notice to an employee, the employer
6 shall obtain from the employee a signed and dated written acknowledge-
7 ment, in English and in the primary language of the employee, of receipt
8 of this notice, which the employer shall preserve and maintain for six
9 years. Such acknowledgement shall include an affirmation by the employee
10 that the employee accurately identified his or her primary language to
11 the employer, and that the notice provided by the employer to such
12 employee pursuant to this subdivision was in the language so identified
13 or otherwise complied with paragraph (c) of this subdivision, and shall
14 conform to any additional requirements established by the commissioner
15 with regard to content and form. For all employees who are not exempt
16 from overtime compensation as established in the commissioner's minimum
17 wage orders or otherwise provided by New York state law or regulation,
18 the notice must state the regular hourly rate and overtime rate of pay;

19 S 2. Subdivisions 1-b and 1-d of section 198 of the labor law, as
20 added by chapter 564 of the laws of 2010, are amended to read as
21 follows:

22 1-b. If any employee is not provided within ten business days of his
23 or her first day of employment a notice as required by subdivision one
24 of section one hundred ninety-five of this article, he or she may
25 recover in a civil action damages of fifty dollars for each work [week]
26 DAY that the violations occurred or continue to occur, but not to exceed
27 a total of [two] FIVE thousand [five hundred] dollars, together with
28 costs and reasonable attorney's fees. The court may also award other
29 relief, including injunctive and declaratory relief, that the court in
30 its discretion deems necessary or appropriate.

31 On behalf of any employee not provided a notice as required by subdi-
32 vision one of section one hundred ninety-five of this article, the
33 commissioner may bring any legal action necessary, including administra-
34 tive action, to collect such claim, and as part of such legal action, in
35 addition to any other remedies and penalties otherwise available under
36 this article, the commissioner may assess against the employer damages
37 of fifty dollars for each work [week] DAY that the violations occurred
38 or continue to occur, BUT NOT TO EXCEED A TOTAL OF FIVE THOUSAND
39 DOLLARS. In any action or administrative proceeding to recover damages
40 for violation of paragraph [(d)] (A) of subdivision one of section one
41 hundred ninety-five of this article, it shall be an affirmative defense
42 that (i) the employer made complete and timely payment of all wages due
43 pursuant to this article or article nineteen or article nineteen-A of
44 this chapter to the employee who was not provided notice as required by
45 subdivision one of section one hundred ninety-five of this article or
46 (ii) the employer reasonably believed in good faith that it was not
47 required to provide the employee with notice pursuant to subdivision one
48 of section one hundred ninety-five of this article.

49 1-d. If any employee is not provided a statement or statements as
50 required by subdivision three of section one hundred ninety-five of this
51 article, he or she shall recover in a civil action damages of [one] TWO
52 hundred FIFTY dollars for each work [week] DAY that the violations
53 occurred or continue to occur, but not to exceed a total of [twenty-five
54 hundred] FIVE THOUSAND dollars, together with costs and reasonable
55 attorney's fees. The court may also award other relief, including

1 injunctive and declaratory relief, that the court in its discretion
2 deems necessary or appropriate.

3 On behalf of any employee not provided a statement as required by
4 subdivision three of section one hundred ninety-five of this article,
5 the commissioner may bring any legal action necessary, including admin-
6 istrative action, to collect such claim, and as part of such legal
7 action, in addition to any other remedies and penalties otherwise avail-
8 able under this article, the commissioner may assess against the employ-
9 er damages of [one] TWO hundred FIFTY dollars for each work [week] DAY
10 that the violations occurred or continue to occur, BUT NOT TO EXCEED A
11 TOTAL OF FIVE THOUSAND DOLLARS. In any action or administrative proceed-
12 ing to recover damages for violation of subdivision three of section one
13 hundred ninety-five of this article, it shall be an affirmative defense
14 that (i) the employer made complete and timely payment of all wages due
15 pursuant to this article or articles nineteen or nineteen-A of this
16 chapter to the employee who was not provided statements as required by
17 subdivision three of section one hundred ninety-five of this article or
18 (ii) the employer reasonably believed in good faith that it was not
19 required to provide the employee with statements pursuant to paragraph
20 (e) of subdivision one of section one hundred ninety-five of this arti-
21 cle.

