STATE OF NEW YORK

10213

IN ASSEMBLY

February 12, 2026

Introduced by M. of A. STECK -- read once and referred to the Committee on Social Services

AN ACT to amend the executive law, in relation to regulatory penalties, fines, and/or revocation for small business

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

Section 1. Section 170-c of the executive law, as amended by section 1 of subpart B of part XX of chapter 55 of the laws of 2020 and subdivision 4 as amended by chapter 39 of the laws of 2022, is amended to read as follows:

§ 170-c. Regulatory penalties**, fines, and/or revocation** for small businesses. 1. Unless explicitly exempted or excluded by any other law, rule or regulation, upon a first time violation of a state agency's rules or regulations related to paperwork submitted to a state agency or actions or omissions that [~~are determined by such state agency to be de minimus~~] **are made in good faith and do not involve mendacity**, a small business, as defined in subdivision eight of section one hundred two of the state administrative procedure act, shall be afforded a cure period or other opportunity for ameliorative action if the violation can be corrected, the successful completion of which will prevent the imposition of penalties**, fines, and/or revocations** on the party or parties subject to enforcement of such de minimus violation. However, no waiver of penalties**, fines, and/or revocations** or cure period or other opportunity for ameliorative action may be given if the agency determines that the violation may result in a natural resource damage claim or serious actual harm, or may present an endangerment to public safety, human health or the environment, is a violation of human or civil rights law, results in loss of employee wages or benefits, interferes with any remedy, review, or resolution related to harassment or discrimination claims, was or is a willful violation, involves tax fraud, violates requirements related to federal funding to the state, relates to state funding or procurement, is similar to prior violations, is a penal law violation, relates to a material or substantive portion of the business, or is in contravention of the public interest and/or policy reflected by

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

LBD14670-03-6

the agency's mission. Upon such first violation, a state agency shall (a) provide the small business with a copy of the applicable small business regulation guides pursuant to section one hundred two-a of the state administrative procedure act and any other helpful guidance or information detailing the agency's rules and regulations, to the extent such materials exist, or (b) to the extent practicable, provide such small business assistance with compliance with the agency's rules and regulations. The agency shall have the discretion to determine the appropriate period of time to allow such small business to cure or take such other ameliorative action to address such violation, which shall be reasonable but shall not be less than fifteen business days unless a longer period is allowed pursuant to law or regulation.

2. As used in this section "state agency" shall mean an agency as defined in subdivision one of section one hundred two of the state administrative procedure act; provided that "state agency" shall not include the department of taxation and finance, the workers' compensation board nor the department of financial services.

3. Nothing herein shall prevent or preclude any other waivers of penalties**, fines, and/or revocations** that may be applicable by this or any other agency.

4. Every state agency shall provide to the division for small business, created pursuant to section one hundred thirty-two of the economic development law, the following information covering the previous calendar year, annually by July first following the effective date of this subdivision, and every July first thereafter: (a) how many cure periods or other opportunities for ameliorative action were afforded pursuant to subdivision one of this section and how many small businesses made use of such options, (b) how many cure periods and other opportunities for ameliorative action were successfully completed and resulted in the avoidance of a penalty**, fines, and/or revocations**, (c) what, if any, guidance, information, and assistance with compliance was provided to small businesses issued pursuant to subdivision one of this section, and (d) the range of time granted by the state agency to correct first time violations**, fines, and/or revocations** and the type of violations that were ameliorated. The division for small business shall by October first following the effective date of this subdivision, and every October first thereafter, prepare a report compiling this information, by agency, and shall post this report on its website and shall provide a copy of such report to the governor, the speaker of the assembly and the temporary president of the senate.

§ 2. This act shall take effect immediately; provided, however, that the amendments to section 170-c of the executive law made by section one of this act shall not affect the repeal of such section and shall expire and be deemed repealed therewith.