STATE OF NEW YORK

9229

2025-2026 Regular Sessions

IN ASSEMBLY

November 3, 2025

Introduced by M. of A. CUNNINGHAM -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the executive law, in relation to providing emergency financial assistance and consumer protections to federal employees and contractors residing in New York state who experience loss of income due to a lapse in federal appropriations, and directing certain state agencies to coordinate relief efforts during federal government shutdowns

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 "shutdown impact mitigation act".

§ 2. Legislative findings and intent. The legislature finds that lapses in federal appropriations cause immediate and significant hardship for thousands of federal employees and contractors residing in New York state. When paychecks are delayed through no fault of their own, these individuals face challenges in meeting basic obligations such as rent, mortgage, childcare, and utilities.

It is the intent of the legislature to establish a coordinated state response--leveraging existing agencies--to provide temporary financial assistance, protect against penalties and late fees, and ensure affected residents can maintain stability until federal operations resume.

§ 3. The executive law is amended by adding a new section 170-k to read as follows:

§ 170-k. Shutdown impact mitigation. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) "Federal shutdown" means any lapse in federal appropriations resulting in the temporary furlough or nonpayment of federal employees or federal contractors.

(b) "Affected worker" means any individual who is (i) employed by the federal government and resides in New York state, or (ii) a resident

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

LBD13963-01-5

federal contractor whose payment or employment is suspended as a direct result of a federal shutdown.

(c) "Administering agency" means the department of labor or office of temporary and disability assistance, as designated by the governor.

2. Emergency relief program. (a) Upon declaration of a federal shutdown, the administering agency shall activate an emergency relief program to provide short-term, zero-interest loans or grants to affected workers residing in New York state.

(b) Funds shall be drawn from existing appropriations available to the administering agency, and may be supplemented by private or philanthropic contributions deposited into a designated account.

(c) Assistance shall be capped at an amount equal to two weeks of the affected worker's average net pay and may be repaid or forgiven once federal back pay is issued.

(d) The administering agency shall establish an online and in-person application process, and may coordinate with federal employee unions, credit unions, and community organizations to verify eligibility of applicants.

3. Temporary consumer and housing protections. (a) During any declared federal shutdown, all state-regulated banks, credit unions, mortgage servicers, landlords, and utility providers are authorized to offer forbearance, deferment, or waiver of late fees to affected workers who provide proof of federal employment or contract status.

(b) The department of financial services shall issue guidance and may adopt emergency regulations to encourage compliance and publicize these protections.

(c) No adverse credit reporting shall be made against an affected worker for nonpayment of obligations during the shutdown period and for thirty days thereafter.

(d) State and municipal agencies shall suspend enforcement actions for unpaid fees, fines, or tickets for affected workers during the same period.

4. Coordination and public information. (a) The department of labor shall maintain a public shutdown impact portal, providing up-to-date information on relief eligibility, participating financial institutions, and available state and local resources.

(b) The administering agency shall submit an annual report to the governor and the legislature within ninety days of the end of each federal shutdown, detailing the number of applicants served, total relief disbursed, list of participating institutions, and recommendations for future program improvement.

§ 4. This act shall take effect immediately and shall apply to any federal shutdown declared on or after such effective date.