22 S 3. Subdivision 1 of section 218 of the labor law, as amended by
23 chapter 564 of the laws of 2010, the opening paragraph and second undes-
24 ignated paragraph as further amended by section 104 of part A of chapter
25 62 of the laws of 2011, is amended and a new subdivision 5 is added to
26 read as follows:

27 1. If the commissioner determines that an employer has violated a
28 provision of article six (payment of wages), article nineteen (minimum
29 wage act), article nineteen-A (minimum wage standards and protective
30 labor practices for farm workers), section two hundred twelve-a, section
31 two hundred twelve-b, section one hundred sixty-one (day of rest) or
32 section one hundred sixty-two (meal periods) of this chapter, or a rule
33 or regulation promulgated thereunder, the commissioner shall issue to
34 the employer an order directing compliance therewith, which shall
35 describe particularly the nature of the alleged violation. A copy of
36 such order shall be provided to any employee who has filed a complaint
37 and any authorized representative of him or her. In addition to direct-
38 ing payment of wages, benefits or wage supplements found to be due, and
39 liquidated damages in the amount of one hundred percent of unpaid wages,
40 such order, if issued to an employer who previously has been found in
41 violation of those provisions, rules or regulations, or to an employer
42 whose violation is willful or egregious, shall direct payment to the
43 commissioner of an additional sum as a civil penalty in an amount not to
44 exceed double the total amount of wages, benefits, or wage supplements
45 found to be due. ADDITIONALLY, SUCH ORDER, IF ISSUED TO AN EMPLOYER WHO
46 PREVIOUSLY HAS BEEN FOUND IN VIOLATION OF THOSE PROVISIONS, RULES OR
47 REGULATIONS, OR TO AN EMPLOYER WHOSE VIOLATION IS WILLFUL OR EGREGIOUS,
48 SHALL DIRECT SUCH EMPLOYER TO REPORT, BY LOCATION, AND FOR SUCH PERIOD
49 AS THE COMMISSIONER SHALL DETERMINE, (A) THE NUMBER OF PERMANENT
50 FULL-TIME EMPLOYEES, THE NUMBER OF TEMPORARY FULL-TIME EMPLOYEES, THE
51 NUMBER OF PERMANENT PART-TIME EMPLOYEES, THE NUMBER OF TEMPORARY
52 PART-TIME EMPLOYEES, AND THE NUMBER OF TEMPORARY STAFFING AGENCY EMPLOY-
53 EES PERFORMING WORK FOR THE EMPLOYER; (B) THE HOURLY RATES OF SUCH
54 EMPLOYEES REPORTED IN THE FOLLOWING BRACKETS: THE STATE MINIMUM WAGE TO
55 \$9.99; \$10.00 TO \$11.99; \$12.00 TO \$14.99; AND \$15.00 OR MORE; (C) THE
56 NUMBER OF EMPLOYEES WHO REGULARLY WORKED THE FOLLOWING NUMBER OF HOURS

1 PER WEEK DURING THE RELEVANT CALENDAR PERIOD: AT LEAST SIXTY; AT LEAST
2 FIFTY BUT FEWER THAN SIXTY; AT LEAST FORTY, BUT FEWER THAN FIFTY; AT
3 LEAST THIRTY-FIVE BUT FEWER THAN FORTY; AT LEAST THIRTY BUT FEWER THAN
4 THIRTY-FIVE; AT LEAST TWENTY-FIVE BUT FEWER THAN THIRTY; AT LEAST TWENTY
5 BUT FEWER THAN TWENTY-FIVE; AT LEAST TEN BUT FEWER THAN TWENTY; AT LEAST
6 FIVE BUT FEWER THAN TEN; FEWER THAN FIVE. NO INDIVIDUAL IDENTIFYING
7 INFORMATION OF SUCH EMPLOYEES SHALL BE REPORTED OR OTHERWISE DISCLOSED
8 TO THE DEPARTMENT. THE DEPARTMENT SHALL POST THE DATA COLLECTED ON THE
9 DEPARTMENT'S WEBSITE. FOR THE PURPOSES OF THIS SECTION, TEMPORARY
10 EMPLOYEES SHALL BE THOSE EMPLOYEES WHO ARE HIRED FOR A PERIOD OF SIXTY
11 DAYS OR LESS DURING THE RELEVANT CALENDAR YEAR, FULL-TIME EMPLOYEES
12 SHALL BE THOSE REGULARLY WORKING FORTY HOURS OR MORE PER WEEK DURING THE
13 RELEVANT CALENDAR YEAR, PART-TIME EMPLOYEES SHALL BE THOSE WORKING LESS
14 THAN FORTY HOURS PER WEEK DURING THE RELEVANT CALENDAR YEAR. In no case
15 shall the order direct payment of an amount less than the total wages,
16 benefits or wage supplements found by the commissioner to be due, plus
17 the liquidated damages in the amount of one hundred percent of unpaid
18 wages, the appropriate civil penalty, and interest at the rate of inter-
19 est then in effect, as prescribed by the superintendent of financial
20 services pursuant to section fourteen-a of the banking law per annum
21 from the date of the underpayment to the date of the payment. Where the
22 violation is for a reason other than the employer's failure to pay
23 wages, benefits or wage supplements found to be due, the order shall
24 direct payment to the commissioner of a civil penalty in an amount not
25 to exceed one thousand dollars for a first violation, two thousand
26 dollars for a second violation or three thousand dollars for a third or
27 subsequent violation. In assessing the amount of the penalty, the
28 commissioner shall give due consideration to the size of the employer's
29 business, the good faith basis of the employer to believe that its
30 conduct was in compliance with the law, the gravity of the violation,
31 the history of previous violations and, in the case of wages, benefits
32 or supplements violations, the failure to comply with recordkeeping or
33 other non-wage requirements.

