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:

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

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

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

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

4. Unless provided otherwise by contract, statute or regulation, a debtor that fails to make payment of a debt within the period set forth in subdivision three of this section shall pay, in addition to the amount of debt, interest on the outstanding balance of the debt, accruing on the date on which the receipt of the first billing invoice or first notice occurs[~~, computed at the underpayment rate which is in effect on the date which the receipt of the first billing invoice or first billing notice occurs~~]. For the purposes of this section, the [~~underpayment~~] **interest** rate shall be [~~that rate~~] set [~~by the commissioner of taxation and finance and published in the state register pursuant~~] to [~~subsection (e) of section one thousand ninety-six of the 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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~~of debt collected by a state agency, the director of the budget or official of a state agency so designated by the director of the budget may approve the assessment of interest at a date later than the thirtieth day following such debtor's receipt of any billing invoice or notice sent by the state agency~~] no more than one percentage point greater than the consumer price index for urban wage earners and clerical workers per annum.

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

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

§ 5. This act shall take effect immediately.