

STATE OF NEW YORK

10634

IN ASSEMBLY

March 13, 2026

Introduced by M. of A. HUNTER -- read once and referred to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to voiding certain agreements conditioning the right of a subcontractor's or material supplier's right to commence a lawsuit or arbitration proceeding for breach of contract or quantum meruit

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

1 Section 1. Subdivision 2 of section 5-322.1 of the general obligations
2 law, as added by chapter 224 of the laws of 2009, is amended to read as
3 follows:
4 2. A covenant, promise, agreement or understanding in, or in
5 connection with or collateral to a contract or agreement relative to the
6 construction, alteration, repair or maintenance of a building, struc-
7 ture, appurtenances and appliances including moving, demolition and
8 excavating connected therewith, purporting to condition a subcontrac-
9 tor's or [~~materialman's~~] material supplier's right to (a) file a claim,
10 (b) commence a lawsuit or arbitration proceeding for breach of contract
11 or quantum meruit, and/or (c) commence an action on a payment bond on
12 exhaustion of another legal remedy is against public policy and is void
13 and unenforceable; provided that this subdivision shall not affect the
14 validity of any insurance contract, workers' compensation agreement or
15 other agreement issued by an admitted insurer.
16 § 2. This act shall take effect immediately and shall apply to all
17 contracts entered into, renewed, modified or amended on or after such
18 effective date.

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

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