34 Where there is a violation of section one hundred ninety-eight-b of
35 this chapter, the order shall direct payment back to the employee of the
36 amount of wages, supplements or other thing of value unlawfully received
37 plus liquidated damages in the amount of one hundred percent of unpaid
38 wages, and interest at the rate of interest then in effect, as
39 prescribed by the superintendent of financial services pursuant to
40 section fourteen-a of the banking law per annum from the date of the
41 payback, return, donation or contribution to the date of payment, and
42 shall include such other relief as may be appropriate, including rehir-
43 ing or reinstatement of the employee to his or her former position, back
44 wages, and restoration of seniority. In addition, the commissioner shall
45 order payment of a civil penalty of at least twenty-five hundred dollars
46 but not more than five thousand dollars per violation. In assessing the
47 amount of the penalty, the commissioner shall give due consideration to
48 the size of the employer's business, the good faith basis of the employ-
49 er to believe that its conduct was in compliance with the law, the grav-
50 ity of the violation, the history of previous violations.

51 At the discretion of the commissioner, the commissioner shall have
52 full authority to provide for inclusion of an automatic fifteen percent
53 additional amount of damages to come due and owing upon expiration of
54 ninety days from an order to comply becoming final. The commissioner
55 shall provide written notice to the employer in the order to comply of
56 this additional damage.

1 5. AN EMPLOYER SIMILAR IN OPERATION AND OWNERSHIP TO A PRIOR EMPLOYER
2 WHICH HAD BEEN FOUND IN VIOLATION OF ARTICLE SIX, NINETEEN OR NINETEEN-A
3 OF THIS CHAPTER, SHALL BE DEEMED THE SAME EMPLOYER FOR THE PURPOSES OF
4 THIS SECTION IF THE EMPLOYEES OF THE NEW EMPLOYER ARE ENGAGED IN
5 SUBSTANTIALLY THE SAME WORK IN SUBSTANTIALLY THE SAME WORKING CONDITIONS
6 UNDER SUBSTANTIALLY THE SAME SUPERVISORS, OR IF THE SUBSEQUENT EMPLOYER
7 HAS SUBSTANTIALLY THE SAME PRODUCTION PROCESS, PRODUCES SUBSTANTIALLY
8 THE SAME PRODUCTS AND HAS SUBSTANTIALLY THE SAME BODY OF CUSTOMERS. SUCH
9 SUBSEQUENT EMPLOYER SHALL CONTINUE TO BE SUBJECT TO THIS SECTION AND
10 LIABLE FOR THE ACTS OF THE PRIOR EMPLOYER UNDER THIS SECTION.

