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:

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

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

(i) Utilize the state's electronic tracking system to monitor compliance with prompt payment as set forth in this paragraph;

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

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

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

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

(c) Compliance with the payment verification program shall be a mandatory provision of a prime contract.

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

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

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