

# STATE OF NEW YORK

10912

## IN ASSEMBLY

April 8, 2026

Introduced by M. of A. RAJKUMAR -- read once and referred to the Committee on Ways and Means

AN ACT to amend state finance law, in relation to curb interest on all fees in the state

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

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "fee relief act".

3 § 2. Subdivision 3 of section 18 of the state finance law, as added by  
4 chapter 55 of the laws of 1992, is amended to read as follows:

5 3. Unless provided otherwise by contract, statute or regulation, a  
6 debtor owing a debt to any state agency shall pay such debt on or before  
7 the [~~thirtieth day~~] three hundred sixty-fifth day following such  
8 debtor's receipt of any billing invoice or notice sent by the state  
9 agency that such debt is due and owing and that failure to make timely  
10 payment, as stated in the billing invoice or notice, will result in the  
11 assessment of interest or a late payment charge and may result in a  
12 charge to cover the cost of processing, handling, and collecting such  
13 debt.

14 § 3. Subdivision 4 of section 18 of the state finance law, as amended  
15 by section 26-a of part XX of chapter 56 of the laws of 2024, is amended  
16 to read as follows:

17 4. Unless provided otherwise by contract, statute or regulation, a  
18 debtor that fails to make payment of a debt within the period set forth  
19 in subdivision three of this section shall pay, in addition to the  
20 amount of debt, interest on the outstanding balance of the debt, accru-  
21 ing on the date on which the receipt of the first billing invoice or  
22 first notice occurs[, ~~computed at the underpayment rate which is in~~  
23 ~~effect on the date which the receipt of the first billing invoice or~~  
24 ~~first billing notice occurs~~]. For the purposes of this section, the  
25 [~~underpayment~~] interest rate shall be [~~that rate~~] set [~~by the commis-~~  
26 ~~sioner of taxation and finance and published in the state register~~  
27 ~~pursuant~~] to [~~subsection (e) of section one thousand ninety-six of the~~  
28 ~~tax law minus four percentage points. With respect to specific classes~~

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

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1 ~~of debt collected by a state agency, the director of the budget or offi-~~  
2 ~~cial of a state agency so designated by the director of the budget may~~  
3 ~~approve the assessment of interest at a date later than the thirtieth~~  
4 ~~day following such debtor's receipt of any billing invoice or notice~~  
5 ~~sent by the state agency] no more than one percentage point greater than~~  
6 ~~the consumer price index for urban wage earners and clerical workers per~~  
7 ~~annum.~~

8 § 4. Subdivision 5 of section 18 of the state finance law, as amended  
9 by section 1 of part C of chapter 81 of the laws of 2002, is amended to  
10 read as follows:

11 5. In addition to the charges referred to in subdivision four of this  
12 section, and unless provided otherwise by contract, statute or regu-  
13 lation, a debtor that fails to make payment of a debt subject to this  
14 section [~~within ninety days of receipt by the debtor of the first bill-~~  
15 ~~ing invoice or notice may] shall not be assessed an additional  
16 collection fee charge to cover the cost of processing, handling and  
17 collecting such debt[~~, not to exceed twenty-two percent of the outstand-~~  
18 ~~ing debt, which]. A collection fee shall be added to and payable in the  
19 same manner as the outstanding debt if such debt relates to unpaid  
20 taxes, judgments or restitution to others. The assessed collection fee  
21 charge may not exceed the agency's estimated cost of processing, handl-  
22 ing and collecting such debt.~~~~

23 § 5. This act shall take effect immediately.