11 S 4. Section 219 of the labor law is amended by adding a new subdivi-
12 sion 4 to read as follows:

13 4. AN EMPLOYER SIMILAR IN OPERATION AND OWNERSHIP TO A PRIOR EMPLOYER
14 FOUND TO BE IN VIOLATION OF ARTICLE SIX, NINETEEN OR NINETEEN-A OF THIS
15 CHAPTER, SHALL BE DEEMED THE SAME EMPLOYER FOR THE PURPOSES OF THIS
16 SECTION IF THE EMPLOYEES OF THE SUBSEQUENT EMPLOYER ARE ENGAGED IN
17 SUBSTANTIALLY THE SAME WORK IN SUBSTANTIALLY THE SAME WORKING CONDITIONS
18 UNDER SUBSTANTIALLY THE SAME SUPERVISORS, OR IF THE NEW ENTITY HAS
19 SUBSTANTIALLY THE SAME PRODUCTION PROCESS, PRODUCES SUBSTANTIALLY THE
20 SAME PRODUCTS AND HAS SUBSTANTIALLY THE SAME BODY OF CUSTOMERS. SUCH A
21 SUBSEQUENT EMPLOYER WILL CONTINUE TO BE SUBJECT TO THIS SECTION AND
22 SHALL BE LIABLE FOR THE ACTS OF THE PRIOR EMPLOYER UNDER THIS SECTION.

23 S 5. Subdivision 3 of section 198 of the labor law, as amended by
24 chapter 564 of the laws of 2010, is amended to read as follows:

25 3. Notwithstanding any other provision of law, an action to recover
26 upon a liability imposed by this article must be commenced within six
27 years. The statute of limitations shall be tolled from the date an
28 employee files a complaint with the commissioner or the commissioner
29 commences an investigation, whichever is earlier, until an order to
30 comply issued by the commissioner becomes final, or where the commis-
31 sioner does not issue an order, until the date on which the commissioner
32 notifies the complainant that the investigation has concluded. Investi-
33 gation by the commissioner shall not be a prerequisite to nor a bar
34 against a person bringing a civil action under this section. All employ-
35 ees shall have the right to recover full wages, benefits and wage
36 supplements and liquidated damages accrued during the six years previous
37 to the commencing of such action, whether such action is instituted by
38 the employee or by the commissioner. THE COMMISSIONER'S INVESTIGATION
39 SHALL COVER THE ENTIRE SIX-YEAR STATUTE OF LIMITATIONS PERIOD UNLESS THE
40 COMMISSIONER OTHERWISE NOTIFIES ALL AFFECTED EMPLOYEES.

41 S 6. Paragraph (b) of subdivision 1 and paragraph (a) of subdivision 2
42 of section 215 of the labor law, as amended by chapter 564 of the laws
43 of 2010, are amended to read as follows:

44 (b) If after investigation the commissioner finds that an employer or
45 person has violated any provision of this section, the commissioner may,
46 by an order which shall describe particularly the nature of the
47 violation, assess the employer or person a civil penalty of not less
48 than one thousand nor more than ten thousand dollars PROVIDED, HOWEVER,
49 THAT IF THE COMMISSIONER FINDS THAT THE EMPLOYER HAS VIOLATED THE
50 PROVISIONS OF THIS SECTION IN THE PRECEDING SIX YEARS, HE OR SHE MAY
51 ASSESS A CIVIL PENALTY OF NOT LESS THAN ONE THOUSAND NOR MORE THAN TWEN-
52 TY THOUSAND DOLLARS. The commissioner may also order all appropriate
53 relief including enjoining the conduct of any person or employer; order-
54 ing payment of liquidated damages to the employee by the person or enti-
55 ty in violation; and, where the person or entity in violation is an
56 employer ordering rehiring or reinstatement of the employee to his or

1 her former position or an equivalent position, and an award of lost
2 compensation or an award of front pay in lieu of reinstatement and an
3 award of lost compensation. Liquidated damages shall be calculated as an
4 amount not more than [ten] TWENTY thousand dollars. The commissioner may
5 assess liquidated damages on behalf of every employee aggrieved under
6 this section, in addition to any other remedies permitted by this
7 section.

