STATE OF NEW YORK

9386

IN SENATE

March 6, 2026

Introduced by Sen. PALUMBO -- read twice and ordered printed, and when printed to be committed to the Committee on Procurement and Contracts

AN ACT to amend the state finance law, in relation to requiring audits by the comptroller in the event of arrest or conviction of contractors

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

Section 1. The state finance law is amended by adding a new section 149 to read as follows:

§ 149. Audits upon conviction or determination. 1. For the purposes of this section, the term "contractor" shall include any person, firm, partnership or corporation which:

(a) is a subcontractor of the contractor;

(b) has subcontracted portions of a project to the contractor; or

(c) is substantially owned, substantially owns, or is substantially affiliated with the contractor.

2. The state comptroller shall, upon conviction or any determination against a contractor for violations of section four hundred three of the insurance law, article one hundred fifty-five of the penal law in relation to wage theft, article one hundred seventy-six of the penal law, section one hundred fourteen of the workers' compensation law, or subdivision four of section one hundred ninety-five or section one hundred ninety-eight-a or two hundred twenty of the labor law, conduct an audit of all existing public works projects commenced by such contractor that have received state funds.

§ 2. This act shall take effect immediately.

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

LBD14580-02-6