

# STATE OF NEW YORK

5771

2021-2022 Regular Sessions

## IN ASSEMBLY

February 24, 2021

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

AN ACT to amend the executive law, in relation to instituting a payment verification program for certified businesses on subcontracts

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

1 Section 1. Section 311 of the executive law is amended by adding a new  
2 subdivision 5 to read as follows:

3 5. (a) The director shall establish a payment verification program for  
4 the purposes of ensuring that certified businesses on subcontracts, are  
5 able to confirm that such certified business has received prompt payment  
6 from a contractor within fifteen days of a contractors submission of an  
7 invoice to the state. Such program shall:

8 (i) Utilize the state's electronic tracking system to monitor compli-  
9 ance with prompt payment as set forth in this paragraph;

10 (ii) Ensure that certified businesses on subcontracts are contacted to  
11 ensure payment was received;

12 (iii) Require that discrepancies between the payment amount reported  
13 by certified businesses on subcontracts and the payment amount actually  
14 received from the prime contractor, be resolved before any additional  
15 payments are made to the prime contractor; and

16 (iv) Require that prime contractors submit to the state an image of  
17 the cancelled check written to the certified business on subcontract for  
18 each invoice.

19 (b) Such program shall be published on the New York state contract  
20 system website, in solicitation documents, and in contract documents.

21 (c) Compliance with the payment verification program shall be a manda-  
22 tory provision of a prime contract.

23 § 2. This act shall take effect immediately; provided, however, that  
24 the amendments to section 311 of the executive law made by section one  
25 of this act shall not affect the expiration of such section and shall be  
26 deemed to expire therewith.

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

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