8 (a) An employee may bring a civil action in a court of competent
9 jurisdiction against any employer or persons alleged to have violated
10 the provisions of this section. The court shall have jurisdiction to
11 restrain violations of this section, within two years after such
12 violation, regardless of the dates of employment of the employee, and to
13 order all appropriate relief, including enjoining the conduct of any
14 person or employer; ordering payment of liquidated damages, costs and
15 reasonable attorneys' fees to the employee by the person or entity in
16 violation; and, where the person or entity in violation is an employer,
17 ordering rehiring or reinstatement of the employee to his or her former
18 position with restoration of seniority or an award of front pay in lieu
19 of reinstatement, and an award of lost compensation and damages, costs
20 and reasonable attorneys' fees. Liquidated damages shall be calculated
21 as an amount not more than [ten] TWENTY thousand dollars. The court
22 shall award liquidated damages to every employee aggrieved under this
23 section, in addition to any other remedies permitted by this section.
24 The statute of limitations shall be tolled from the date an employee
25 files a complaint with the commissioner or the commissioner commences an
26 investigation, whichever is earlier, until an order to comply issued by
27 the commissioner becomes final, or where the commissioner does not issue
28 an order, until the date on which the commissioner notifies the
29 complainant that the investigation has concluded. Investigation by the
30 commissioner shall not be a prerequisite to nor a bar against a person
31 bringing a civil action under this section.

32 S 7. Subdivision 3 of section 218 of the labor law, as amended by
33 chapter 564 of the laws of 2010, is amended to read as follows:

34 3. Provided that no proceeding for administrative or judicial review
35 as provided in this chapter shall then be pending and the time for
36 initiation of such proceeding shall have expired, the commissioner may
37 file with the county clerk of the county where the employer resides or
38 has a place of business the order of the commissioner, or the decision
39 of the industrial board of appeals containing the amount found to be due
40 including the civil penalty, if any, and at the commissioner's
41 discretion, an additional fifteen percent damages upon any outstanding
42 monies owed. At the request of an employee, [and at the discretion of
43 the commissioner,] the commissioner [may] SHALL assign that portion of
44 the money due that constitutes wages, wage supplements, interest on
45 wages or wage supplements, or liquidated damages due that employee, to
46 that employee and file an order in that amount in the name of that
47 employee with the county clerk of the county where the employer resides
48 or has a place of business. The filing of such order or decision shall
49 have the full force and effect of a judgment duly docketed in the office
50 of such clerk. The order or decision may be enforced by and in the name
51 of the commissioner, OR BY THE EMPLOYEE, in the same manner, and with
52 like effect, as that prescribed by the civil practice law and rules for
53 the enforcement of a money judgment.

54 S 8. Subdivision 3 of section 219 of the labor law, as amended by
55 chapter 564 of the laws of 2010, is amended to read as follows:

1 3. Provided that no proceeding for administrative or judicial review
2 as provided in this chapter shall then be pending and the time for
3 initiation of such proceeding shall have expired, the commissioner may
4 file with the county clerk of the county where the employer resides or
5 has a place of business the order of the commissioner or the decision of
6 the industrial board of appeals containing the amount found to be due,
7 including, at the commissioner's discretion, an additional fifteen
8 percent damages upon any outstanding monies owed. At the request of an
9 employee, [and at the discretion of the commissioner,] the commissioner
10 [may] SHALL assign that portion of the money due that constitutes wages,
11 wage supplements, interest on wages or wage supplements, or liquidated
12 damages due the employee, to that employee and file an order in that
13 amount in the name of such employee with the county clerk of the county
14 where the employer resides or has a place of business. The filing of
15 such order or decision shall have the full force and effect of a judg-
16 ment duly docketed in the office of such clerk. The order or decision
17 may be enforced by and in the name of the commissioner, OR BY THE
18 EMPLOYEE, in the same manner, and with like effect, as that prescribed
19 by the civil practice law and rules for the enforcement of a money judg-
20 ment.

21 S 9. Subdivision 3 of section 663 of the labor law, as amended by
22 chapter 564 of the laws of 2010, is amended to read as follows:

23 3. Limitation of time. Notwithstanding any other provision of law, an
24 action to recover upon a liability imposed by this article must be
25 commenced within six years. The statute of limitations shall be tolled
26 from the date an employee files a complaint with the commissioner or the
27 commissioner commences an investigation, whichever is earlier, until an
28 order to comply issued by the commissioner becomes final, or where the
29 commissioner does not issue an order, until the date on which the
30 commissioner notifies the complainant that the investigation has
31 concluded. THE COMMISSIONER'S INVESTIGATION SHALL COVER THE ENTIRE SIX-
32 YEAR STATUTE OF LIMITATIONS PERIOD UNLESS THE COMMISSIONER OTHERWISE
33 NOTIFIES ALL AFFECTED EMPLOYEES. Investigation by the commissioner
34 shall not be a prerequisite to nor a bar against a person bringing a
35 civil action under this article.

