STATE OF NEW YORK

3382--A

2025-2026 Regular Sessions

IN ASSEMBLY

January 27, 2025

Introduced by M. of A. DINOWITZ -- read once and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the penal law, in relation to the misappropriation of payroll funds

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

Section 1. The penal law is amended by adding a new section 165.80 to read as follows:

§ 165.80 Misappropriation of payroll funds.

A person is guilty of misappropriation of payroll funds when such person knows that funds are designated for use as employee payroll funds or as payment of payroll taxes, and intentionally prevents the funds from being used for their designated purpose. A delayed transfer of funds, in accordance with an agreement between a payroll processing company and an employer for the purpose of investigating potentially fraudulent or incorrect transactions, shall not constitute misappropriation of payroll funds. A payroll processing company shall not be responsible for an employer's failure to provide sufficient funds.

Misappropriation of payroll funds is a class E felony.

§ 2. This act shall take effect immediately.

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

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