

# 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:

1 Section 1. Section 170-c of the executive law, as amended by section 1  
2 of subpart B of part XX of chapter 55 of the laws of 2020 and subdivi-  
3 sion 4 as amended by chapter 39 of the laws of 2022, is amended to read  
4 as follows:  
5 § 170-c. Regulatory penalties, fines, and/or revocation for small  
6 businesses. 1. Unless explicitly exempted or excluded by any other law,  
7 rule or regulation, upon a first time violation of a state agency's  
8 rules or regulations related to paperwork submitted to a state agency or  
9 actions or omissions that [~~are determined by such state agency to be de~~  
10 ~~minus~~] are made in good faith and do not involve mendacity, a small  
11 business, as defined in subdivision eight of section one hundred two of  
12 the state administrative procedure act, shall be afforded a cure period  
13 or other opportunity for ameliorative action if the violation can be  
14 corrected, the successful completion of which will prevent the imposi-  
15 tion of penalties, fines, and/or revocations on the party or parties  
16 subject to enforcement of such de minimus violation. However, no waiver  
17 of penalties, fines, and/or revocations or cure period or other opportu-  
18 nity for ameliorative action may be given if the agency determines that  
19 the violation may result in a natural resource damage claim or serious  
20 actual harm, or may present an endangerment to public safety, human  
21 health or the environment, is a violation of human or civil rights law,  
22 results in loss of employee wages or benefits, interferes with any reme-  
23 dy, review, or resolution related to harassment or discrimination  
24 claims, was or is a willful violation, involves tax fraud, violates  
25 requirements related to federal funding to the state, relates to state  
26 funding or procurement, is similar to prior violations, is a penal law  
27 violation, relates to a material or substantive portion of the business,  
28 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.

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

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

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

21 4. Every state agency shall provide to the division for small busi-  
22 ness, created pursuant to section one hundred thirty-two of the economic  
23 development law, the following information covering the previous calen-  
24 dar year, annually by July first following the effective date of this  
25 subdivision, and every July first thereafter: (a) how many cure periods  
26 or other opportunities for ameliorative action were afforded pursuant to  
27 subdivision one of this section and how many small businesses made use  
28 of such options, (b) how many cure periods and other opportunities for  
29 ameliorative action were successfully completed and resulted in the  
30 avoidance of a penalty, finances, and/or revocations, (c) what, if any,  
31 guidance, information, and assistance with compliance was provided to  
32 small businesses issued pursuant to subdivision one of this section, and  
33 (d) the range of time granted by the state agency to correct first time  
34 violations, finances, and/or revocations and the type of violations that  
35 were ameliorated. The division for small business shall by October first  
36 following the effective date of this subdivision, and every October  
37 first thereafter, prepare a report compiling this information, by agen-  
38 cy, and shall post this report on its website and shall provide a copy  
39 of such report to the governor, the speaker of the assembly and the  
40 temporary president of the senate.

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