36 S 10. The labor law is amended by adding a new section 861-g to read
37 as follows:

38 S 861-G. CONTRACTOR ACCOUNTABILITY. WHEN A CONTRACTOR OR SUB-CONTRAC-
39 TOR IS FOUND TO HAVE FAILED TO PAY ALL WAGES AS REQUIRED BY ARTICLE SIX
40 OR NINETEEN OF THIS CHAPTER, EITHER BY A FINAL ORDER ISSUED BY THE
41 COMMISSIONER, AN ASSURANCE OF DISCONTINUANCE OR FINAL SETTLEMENT WITH
42 THE OFFICE OF THE ATTORNEY GENERAL, OR A FINAL JUDGMENT OR ORDER OF A
43 COURT OF COMPETENT JURISDICTION, THE CONTRACTOR OR SUB-CONTRACTOR SHALL
44 NOTIFY ALL OF ITS EMPLOYEES OF THE NATURE OF THESE VIOLATIONS. NOTIFI-
45 CATION SUMMARIZING THE FINDINGS SHALL BE MADE VIA PAYCHECK ATTACHMENT TO
46 EMPLOYEES AT ALL WORKSITES ACCORDING TO SUCH FORM AND MANNER ORDERED BY
47 THE COMMISSIONER. THE COMMISSIONER SHALL HAVE THE AUTHORITY TO PROMUL-
48 GATE RULES NECESSARY TO EFFECTUATE THE TERMS OF THIS SECTION.

49 S 11. Section 609 of the limited liability company law is amended by
50 adding two new subdivisions (c) and (d) to read as follows:

51 (C) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISIONS (A) AND (B) OF THIS
52 SECTION, THE TEN MEMBERS WITH THE LARGEST PERCENTAGE OWNERSHIP INTEREST,
53 AS DETERMINED AS OF THE BEGINNING OF THE PERIOD DURING WHICH THE UNPAID
54 SERVICES REFERRED TO IN THIS SECTION ARE PERFORMED, OF EVERY LIMITED
55 LIABILITY COMPANY, SHALL JOINTLY AND SEVERALLY BE PERSONALLY LIABLE FOR
56 ALL DEBTS, WAGES OR SALARIES DUE AND OWING TO ANY OF ITS LABORERS, SERV-

1 ANTS OR EMPLOYEES, FOR SERVICES PERFORMED BY THEM FOR SUCH LIMITED
2 LIABILITY COMPANY. BEFORE SUCH LABORER, SERVANT OR EMPLOYEE SHALL CHARGE
3 SUCH MEMBER FOR SUCH SERVICES, HE OR SHE SHALL GIVE NOTICE IN WRITING TO
4 SUCH MEMBER THAT HE OR SHE INTENDS TO HOLD SUCH MEMBER LIABLE UNDER THIS
5 SECTION. SUCH NOTICE SHALL BE GIVEN WITHIN ONE HUNDRED EIGHTY DAYS AFTER
6 TERMINATION OF SUCH SERVICES. AN ACTION TO ENFORCE SUCH LIABILITY SHALL
7 BE COMMENCED WITHIN NINETY DAYS AFTER THE RETURN OF AN EXECUTION UNSAT-
8 ISFIED AGAINST THE LIMITED LIABILITY COMPANY UPON A JUDGMENT RECOVERED
9 AGAINST IT FOR SUCH SERVICES. A MEMBER WHO HAS PAID MORE THAN HIS OR HER
10 PRO RATA SHARE UNDER THIS SECTION SHALL BE ENTITLED TO CONTRIBUTION PRO
11 RATA FROM THE OTHER MEMBERS LIABLE UNDER THIS SECTION WITH RESPECT TO
12 THE EXCESS SO PAID, OVER AND ABOVE HIS OR HER PRO RATA SHARE, AND MAY
13 SUE THEM JOINTLY OR SEVERALLY OR ANY NUMBER OF THEM TO RECOVER THE
14 AMOUNT DUE FROM THEM. SUCH RECOVERY MAY BE HAD IN A SEPARATE ACTION. AS
15 USED IN THIS SUBDIVISION, "PRO RATA" MEANS IN PROPORTION TO PERCENTAGE
16 OWNERSHIP INTEREST. BEFORE A MEMBER MAY CLAIM CONTRIBUTION FROM OTHER
17 MEMBERS UNDER THIS SECTION, HE OR SHE SHALL GIVE THEM NOTICE IN WRITING
18 THAT HE OR SHE INTENDS TO HOLD THEM SO LIABLE TO HIM OR HER.

