

# STATE OF NEW YORK

3382--B

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 -- 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:

- 1 Section 1. The penal law is amended by adding a new section 165.80 to  
2 read as follows:  
3 § 165.80 Misappropriation of payroll funds.  
4 A person is guilty of misappropriation of payroll funds when such  
5 person knows that funds are designated for use as employee payroll funds  
6 or as payment of payroll taxes, and intentionally prevents the funds  
7 from being used for their designated purpose. A delayed transfer of  
8 funds, in accordance with an agreement between a payroll processing  
9 company and an employer for the purpose of investigating potentially  
10 fraudulent or incorrect transactions, shall not constitute misappropri-  
11 ation of payroll funds. A payroll processing company shall not be  
12 responsible for an employer's failure to provide sufficient funds.  
13 Misappropriation of payroll funds is a class A misdemeanor.  
14 § 2. This act shall take effect immediately.

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

LBD06028-04-6