

STATE OF NEW YORK

8097

2025-2026 Regular Sessions

IN ASSEMBLY

April 30, 2025

Introduced by M. of A. LASHER, ZINERMAN, MAGNARELLI, LEE, TAPIA, SEAWRIGHT -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to establishing the "reciprocal enforcement of claims on unpaid or reduced state entitlements act"

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 "reciprocal enforcement of claims on unpaid or reduced state entitle-
3 ments act" or the "RECOURSE act".

4 § 2. The state finance law is amended by adding a new section 6 to
5 read as follows:

6 § 6. Federal funds; withholding and appropriation thereof. 1. The
7 state comptroller shall issue a report not more than sixty days after
8 the effective date of this section including (a) any federal funds owed
9 to the state, where the federal government's nonpayment is in contraven-
10 tion of a court decision; and (b) any funds the comptroller projects
11 will be due to be paid by the state to the federal government during the
12 succeeding twelve months, including, but not limited to, federal taxes
13 owed by the state as an employer, federal employment taxes withheld by
14 the state on behalf of the federal government, offsets for federal
15 debts, backup withholding of federal taxes, and federal grant repay-
16 ments. The comptroller shall update this report monthly.

17 2. Following issuance of such report, if it is indicated there are
18 federal funds owed to the state in contravention of a court decision,
19 the governor, the comptroller, and the director of the division of the
20 budget, acting jointly and unanimously, may direct the commissioner of
21 taxation and finance to withhold payments to the federal government;
22 provided, however, the total amount withheld shall not exceed the amount
23 of federal funds owed to the state in contravention of a court decision
24 as described in the comptroller's report.

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

LBD10808-02-5

1 3. Such funds held pursuant to subdivision two of this section shall
2 be made available for appropriation as state funds; provided, however,
3 such appropriations shall not exceed the amount of federal funds owed to
4 the state in contravention of a court decision as described in the comp-
5 troller's report.

6 § 3. This act shall take effect immediately.