19 (D) FOR THE PURPOSES OF THIS SECTION, WAGES OR SALARIES SHALL MEAN ALL
20 COMPENSATION AND BENEFITS PAYABLE BY AN EMPLOYER TO OR FOR THE ACCOUNT
21 OF THE EMPLOYEE, SERVANT OR LABORER, FOR SERVICES PERFORMED BY THEM FOR
22 SUCH LIMITED LIABILITY COMPANY. THESE SHALL SPECIFICALLY INCLUDE BUT NOT
23 BE LIMITED TO SALARIES, OVERTIME, VACATION, HOLIDAY AND SEVERANCE PAY;
24 EMPLOYER CONTRIBUTIONS TO OR PAYMENTS OF INSURANCE OR WELFARE BENEFITS;
25 EMPLOYER CONTRIBUTIONS TO PENSION OR ANNUITY FUNDS; AND ANY OTHER MONEYS
26 PROPERLY DUE OR PAYABLE FOR SERVICES RENDERED BY SUCH EMPLOYEE, SERVANT
27 OR LABORER, INCLUDING ANY CONCOMITANT LIQUIDATED DAMAGES, PENALTIES,
28 INTEREST, ATTORNEYS' FEES OR COSTS.

29 S 12. The state finance law is amended by adding a new section 97-pppp
30 to read as follows:

31 S 97-PPPP. WAGE THEFT PREVENTION ENFORCEMENT ACCOUNT. 1. THERE IS
32 HEREBY ESTABLISHED IN THE CUSTODY OF THE STATE COMPTROLLER THE WAGE
33 THEFT PREVENTION ENFORCEMENT ACCOUNT.

34 2. SUCH FUND SHALL CONSIST OF MONEYS COLLECTED PURSUANT TO THE
35 PROVISIONS OF ARTICLES FIVE, SIX, NINETEEN AND NINETEEN-A OF THE LABOR
36 LAW, AND SECTIONS TWO HUNDRED FIFTEEN AND TWO HUNDRED EIGHTEEN OF THE
37 LABOR LAW, AND THE REGULATIONS PROMULGATED THEREUNDER.

38 3. MONEYS OF THE FUND SHALL BE AVAILABLE TO THE COMMISSIONER OF LABOR
39 FOR PURPOSES OF OFFSETTING THE COSTS INCURRED BY THE COMMISSIONER OF
40 LABOR FOR THE ADMINISTRATION AND ENFORCEMENT OF ARTICLES FIVE, SIX,
41 NINETEEN AND NINETEEN-A OF THE LABOR LAW, AND SECTIONS TWO HUNDRED
42 FIFTEEN AND TWO HUNDRED EIGHTEEN OF THE LABOR LAW, AND THE REGULATIONS
43 PROMULGATED THEREUNDER.

44 4. THE MONEYS SHALL BE PAID OUT OF THE FUND ON THE AUDIT AND WARRANT
45 OF THE COMPTROLLER ON VOUCHERS CERTIFIED OR APPROVED BY THE COMMISSIONER
46 OF LABOR OR HIS OR HER DESIGNEE.

47 5. NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL OR SPECIAL LAW, NO
48 MONEYS SHALL BE AVAILABLE FROM THE FUND UNTIL A CERTIFICATE OF ALLO-
49 CATION AND A SCHEDULE OF AMOUNTS TO BE AVAILABLE THEREFOR SHALL HAVE
50 BEEN ISSUED BY THE DIRECTOR OF THE BUDGET, AND A COPY OF SUCH CERTIF-
51 ICATE FILED WITH THE COMPTROLLER. SUCH CERTIFICATE MAY BE AMENDED FROM
52 TIME TO TIME BY THE DIRECTOR OF THE BUDGET AND A COPY OF EACH SUCH
53 AMENDMENT SHALL BE FILED WITH THE COMPTROLLER.

54 S 13. This act shall take effect on the sixtieth day after it shall
55 have become a law.